Cryosite Limited

ABN 86 090 919 476

Appendix 4E

Full Year Report

Results for announcement to the market

1. Details of Reporting Period

The financial information contained in this report is for the 12 months ended 30 June 2021. Comparative amounts (unless otherwise indicated) relate to the year ended 30 June 2020.

2. Results for Announcement to the Market

				$A'000
2.1 Revenue from ordinary activities:	Up	12%	to	10,081k
2.2a Underlying profit before tax for the period from ordinary activities (prior year excluded the legal claim):	Up	39%	to	1,120k
2.2b Profit (loss) from ordinary activities after tax attributable to members (prior year excluded the legal claim):	Up	25%	to	653k
2.3 Net profit (loss) for the period attributable to members:	Down	56%	to	653k

2.4 Dividends

The Board of Cryosite has on the 24th August 2021determined that no dividend will be paid.

2.5 Commentary on the results to the market:

An explanation of the result of the current period is set out in the Directors Report contained in the attached audit reviewed Annual Financial Report.

3.0 NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	0.8 cents	(0.7) cents

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Annual Report -2021

CRYOSITE LIMITED ANNUAL REPORT

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Corporate Information

DIRECTORS

Mr. Bryan Dulhunty (Non-Executive Chairman)
Mr. Andrew Kroger (Non-Executive Director)
Mrs. Nicola Swift (Non-Executive Director)

COMPANY SECRETARY

Mr. Bryan Dulhunty (CoSA Life Science - Corporate)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

13a Ferndell Street
South Granville
NSW 2142
Telephone: +61 2 8865 2000
Email: corporate@cryosite.com

SHARE REGISTER

Link Market Services Limited
Level 8, 580 George Street
Sydney NSW, 2000
Telephone: +61 1300 554 474

AUDITORS

Mazars Risk & Assurance Pty Limited
Level 12, 90 Arthur Street
North Sydney NSW, 2060
Telephone: +61 2 9922 1166

WEBSITE

www.cryosite.com
www.cryosite.com.au

CORPORATE GOVERNANCE

https://investors.cryosite.com/investors/?page=corporate-governance

CEO's Message

"A year of growth combined with successful repositioning of the business."

Dear Shareholders,

It has been a successful, indeed transformative year for Cryosite. We have consolidated our position as one of the leading clinical trials organisations in Australia. We have completed and successfully integrated technology into the operations and continue to grow. We have done this against the backdrop of unparalleled challenges presented by the Covid-19 pandemic.

Key Achievements

- Successful validation of inventory management system;
- Successful validation of our quality management system;
- Successfully managed Covid-19 situation;
- Platform set for future growth; and
- New customer engagement at all-time highs – with relationships established with some of the world's largest pharmaceutical companies.

Clinical Trials, Biological Storage and Logistics

The site in South Granville has performed strongly over the year. With increased capacity, modernisation of plant and equipment the site presents as one of the premier clinical trials facilities in Australia. During the year we added to the footprint with the build, commissioning and opening of new cold rooms and state of the art temperature-controlled processing areas, adding capability and further capacity to the site for future growth and increased volumes.

Cryosite's depot capabilities continue to expand as the number of clinical trials taking place in Australia / New Zealand increase. Cryosite believes its investments in additional capacity and enhanced services makes it the clear choice to support clinical trial / pharmaceutical companies in ANZ.

Cord Blood

The Company is excited about the long term potential profit and cash contribution from the Cord Blood segment. Following the closure of the collection and processing parts of the cord Blood segment in 2017 the Company has continued to store under long term contracts, the cords collected since 2002. These long-term contracts were largely cash up front contracts or 5-year payment plans. So while the financial results show an ongoing decline in revenue and cash flows as a result of our exiting the collection and processing of cords and tissue (run out period) the future for cord blood revenue and cash flows look bright. The initial 18-year contracts that the Company entered into 2002 have now expired. The company is now offering annual and multi-year renewal contracts. After 2 years of offering these renewal contracts, we are encouraged with the take up rate of this offering.

As time progresses, we have increasing confidence of the potential of this as a future profit and cash generator for the business. While the financial results will show a decrease in profitability and cash flow for the next couple of years (run out period) we believe the medium to longer term looks positive.

As such the company has invested in additional staff, improving our database and electronic communications with cord blood customers and we have established a standalone cord blood website

Continuing organic growth

Leveraging and executing on the opportunities presented by our new capabilities.

Seeking out further attractive growth strategies and expand in the medical technology markets.

CEO's Message

Consolidation and Efficiency Focus

During the year Cryosite fast-tracked its efficiency programs with solar panel and LED installation and more environmentally friendly equipment to deliver ongoing benefit to overall competitiveness and the environment.

This process was commenced during the year and will continue in FY22.

The Impact of Covid-19

The FY21 year has certainly been one that has thrown up its fair share of challenges to the business environment.

I would like to take this opportunity to thank all of Cryosite's dedicated staff for their resilience, focus, attitude and commitment during this year. This, in spite of the hurdles faced, has seen us perform strongly during this period and has positioned us very well for the future.

Covid-19 has brought several key themes to the forefront of the national consciousness, which are of direct relevance to our business. First, as a country, we have far too heavy a reliance on imported medicines. And secondly, we are far too exposed to the risks posed by global supply chains.

We believe that Cryosite is positioned very well to take advantage of these themes and their tailwinds, and the onshoring of clinical trials depots which is likely to take place. With our global client base, significant capability and capacity we are in an enviable position to take advantage of this in the future.

Outlook

It is not possible at this time to predict the ongoing impact or longevity of Covid-19. Whilst we expect some short-term impact to business from the pandemic in FY22, largely from the global supply chain in the medium term, Cryosite will be a net beneficiary due to the localisation of clinical trials.

This presents an exciting opportunity for Cryosite to focus on leveraging its significant client base, capacity and capability to take advantage of these market dynamics. With Cryosite's experienced management we believe we have a number of levers to pull in regard to new business and industry expansion to deliver for our shareholders now and in the future.

This coupled with Cryosite's balance sheet position gives us the opportunity to focus on potential further growth and at the same time seek out attractive and accretive strategic relationships to consolidate this market leading position.

New Business

In keeping with our strategy, Cryosite is working with new clients to expand our horizons into adjacent markets.

We have setup a new relationship in the oncology market for time / temperature sensitive products and are about commence an exciting trial with a new approach to the supply chain.

Cryosite has identified the medical cannabis market as an exciting, new area and are currently in the final stages of implementing a distribution channel using our extensive clinical trials knowledge and capabilities for controlled substances.

Large pharmaceutical companies at times require more specialised services than traditional third-party service providers offer due to very high value, low volume, specific temperature management and handling needs of a product. Cryosite is currently building additional specialised capabilities to enter into the market in the 4th quarter of the new financial year with new multi-national clients.

Investment to meet the needs of new business has been included in the capital budget for next year.

CEO's Message

Closing

In closing I would like to extend once more my thanks to our shareholders for your ongoing support. We will continue to remain diligent and focused to deliver upon our strategic objectives and deliver sustainable growth and shareholder value over the long term.

On behalf of the Executive, I would also like to express my sincere thanks to each and every staff member of Cryosite, including the newly welcomed members from our upskilling program this year for your dedication, efforts and commitment to continuing on our journey together.

Together with the Board and our dedicated management team, I look forward to delivering upon our strategic objectives :

Maintain and develop relationships with Tier 1 Pharma customers

Leverage Cryosite's capabilities to expand services in attractive cate gories.
Drive innovation with customers to maximise the revenue and margin opportunity.

Maximise opportunity from onshoring of clinical trials depots

Identifyattractiveopportunitiestocapturesharefromcustomersonshoringtheirdepots.
Utilise existing capacity and/or use demand to underpin capacity expansions.

Proactively assess strategic relationships and growth opportunities

Disciplined approach to strategic relationships in clinical trials and temperature sensitive sectors.

Drive operational improvement and cost synergies

Continue to leverage Cryosite's core operational strength and customer service capabilities
Removal of Covid-19 related costs from the supply chain .

Business Sustainability

Continue to take actionable, sustainable and proven steps into environmental, social and ethical risks management though our membership to the EcoVadis organisati on.

I would also like to extend my thanks to the Board of Cryosite, whose guidance, leadership and direction have been invaluable in the Company being positioned where it is today.

John Hogg

CEO

Directors' Report

The directors present their report together with the financial statements on the consolidated entity (the Group) consisting of Cryosite Limited (the Company) and the entity it controlled for the year ended 30 June 2021.

DIRECTORS

The following persons were directors of Cryosite Limited during the financial year and up to date of this report unless otherwise stated:

Mr. Bryan Dulhunty (appointed 2 March 2018)	Non-Executive Chairman
Mr. Andrew Kroger (appointed 21 November 2011)	Non-Executive
Mrs. Nicola Swift (appointed 31 October 2016)	Non-Executive

Names, qualifications, experience, interests and special responsibilities

Bryan Dulhunty, BEc, CA, Non-Executive Chairman

Mr. Dulhunty brings a wealth of life science experience to the position having been involved in the industry for the past 20 years. Mr. Dulhunty provides a range of consulting services to the life science industry. Mr. Dulhunty has served as a director of a number of listed ASX and non-listed life science companies. Mr. Dulhunty is a Chartered Accountant and holds an Economics Degree from Sydney University. Mr. Dulhunty was appointed to the Board on 2nd March 2018 and took on a short-term role as Executive Chairman on the 27th June 2019. On 15th October 2020 Mr. Dulhunty stepped down from his executive Chairman's role to non-executive Chairman.

Interest in shares and options at date of report

Shares	30,000
Options	1,300,000
Special responsibilities	Member of the Audit and Risk Committee and Nomination and Remuneration Committee Company Secretary

Mr. Andrew Kroger, BEc. LLB, Non-Executive Director

Mr. Kroger has had a career in stockbroking, law and general management including two years running Forsayth Group in 1990 which was Australia's ninth largest gold producer at that time. Mr. Kroger is the owner of Process Wastewater Technologies LLC, a company with its major business being in wastewater in the United States. Mr. Kroger has a Bachelor of Economics and a Bachelor of Laws from Monash University. Mr. Kroger was appointed to the Cryosite Limited board in November 2011.

Interest in shares at date of report	20,266,964

Mrs. Nicola Swift, BA (Mod) Legal Science, MA, CFA, GAICD, Non-Executive Director

Mrs. Swift has an extensive background in the international investment management and securities industry as a research director, portfolio manager and equity analyst in London, Sydney and Boston with various global institutional investors. Mrs. Swift is a Chartered Financial Analyst, a graduate of the Australian Institute of Corporate Directors and holds an Honours Law degree and a Masters of Arts from Trinity College Dublin. Mrs. Swift was appointed to the Board on 3 November 2016.

Interest in shares at date of report	Nil
Special responsibilities	Chair of the Remuneration and Nominations Committee & Chair of Audit and Risk Committee

Directors' Report (Continued)

COMPANY SECRETARY

Bryan Dulhunty, BEc, CA

Company Secretarial Services for Cryosite Limited are provided by CoSA Life Science Pty Limited - Corporate, a Company Secretarial firm specialising in the Life science industries.

EARNINGS PER SHARE

	2021	2020	2020* excluding the legal claim
Basic earnings per share (cents)	1.39	3.16	1.11
Diluted earnings per share (cents)	1.34	3.03	1.07

(*Please see Note 34 on page 55 for the details of the $1m legal claim receipt in FY20)

DIVIDENDS

No dividends were paid during the financial year. The total dividends declared were $nil (2020: nil).

PRINCIPAL ACTIVITIES

Cryosite operates through two operating segments:

- ***Clinical Trials, Biological Storage and Logistics***

Cryosite provides specialist temperature-controlled storage, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns management, comparator sourcing, import, export, validated transport solutions and biological storage to the clinical trials, research and pharmaceutical industry

- ***Cord Blood and Tissue Storage***

This business provides long term storage for cord blood and tissue samples.

REVIEW OF OPERATIONS

Overview

The results of the year ended 30 June 2021 evidence the continued turnaround of Cryosite over the past 3 years with

- Revenue continued its year-on-year growth, increasing by $1m (12%) to $10m.
- Net Profit before tax continued its year-on-year growth. Net profit before tax of $1.120m increased by $314k (39%) from the prior year $807k (excluding $959k one-off legal claim).

Cash remains strong with a cash balance of $3.9m at financial year end with no debt facilities.

Segment profit

- **Clinical Trials, Biological Storage and Logistics**

Clinical trials continued to perform strongly.

Revenue:
Clinical trial revenue grew 20.4% from the prior corresponding period to $7.5m. This represents the fourth half year of continued growth. The Company continues its expansion of its product offering into products listed on the Register of Therapeutic Goods as described in prior year reports.

We have successfully expanded the licenses we hold and aim to expand these further to ensure continued broad growth.

Expenses:
The company has invested in the future with the appointment of a number of senior staff, as well as the validation and implementation of a new warehousing IT system. These actions have seen expenses increase by a similar amount to the increase in sales. However, these expenditure items have given us the capacity for future expansion.

Profit:
Profit from the clinical trial division has continued its year-on-year growth to $3,141k (2020: $2,901k).

- **Cord Blood and Tissue Storage**

As stated in the previous directors' reports, the cord blood business remains in decline following the company's exit from the collection and processing of cord blood in 2017. During year revenue declined by $167k to $2,519k.

Revenue:
Cord blood revenues are comprised of entries bringing to account the deferred revenue relating to recorded long term contracts. Revenue is recognised over the life of the contact. As these contracts reach full term, associated revenue will decline. However, with the expiry of the original 18 and 25-year contracts, the Company has commenced offering ongoing annual storage plans. Whilst the contracts that have reached full term as at 30 June 2021 are only small in number (the Company offered its first 18-year contracts in 2002) at this stage, we are highly encouraged with the high take up rate of this ongoing annual offering. If take up rates continue at current levels, the cord blood segment over time will grow to be a significant profit centre.

Expenses:
Whilst cord blood expenses are largely fixed, an additional staff member was employed during the year, in addition to increased expenditure incurred on developing the electronic database to ensure efficient and effective interaction with our large number of cord blood customers.

Profit:
The combination of a small decline in revenue and an increase in expenses, the profit contribution from cord blood activities decreased from $656k in the prior year to $444k for this year.

Cash

Cash remains strong with a cash balance at financial year end of $3.9m with no debt facilities.

During the year, there were cash inflows from operations of $489k, Investing outflows of ($374k) and financing outflows of ($296k). They combined to a net $181k reduction in cash on hand.

Cash inflow from operations continues to grow year on year. Cash inflows from operations of $489k increased by $132k from the prior year inflows of $357k (excluding the one-off legal settlement inflow of $958k in the prior year) whilst supporting a significant growth in operating working capital.

Outlook

We believe the trends set in the past 2 years will continue into the coming year. As outlined in the CEO report we have entered into a number of new sales contracts with new clients. To fulfil the needs of these contracts the company expects to spend $760k on further capital expenditure in the 2022 financial year. While this expenditure will not add significantly to sales in the coming financial year, they are expected to add to significant sales volume increase in the following years.

Our financial results and the winning of new contracts demonstrates that our growth strategy is proving successful.

The pandemic has the potential to be a significant influence on the Company, the ongoing effects remains an unknown.

EMPLOYEES AND DIVERSITY

The Company employed 20 full-time equivalent employees as at 30 June 2021 (2020: 18 employees).

We are proud our staff have a rich mix of backgrounds, experiences and perspectives, giving us a unique culture and competitive advantage.

We strive to harness the power of diversity and to create an inclusive environment that empowers everyone to make a real difference. This environment enables our teams to support the success of our clients, and helps our people reach their full potential.

The Company recognises the value of diversity in the workplace and is committed to providing equal opportunity for all its staff with a 50/50 mix of employee's male/female ratio. There are numerous religions, cultures and where possible we offer flexible work practices and work life balance as a key retention tool. Cryosite is committed to providing a workplace free from any form of harassment, bullying and discrimination.

As at 1 July 2021

	All employees	Management	Team Lead	Age Range	Board of Directors
Male	12	5	1	30 - 68	2
Female	12	5	1	25 - 62	1
Total	**24**	**10**	**2**	**25 - 68**	**3**

	All employees	Management	Team Lead	Average age	Board Members
Male	50%	50%	50%	49	67%
Female	50%	50%	50%	45	33%
Total	**100%**	**100%**	**100%**	**47**	**100%**

EMPLOYEE INCENTIVE PLANS

In February 2017, the Cryosite Employee Incentive Plan (CEIP) was introduced to attract, retain and motivate management to strengthen their alignment with shareholder interests. This plan was ratified at the 2017 AGM.

As at the date of this report there are 1,950,000 (2020: 1,950,000) unissued ordinary shares under the CEIP:

	2021	2020
	$	$
Options	1,950,000	1,950,000
Total	1,950,000	1,950,000

Please refer to the remuneration report for further details. The circumstances under which Personnel is entitled to retain these options and performance rights if they leave the Company before the vesting date, is controlled by the terms of the CEIP and is at the discretion of the Board.

Directors' Report (Continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than detailed in the above there were no significant changes in the state of affairs of the Group during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

As at the date of this report there are no significant events that have occurred since the 30th June 2021.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board expects to focus on a growing clinical trial, biological services and logistics business supported by the long-term storage of cord blood and tissue for existing clients.

ENVIRONMENTAL REGULATIONS

The Company provides a range of services that require compliance to a variety of regulatory and statutory bodies regulations, including the Therapeutic Goods Administration (TGA), the Office of Drug Control, the Department of Agriculture and Water Resources and the NSW Department of Health. Additionally, the Company must comply with the quality system requirements of many of its customers. The Company has implemented a Company-wide quality management system to ensure that it meets or exceeds the requirements of all these interests.

There have been no significant known breaches of the consolidated entity's licence conditions or any regulations to which it is subject. The Company, to the best of its knowledge, is not subject to any specific environmental regulations.

ENVIRONMENTAL RESPONSIBILITIES

Cryosite is committed to developing energy and greenhouse gas management systems to reduce our Greenhouse Gas Emissions (GHG). The company has invested in sustainable technology.

These investments include:

- The installation of LED lighting throughout the site;
- The installation of solar panels;
- Replacement and upgrading of air conditioning units and compressors to more environmentally sustainable technology;
- Addition of web-based technology to optimise and control the function of all air conditioning units, compressors and variable controlled plant and equipment on site;
- Cardboard recycling where possible;
- Modernisation of our -80C freezer farm plant and equipment;
- Commitment to external review by Eco Vadis Global Sustainability Ratings Organisation.

Achievements:

Electricity Consumption and Greenhouse Gas Emissions

- Dec 2019 = 65 Tonnes
- May 2021 = 42 Tonnes

- Reduction = -35% in GHG

EcoVadis Global Sustainability Ratings
- Silver

STATUTORY LICENSING AND COMPLIANCE

Most of the services that Cryosite provide to generate income require some form of statutory licensing or compliance authority. The failure by Cryosite to attain and maintain such licenses and approvals would have a significant negative effect on the Company's ability to continue to provide such services and to maintain its viability. As referred to in other parts of this report, Cryosite is committed to mitigating risks in this area by the implementation and maintenance of a Company-wide Quality Management System.

INSURANCE OF DIRECTORS AND OFFICERS

The Company has paid a premium in respect of a contract insuring all the Directors and Officers against liability, except willful breach of duty, of a nature that is required to be disclosed under section 300(8) of the Corporations Act 2001. In accordance with commercial practice, further details of the nature of the liabilities insured against and the amount of the premium have not been disclosed.

In addition to the above, the Directors and certain Officers of the Company have entered into a Deed of Indemnity and Access confirming the Company's obligation to maintain an adequate Director and Officer Liability insurance policy and confirming the individual Directors' and Officers' right to access board papers and other Company documents. In return, the individual Directors and Officers have agreed to allow the Company to conduct the defense should the event arise.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company or of any related body corporate against a liability incurred as such an Officer or Auditor.

REMUNERATION REPORT (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company, and includes an executive in the Parent and the Group receiving the highest remuneration.

This has been audited by Mazars Risk & Assurance Pty Limited and is included within the scope of the audit report on pages 12-15.

Key Management Personnel

Details of the nature and amount of each element of remuneration for key management personnel of the Company which includes those key management personnel receiving the highest compensation for the financial year are as follows:

Mr. Bryan Dulhunty	Non-Executive Chairman
Mr. Andrew Kroger	Non-Executive Director
Mrs. Nicola Swift	Non-Executive Director
Mr John Hogg	Chief Executive Officer (appointed on 15/10/2020)
Ms Jane Hao	Chief Financial Officer (appointed on 8/01/2021)

The role of the Nominations and Remuneration Committee

While the Board maintains the authority and responsibility for the oversight of the Company's remuneration policy and the principles and processes which underpins the policy, on 9 December 2016, the Board established a Nominations and Remuneration committee to provide advice and recommendations to the Board on the structure and level of remuneration for the directors, senior executives and Company secretary, and on the design and award of all executive incentive plans.

The members of the committee are the independent non-executive director, Mrs. Nicola Swift (Chair) and Chairman Mr. Bryan Dulhunty.

Remuneration philosophy

The Company recognises the importance of structuring remuneration packages of its key management personnel so as to attract and retain people with the qualifications, skills and experience to help the Company achieve the required objectives. However, the Company understands that a prudent position must be observed in the total remuneration expense.

Board and Non-Executive Directors

As set out in our corporate governance policies, directors remuneration is set to attract a requisite skill set required to govern the company. The board has annual internal process to evaluate the performance of the board and its committees.

Cryosite has two non-executive directors and a non-executive Chairman. During the reporting period two of the three directors were deemed not to be-independent. The chairman, Mr. Dulhunty was not deemed to be independent for a period of time due to his executive role (that role ended on 15th October 2020, when Mr. Dulhunty stepped down from his executive Chairman's role to non-executive Chairman) and Mr. Andrew Kroger was not deemed to be independent, due to his substantial shareholding of the company with a relevant interest at the date of this report of 43.2%. Ms. Nicola Swift is considered to be independent.

Due to the small size of the company a board skill matrix has not been developed.

The board carries out an annual internal performance review of board, committees and individual directors. The last performance appraisal was carried out in August 2021.

The remuneration of directors including the Chairman consists of fixed annual fees. Apart from reimbursement of expenses incurred on the Company's behalf, non-executive directors are not eligible for any additional payments, unless directors take on additional or executive roles then they are entitled to additional fees. These additional fees are set out later in this report.

Non- Executive Chairman of the Board: $75,000 maximum per annum, plus superannuation
Non-Executive Directors: $60,000 maximum per annum, plus superannuation
Chair of the Remuneration and Nominations Committee: $5,000 maximum per annum, plus superannuation
Chair of Audit and Risk Committee: $5,000 maximum per annum, plus superannuation

Performance based compensation is not part of the remuneration structure offered to non-executive directors.

Total remuneration paid to non-executive directors is determined by the Board from time to time for presentation to and resolution by shareholders at the Annual General Meeting. The current maximum aggregate remuneration paid to non-executive directors is $350,000 per year. During 2021 total aggregate remuneration paid to non- executive directors was $224,475 (2020; $142,200).

Executive Remuneration

Executive total remuneration consists of the following components:

Fixed Remuneration

This comprised of a fixed base salary and statutory superannuation. This is reviewed annually although there is no guaranteed increase.

Short Term Incentive Plans

2021
Payments to directors are set out in the remuneration table below.

Long Term Incentive Plan: Cryosite Employee Incentive Plan (CEIP)

On 23 February 2017, the Cryosite Employee Incentive Plan (CEIP) was established by the Company. On invitation, the CEIP provides executives the opportunity to receive a long-term equity-based incentive in each financial year and is governed by the CEIP Plan Rules.

Options

On the 27 June 2019, the board granted options to the following key management personnel:

	Bryan Dulhunty* No.	**John Hogg No.**	**Total No.**
Options granted 27 June 2019	1,300,000	650,000	1,950,000
Total options issued as at 30 June 2019	**1,300,000**	**650,000**	**1,950,000**

The following components of the CEIP for options are as follows:

Vesting date	Up to 25 months from date of grant.
Option price	6 cents
Vesting conditions	Options will only vest after certain performance and conditions are met.
Performance conditions	Earnings per Share (EPS), Operating cashflow
Service conditions	Continuous employment with Cryosite from the date of the options are granted until the vesting date.
Expiry date	Options will expire 36 months after the vesting date.
Exercise of Options	Any options which meet the Vesting conditions will be available for exercise up until the Expiry date.

Conditions

Grant date	27 June 2019
Vesting date	1 September 2021
Expiry date	1 September 2024
Period	27/6/2019 to 1/9/2021
Exercise price	6 cents

Targets

Conditions of Vesting	**Target date**	**Percentage of Performance Rights that vest**
Positive Earnings per share (EPS)*	30 June 2021	33.3%
Positive Cashflow from Operations*	30 June 2021	33.3%
Continuous service	30 June 2021	33.3%

* Based on the 2021 audited accounts

Compensation for Key Management Personnel 2021

Year Ended 30 June 2021	Short term benefits		Post employment benefits	Share based payments	Total	Share based payments	Performance based
	Salary & Fees $	Other Cash benefits $	Super $	(4) $	$	%	%
Directors							
Andrew Kroger	60,000	-	5,700	-	65,700	0.0%	0.0%
Bryan Dulhunty	75,000	-	7,125	7,850	89,975	8.7%	8.7%
Nicola Swift (1)	70,000	-	6,650	-	76,650	0.0%	0.0%
Total directors	**205,000**	**-**	**19,475**	**7,850**	**232,325**	**3.4%**	**3.4%**
Executives							
John Hogg (2)	220,053	-	22,105	3,925	246,084	1.6%	1.6%
Jane Hao (3)	65,385	-	6,212	-	71,596	0.0%	0.0%
Total Executive	**285,438**	**-**	**28,317**	**3,925**	**317,680**	**1.2%**	**1.2%**
Total	**490,438**	**-**	**47,792**	**11,775**	**550,005**	**2.1%**	**2.1%**

*Chairman

(1) Nicola Swift - Director's fee paid to Nicola Swift $60,000 plus $5,000 as the Chair of the Remuneration and Nominations Committee, and $5,000 as the Chair of Audit and Risk Committee.

(2) CEO appointed on 15th October 2020.

(3) CFO appointed on 8th January 2021.

(4) This relates to the fair value of performance rights and options granted under the Cryosite Employee Incentive Plan (CEIP).

Compensation for Key Management Personnel 2020

Year Ended 30 June 2020	Short term benefits		Post employment benefits	Share based payments	Total	Share based payments	Performance based
	Salary & Fees $	Other Cash benefits $	Super $	(2) $	$	%	%
Directors							
Andrew Kroger	33,333	-	3,167	-	36,500	0.0%	0.0%
Bryan Dulhunty	75,000	-	7,125	5,017	87,142	5.8%	5.8%
Nicola Swift	60,000	-	5,700	-	65,700	0.0%	0.0%
Total directors	168,333	-	15,992	5,017	189,342	2.6%	2.6%
Executives							
Mark Byrne (1)	62,042	-	5,506	-	67,548	0.0%	0.0%
Total Executive	62,042	-	5,506	-	67,548	0.0%	0.0%
Total	230,375	-	21,498	5,017	256,890	2.0%	2.0%

(1) Resigned on 30 September 2019.
(2) This relates to the fair value of performance rights and options granted under the Cryosite Employee Incentive Plan CEIP).

Shareholdings of Key Management Personnel

Ordinary Shares held in Cryosite Limited	**1 July 2020**	**Balance on appointment / (resignation)**	**Share purchases**	**30 June 2021**
Bryan Dulhunty	**30,000**	**-**	**-**	**30,000**
Andrew Kroger	**18,889,612**	**-**	**1,377,352**	**20,266,964**
	18,919,612	**-**	**1,377,352**	**20,296,964**

Ordinary Shares held in Cryosite Limited	1 July 2019	Balance on appointment / (resignation)	Share purchases	30 June 2020
Bryan Dulhunty	30,000	-	-	30,000
Andrew Kroger	17,315,291	-	1,574,321	18,889,612
	17,345,291	-	1,574,321	18,919,612

Options Held by Key Management Personnel

Options held	1 July 2020	Balance on appointment / (resignation)	Issued	30 June 2021
Bryan Dulhunty	1,300,000	-	-	1,300,000
John Hogg	650,000	-	-	650,000
	1,950,000	-	-	1,950,000

The above table discloses the key management personnel who hold or held shares or options during or since the financial year.

Senior executive performance is renewed annually, a review was carried out in the current year.

The Company may terminate the employee's contract without notice if serious misconduct has occurred. Where termination with cause occurs, the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause, any options that have granted but not vested will be forfeited.

The Company does compare remuneration paid to key management personnel with other similar companies to ensure consistency.

Loans to Key Management Personnel

There were no loans to key management personnel at the beginning of the year, at any time during the year, or at the end of the year.

Other Transactions and Balances with Key Management Personnel

There were no other transactions during the year with key management personnel or with any key management personnel related entities.

Directors' and Committee Meetings

During the financial year, the following meetings incurred and were attended by directors:

Directors	Directors Meetings		Audit Risk Committee Meetings		Remuneration and Nomination Meetings	
	Eligible to attend	Eligible attended	Eligible to attend	Eligible attended	Eligible to attend	Eligible attended
Bryan Dulhunty	15	15	5	5	2	2
Andrew Kroger	15	15	-	-	-	-
Nicola Swift	15	15	5	5	2	2

Directors, Executives and Committee and Performance Review Structure

Directors and Executives

The board carries out an annual internal performance review of board members and board structure and makes appropriate changes to facilitate the business and minimize risk. The last performance appraisal was carried out in August 2021. Executives are evaluated by formalised performance review structure on annual basis.

Committees

The board carries out an annual internal performance review of both the audit and risk and the Remuneration and nomination committee committees. The last performance appraisal was carried out in August 2021. The board continually monitors the framework of the risk committee to ensure that it is responsive to the company's working environment.

Proceeding on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporate Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Corporate Governance Report

Cryosite is committed to implementing the highest possible standards of corporate governance. In determining what those high standards should involve, Cryosite has turned to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Principles) and has a corporate governance framework that reflects those recommendations within the structure of the Company.

The Board of Cryosite approved an updated series of policies and charters in line with the amendments to the ASX Principles. The Company's policies and charters together form the basis of the Company's governance framework were in place for the financial year ended 30 June 2021 and to the date of signing of the directors' report.

Within this framework:

- the Board of Directors is accountable to shareholders for the performance of the Company;
- the Company's goals to achieve milestones are set and promulgated;
- the risks of the business are identified and managed, and
- the Company's established values and principles underpin the way in which it undertakes its operations.

The Company has in place an entrenched, well developed governance culture which has its foundations in the ethical values that the Board, management and staff bring to the Company and their commitment to positioning the Company as a leader in its field.

Directors' Report {Continued)

In certain instances, due to the size and stage of development of Cryosite and its operations, it may not be practicable or necessary to implement t fie ASX Principles in their entirety. In these instances, Cryosite has identified the areas of divergence.

In accordance with its Shareholder Communications Policy, Cryosite has made its corporate governance policies and charters publicly available on its website (www.cryosite.com).

Auditor's Independence Declaration and Non-Audit Services

The directors have received the auditor's independence declaration which is included on Page 17 of this report.

Non-audit services were provided by the entity's auditor, Mazars Risk and Assurance Pty Ltd, during the financial year. Details of the services provided are disclosed in Note 28 of the Financial Stat ements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services disclosed in Note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

All non-audit services have been reviewed and approved to ensure that they do not impact the integrity or objectivity of the auditor;

None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Profess ional and Ethical Standards Board, including reviewing or auditing the audit or ' s own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

This report is made in accordance with a resolution of directors, pursuant to section 298(2l(a) of the Corporations Act 2001.

On behalf of the directors

Bryan Dulhunty
Non- Executive Chairman

Date : 24th August 2021

Cryosite's BioRepository: -80°C Freezer Banks

Level 12, 90 Arthur Street
North Sydney NSW 2060

PO Box 1994
North Sydney NSW 2059
Australia

Tel: +61 2 9922 1166
Fax: +61 2 9922 2044
www.mazars.com.au

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF CRYOSITE LIMITED AND CONTROLLED ENTITY

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cryosite Limited.

As lead audit partner for the audit of the financial statements of Cryosite Limited for the financial year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
b) any applicable code of professional conduct in relation to the audit.

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale

Rose Megale
Director
Sydney, 24 August 2021

Directors Declaration

(1) In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable .

(2) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the Internat ional Accounting Standards Board.

(3) This declaration has been made after receiving the declarations required to be made to directors in accordance with section 295A of the Corporations Act 2001for the fi nancial year ended 30 June 2021.

On behalfofthe Board

Bryan Dulhunty
Non-Executive Chairman

Date: 24th August 2021

Consolidated Statement of Profit and Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	**2021** $	2020 $
Sale of goods and rendering of services	6	**10,023,769**	8,919,846
Other revenue	6	**58,194**	94,338
Revenue		**10,081,963**	9,014,184
Cost of providing services	36	**(4,129,378)**	(3,333,500)
Depreciation and amortisation	7(c,d,e,f)	**(589,098)**	(437,554)
Marketing expenses		**(74,933)**	(57,604)
Occupancy expenses		**(558,154)**	(329,831)
Administration expenses	36	**(3,609,952)**	(4,049,171)
Legal claim	34	**-**	958,983
Total expenses		**(8,961,515)**	(7,248,677)
Profit (loss) before tax		**1,120,448**	1,765,507
Income tax (expense) benefit	8(a)	**(467,874)**	(285,328)
Profit (Loss) after tax		**652,574**	1,480,179
Net comprehensive Profit (loss) for the year		**652,574**	1,480,179
Earnings per share		**Cents**	Cents
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	9	**1.39**	3.16
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	9	**1.34**	3.03

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2021	Notes	2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	10	**3,881,126**	4,061,832
Trade and other receivables	12	**1,670,234**	962,717
Inventories	13	**52,508**	47,880
Prepayments	14	**387,317**	353,672
Other assets	15	**5,892**	167,937
Deferred costs	20	**1,295,890**	1,332,574
Total Current Assets		**7,292,967**	6,926,612
Non-Current Assets			
Trade and other receivables	16	**80,251**	138,253
Deferred tax asset, net	8(c)	**1,667,266**	2,135,141
Right of use asset	4	**985,839**	1,213,340
Plant and equipment	18	**1,163,218**	1,168,465
Intangible assets	19	**16,251**	20,317
Prepayment	14	**15,239**	-
Other assets	15	**167,937**	-
Deferred costs	20	**10,603,887**	11,899,778
Total Non-Current Assets		**14,699,888**	16,575,294
TOTAL ASSETS		**21,992,855**	23,501,906
LIABILITIES			
Current Liabilities			
Trade and other payables	21	**787,539**	731,963
Unearned income	22	**138,385**	78,692
Provisions	24	**235,530**	178,263
Other liabilities	35	**53,330**	50,311
Lease Liability	4	**215,253**	197,301
Deferred revenue	23	**2,047,829**	2,129,237
Total Current Liabilities		**3,477,866**	3,365,767
Non-Current Liabilities			
Trade and other payables	21	**441,682**	441,682
Unearned income		**28,148**	-
Provisions	24	**243,724**	240,963
Other liabilities	35	**474,502**	527,833
Lease Liability	4	**849,765**	1,065,018
Deferred revenue	23	**16,099,625**	18,147,450
Total Non-Current Liabilities		**18,137,446**	20,422,946
TOTAL LIABILITIES		**21,615,312**	23,788,713
NET ASSETS		**377,543**	(286,807)
EQUITY			
Contributed equity	25	**5,861,788**	5,861,788
Share rights reserves	26	**30,392**	18,616
Accumulated losses	25	**(5,514,637)**	(6,167,211)
TOTAL EQUITY		**377,543**	(286,807)

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Attributable to equity holders of the company			
	Contributed capital	**Accumulated losses**	**Share Rights reserve**	**Total equity**
CONSOLIDATED				
At 1 July 2020	**5,861,788**	**(6,167,211)**	**18,616**	**(286,807)**
Total comprehensive income (loss) for the year	**-**	**652,574**	-	**652,574**
Transactions with owners in their capacity as owners				
Share based expense	**-**	**-**	**11,776**	**11,776**
At 30 June 2021	**5,861,788**	**(5,514,637)**	**30,392**	**377,543**
At 1 July 2019	5,861,788	(7,647,390)	69,532	1,716,070
Total comprehensive income (loss) for the year	-	1,480,179	-	1,480,179
Transactions with owners in their capacity as owners				
Performance rights/option granted	-	-	29,198	29,198
Performance rights cancelled	-	-	(80,114)	(80,114)
At 30 June 2020	5,861,788	(6,167,211)	18,616	(286,807)

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

Consolidated Statement of Cashflows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers inclusive of GST		**7,644,188**	6,869,903
Payments to suppliers and employees inclusive of GST*		**(7,205,387)**	(6,583,748)
Legal Claim, net		**-**	958,983
Income Tax Refund		**-**	21,035
Government Incentive - Cash Boost		**50,000**	50,000
Net cash flows from operating activities	11	**488,801**	1,316,173
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(396,894)**	(889,530)
Software development costs	19	**-**	(20,317)
Interest received		**22,810**	27,745
Net cash flows (used in) investing activities		**(374,084)**	(882,102)
CASH FLOWS FROM FINANCING ACTIVITIES			
Operating Lease Payments (including notional interest)		**(260,777)**	(254,600)
Interest expense		**(34,646)**	(37,536)
Net cash flows (used in) financing activities		**(295,423)**	(292,136)
Net (decrease)/ increase in cash and cash equivalents		**(180,706)**	141,935
Cash and cash equivalents at beginning of year		**4,061,832**	3,919,897
Cash and cash equivalents at end of year	10	**3,881,126**	4,061,832

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

1 CORPORATE INFORMATION

The financial report of Cryosite Limited and the controlled entity (the Group) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 24 August 2021.

Cryosite Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Financial statements are prepared on the going concern basis.

The financial report has been prepared on a historical cost basis, except when otherwise stated.

(a) Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Changes in accounting policy, accounting standards and interpretations.

Impact of the initial application of other news and amended Standards that are effective for the current period

In the twelve months to 30 June 2021, the Group has applied the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board as outlined below, that are effective for the Group's annual reporting period that began on 1 July 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The Group has adopted these amendments for the first time in the current year. The amendments clarify the definition of material and are not intended to alter the underlying concept of materiality in Australian Accounting Standards.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Cryosite Limited (the Company) and its subsidiary ('the Group') as at 30 June each year.

The subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The subsidiary is fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions have been eliminated in full. The subsidiary is consolidated from the date on which control is transferred to the Group and ceases to be consolidated from the date on which control is transferred out of the Group. Investments in the subsidiary held by the Company are accounted for at cost in the separate financial statements of the parent entity, less any impairment charges.

(d) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian subsidiary is Australian dollars (A$). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

(e) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Major Depreciation rates are:	**2021**	**2020**
Fixture and fittings	5-10 years	5-10 years
Information technology	2.5-5 years	2.5-5 years
Warehouse equipment	4-10 years	4-10 years
Office furniture and equipment	2.5-8 years	2.5-8 years
Leasehold improvements	5 years	5 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(g) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Software development costs are capitalised at the amounts incurred and amortised on a straight-line basis over the period of their expected benefit being their finite life of 3 years. Amortisation starts at the time that the technology is activated and is used by both internal and external customers. The capitalised costs of the platform technology includes the direct costs of external consultants and any supporting software acquired from a third party.

(h) Prepayments

Payments made in advance of services are recognised at the time of payment and classed as prepayments on the balance sheet. As the services are incurred, the relevant amounts are recognized as an expense in the profit and loss statement.

(i) Inventories

Inventories consist of consumables used in the provision of services. Inventories are valued at the lower of cost and net realisable value. Cost is determined by actual purchase price. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Trade and other receivables

Trade receivables (current), which generally have 30-day terms, are recognised initially at fair value less expected credit loss and any allowance for impairment.

AASB 9 Financial Instruments requires the Group to record an allowance for ECL's for all loans and other debt financial assets not held at FVPL.

The Group's ECL is based on an estimated percentage of past due receivables that are expected to default based on historical experience.

(k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other payables

Trade and other payables are carried at amortised costs and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee leave benefits

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. Unused sick leave on termination of employment is forfeited.

Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Share-based payment transactions

The group provides benefits to employees including executive directors of the Group in the form of share-based payment transactions, whereby the employees render services in exchange for rights over shares ('equity-settled transactions') under the Cryosite Employee Incentive Plan (CEIP) or individually negotiated share-based payment arrangements.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired and
(ii) the number of awards that, in the opinion of directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it was granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. In the case where outstanding equity-settled awards have expired, the relevant amounts in respect to these awards in the share reserves are transferred to retained earnings.

(p) Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) Revenue from contracts with customers

Rendering of services

The Group provides the following services:

- specialist temperature-controlled storage, sourcing, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns and biological services and;
- long term storage for cord blood and tissue samples.

The Group identified that the above services are distinct and have assessed the revenue recognition in accordance with AASB 15 Revenue from Contracts with Customers separately.

Revenue from clinical trials and biological services logistics services

Revenue from clinical trials pertain to processing and distribution of samples for clinical testing. The Group has assessed that each sample processed is distinct from each other and that asset is transferred to the customer at the completion of the service. Accordingly, the Group assessed that the performance obligation is satisfied at that point in time and revenue is recognised as and when the customer obtains control of the asset.

Revenue from cord blood and cord tissue storage

Under AASB 15, the Group assessed that the collection, processing and storage services for cord blood and tissue samples constitute a single performance obligation because none of the services are distinct and marketed independently of the others. In addition, it was determined that the performance obligation is performed over time (i.e. throughout the storage contract period of 18 or 25 years). This resulted in the recognition of "Deferred revenue" and "Deferred costs" in the statement of financial position that are unwound to revenue and costs for the remaining contract period.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income

Dividends: revenue is recognised when the Company's right to receive the payment is established.

Government assistance

Government assistance is not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the assistance will be received. Government assistance that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(s) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future tax profit will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Contributed equity

Contributed capital bares no special terms or conditions affecting income or capital entitlements of the shareholders. Ordinary share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(u) Share options reserve

The share options reserve captures the equity component of the company’s equity settled transactions of the share-based payments schemes.

(v) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Earnings per share

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The basic EPS and diluted EPS are calculated as above based on net profit after tax.

(x) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair values of financial instruments measured at amortised cost are disclosed at Note 32.

Fair value is the price that would be received to sell an asset or pair to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principle market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in the highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(y) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from the source. Actual results may differ from these estimates and estimates under different assumptions and conditions.

Management has identified the following critical accounting estimates and judgements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Determining the timing of satisfaction of performance obligations*

The Group concluded that the revenue from collection, processing and storage of cord blood and tissue should be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that the contract term of 18 or 25 years is the best method to determine the timing of satisfaction of performance obligations.

- *Consideration of significant financing component in a contract*

The storage contract for cord blood and cord tissue is either 18 or 25 years and the payment options available to the customers follow:

i. Upfront payment of the full contract price at inception of the contract;
ii. Instalment payment of either 12 or 24 months; and,
iii. Partial upfront settlement with the remaining balance paid in instalment throughout the life of the contract (referred to by the Group as “Annual plans”).

Management determined that there is a significant financing component included in the annual plans because the total amount paid under this plan is significantly higher than the upfront cash payment. The amount of financing component attributed to the contract is determined as the difference between the total Annual plan payments and the upfront cash payment.

- *Taxation*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The group’s accounting policy for taxation requires management’s judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those arising from carry forward tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

The Group has unconfirmed tax losses arising in Australia of $2,509,170 (2020 $2,015,919), of which $231,429 (2020 $231,429) have been recognised, that are available for offset against future taxable profits of the company. The tax rate of Cryosite had been changed from 27.5% (June 2020) to 26% (June 2021). Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax liabilities or assets recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

- *Share Based Payment Transactions*

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would
have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact on expenses and equity.

- *Estimated Useful Lives of Assets*

The estimation of the useful lives of assets and their residual values has been based on historical experience as well as manufacturers' warranties. In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. The estimated useful life of licenses acquired has been based upon the useful life of the patents and associated methodologies underpinning the license. The assessment of useful life is reviewed annually by the Board to determine whether the assumptions made continue to be appropriate and supportable given the license conditions and underlying patents. If the useful life assessment is assessed as inappropriate, either due to a change in license conditions or patents, it is changed on a prospective basis.

- *Long Service Leave Provision*

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

- *Make Good Provisions*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. This provision includes future cost estimates associated with dismantling, closure, decontamination and permanent storage of historical residues. The calculation of any provision requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts provided. Any provision recognised will be periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting both the expense or asset and provision. The appropriateness of the make good provision is assessed annually.

- *Impairment for expected credit losses on trade receivables*

In accordance with AASB 9, the Group uses a provision matrix to calculate ECLs (expected credit losses) for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future

- *Impairment of Non-Financial Assets other than Indefinite Life Intangible Assets*

The Company assesses impairment of non-financial assets other than indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

4 LEASE AASB 16

The entity leases the premises housing its principle place of business. From 1 July 2019, in line with AASB 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is amortised over the lease term on a straight-line basis.

Lease liabilities have been measured at the present value of the remaining lease payments, discounted using the RBA June 2019 Lending Rate - Small business variable rate as of 1 July 2019.
The recognised right-of-use assets relates to property and is comprised as follows:

	2021	2020
	$	$
Property right of use recognised at beginning of the period	**1,213,340**	1,440,841
Depreciation expense for the year	**(227,501)**	(227,501)
Lease Asset as at the end of the period	**985,839**	1,213,430

	2021	2020
	$	$
At 1 July	1,262,319	1,440,841
Accretion of interest	63,476	76,078
Payments	(260,777)	(254,600)
At 30 June	**1,065,018**	1,262,319
Lease liability – current	**215,253**	197,301
Lease liability – non-current	**849,765**	1,065,018
Total Liabilities	**1,065,018**	1,262,319

5 SEGMENT INFORMATION

Identification of Reportable Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The segment information provided is consistent with the internal management reporting.

Two reportable segments have been identified as follows:

Clinical Trials and Biological Services Logistics	Specialist temperature-controlled storage, sourcing, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns and biological services.
Cord Blood and Tissue Storage	Storage of cord blood and tissue samples.

The accounting policies used by the Company in reporting segments internally are the same as those contained in note 1 to the accounts.

Operating Segments
2021

Operating Segment	**Clinical Trials and Biological Storage and Logistics $**	**Cord Blood and Tissue $**	**Unallocated $**	**Total $**
Revenue	**7,504,620**	**2,519,149**	**8,194**	**10,031,963**
Net operating profit	**3,141,304**	**756,679**	**(2,827,535)**	**1,070,448**
Government incentive - cash boost	**-**	**-**	**50,000**	**50,000**
Net profit before tax	**3,141,304**	**756,679**	**(2,777,535)**	**1,120,448**
Tax	**-**	**(312,799)**	**(155,075)**	**(467,874)**
Net profit after tax	**3,141,304**	**443,880**	**(2,932,610)**	**652,574**
Total Comprehensive Income net of tax	**3,141,304**	**443,880**	**(2,932,610)**	**652,574**
Segment Assets 30 June 2021	**2,546,729**	**13,639,225**	**5,806,901**	**21,992,855**
Segment Liabilities 30 June 2021	**642,937**	**18,664,422**	**2,307,953**	**21,615,312**
Depreciation and Amortisation	**(301,748)**	**(4,066)**	**(283,284)**	**(589,098)**

5 SEGMENT INFORMATION (continued)

Operating Segments
2020

Operating Segment	Clinical Trials and Biological Storage and Logistics $	Cord Blood and Tissue $	Unallocated $	Total $
Revenue	6,234,092	2,685,754	94,338	9,014,184
Net operating profit	2,900,935	894,717	(3,039,129)	756,523
Legal claim	-	-	958,984	958,984
Government incentive - cash boost	-	-	50,000	50,000
Net profit before tax	2,900,935	894,717	(2,030,145	1,765,507
Tax	-	(238,572)	(46,756)	(285,328)
Net profit after tax	2,900,935	656,145	(2,076,901)	1,480,179
Total Comprehensive Income net of tax	2,900,935	656,145	(2,076,901)	1,480,179
Segment Assets 30 June 2020	1,680,568	13,860,462	7,960,876	23,501,905
Segment Liabilities 30 June 2020	459,760	20,744,170	2,584,783	23,788,713
Depreciation and Amortisation	(60,499)	(98,284)	(278,771)	(437,554)

6 REVENUE

	Consolidated 2021 $	2020 $
Customer contract revenues		
Revenue from clinical trials, logistics and biological services	**7,504,620**	6,234,092
Revenue from cord blood and tissue storage	**2,519,149**	2,685,754
	10,023,769	8,919,846
Other revenue		
Bank interest	**8,194**	44,338
Government incentive – cash boost	**50,000**	50,000
	58,194	94,338
	10,081,963	9,014,184

7 EXPENSES

		Consolidated 2021 $	2020 $
(a) Legal costs			
Continuing operations		**47,898**	57,816
Legal Claim	34	**-**	41,017
Total		**47,898**	98,833

7 EXPENSES (continued)

	Note	Consolidated 2021 $	Consolidated 2020 $
(b) Employee benefits expense			
Salaries		**1,839,152**	1,965,815
Superannuation costs		**165,104**	182,769
		2,004,256	2,148,584
(c) Depreciation – plant & equipment	18	**357,531**	203,075
(d) Amortisation of Intangibles	19	**4,066**	6,978
(e) Amortisation of Leases	4	**227,501**	227,501
(f) Finance Costs	4	**108,673**	114,314

8 INCOME TAX

(a) Income tax expense

The major components of income tax are:

	Consolidated 2021 $	Consolidated 2020 $
Statement of comprehensive income		
Current income tax (expense)/benefit	**(467,874)**	(285,328)
Income tax expense reported in the statement of comprehensive income	**(467,874)**	(285,328)
Income tax (expense)/benefit is attributable to the following:		
Continuing operations	**(519,874)**	(277,735)
Under provision prior year	**52,000**	(7,593)
	(467,874)	(285,328)

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate follows:

	2021	2020
Accounting profit(loss) before tax	**1,120,448**	1,715,508
Income tax calculated at 26% (2020:27.5%)	**(291,316)**	(471,765)
Tax losses recognized (2020: Tax losses recouped)	**(94,328)**	(111,056)
Change to 26% tax rate (from 27.5%)	**(117,142)**	-
Other items	**(17,088)**	82,974
Under provision prior year	**52,000**	(7,593)
Income tax (expense) benefit	**(467,874)**	(285,328)

8 INCOME TAX (continued)

(c) Deferred tax assets, net

	Consolidated	
	2021	2020
	$	$
Deferred income tax at 30 June relates to the following:		
<u>**Deferred taxes arising from AASB 15 adoption**</u>		
Deferred tax asset on deferred revenue	**4,718,337**	5,576,089
Deferred tax liability on deferred costs	**(3,093,945)**	(3,638,897)
Net deferred tax asset – AASB 15	**1,624,392**	1,937,192
<u>**Deferred taxes arising from normal business operations**</u>		
Post-employment benefits	**72,606**	60,287
Provision for tax and audit fees	**-**	17,582
Provision for doubtful debts	**-**	46,494
Provision for make good	**52,000**	-
Superannuation Payable	**4,073**	2,750
Accruals	**17,338**	5,363
Lease Liability	**20,587**	13,661
Tax Losses carried forward	**60,171**	63,643
Impairment and depreciation of plant & equipment	**(109,886)**	1,336
Prepayments	**(104,665)**	-
Consumables	**23,137**	(13,167)
Section 40-880	**7,513**	-
Net deferred tax asset – normal operations	**42,874**	197,949
Net deferred tax assets	**1,667,266**	2,135,141

(d) Tax (expense) benefit related to items of other comprehensive income.

There were no items of comprehensive income during the year giving rise to any income expense (benefit).

(e) DTA Opening Balance Adjustment

Cryosite had a net Deferred Tax Assets- AASB15 of $1,937,192 as at 30 Jun 2020. $105,665 was taken to Profit and Loss for the current year to reflect a change in tax rate change from 27.5% in FY20 to 26% in FY21.

(f) Tax losses

The Group has unconfirmed tax losses arising in Australia of $2,509,170 (2020: $2,015,919), of which $231,429 (2020: $231,429) have been brought to account as a deferred tax asset that are available for offset against future taxable profits of the company. The unrecognized deferred income tax asset of $420,955 (2020: $490,735 arising from these losses has not been brought to account at reporting date, as realisation of the benefit is not probable at this point in time. The Group will continue to review this regularly to determine whether to recognize these tax losses as deferred tax asset in the future.

Tax consolidation

Effective from 1 July 2002, Cryosite Limited and its 100% owned subsidiary formed a tax consolidated group. On formation of the tax consolidated group, the entities in the tax consolidated group agreed to enter into a tax sharing deed which will, in the opinion of the directors, limit the joint and several liabilities of the wholly-owned entities in the case of default by the head entity Cryosite Limited. The tax sharing deed was signed on 12 May 2011.

8 INCOME TAX (continued)

The entities have also agreed to enter into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax loss, deferred tax assets and tax credits that are transferred to the Company under the tax consolidation legislation. The tax consolidated current tax liability or current year tax loss and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052. The group uses a group allocation method for this purpose where the allocated current tax payable, current tax loss, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements which is determined having regard to membership of the tax consolidated group.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current inter-company receivables or payables.

9 EARNINGS PER SHARE

	Consolidated	
	2021	2020
	$	$
The following reflects the income used in the basic and diluted earnings per share computations:		
Basic earnings per share	**1.39**	3.16
Diluted earnings per share	**1.34**	3.03
Basic EPS disclosure		
Earnings used in EPS calculation		
Net profit attributable to ordinary equity holders of the parent	**652,574**	1,480,179
	No. of shares	
Weighted average number of ordinary shares for basic earnings per share	**46,859,563**	46,859,563
Diluted EPS disclosure		
Earnings used in diluted EPS calculation		
Net profit attributable to ordinary equity holders of the parent	**652,574**	1,480,179
	No. of shares	
Weighted average number of ordinary shares for basic earnings per share	**46,859,563**	46,859,563
Options	**1,950,000**	1,950,000
Weighted average number of ordinary shares used in the calculation of diluted EPS	**48,809,563**	48,809,563

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before completion of these financial statements.

10 CASH AND CASH EQUIVALENTS

	Consolidated	
	2021	2020
	$	$
Cash at bank and on hand	**1,881,126**	60,076
Short-term deposit	**2,000,000**	4,001,756
Total Cash and Cash Equivalents	**3,881,126**	4,061,832

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents for the consolidated group and parent entity is $3,881,126 (2020: $4,061,832).

11 STATEMENT OF CASH FLOW RECONCILIATION

Reconciliation of the net profit after tax to the net cash flows from operations

	Consolidated	
	2021	2020
	$	$
Net profit	**652,574**	1,480,179
Less: Transfer to investing activities	**(9,987)**	-
Adjustments for non-cash items		
Depreciation and amortisation of non-current assets	**585,032**	437,554
Amortisation of intangibles	**4,066**	-
Interest Expense on lease and ACCC	**108,673**	114,313
Provision for dividend	**-**	(1,402)
Foreign exchange	**42,288**	28,694
Other Equity	**11,776**	(50,916)
Changes in assets and liabilities		
(Increase) Decrease in trade and other receivables	**(974,095)**	(446,935)
Decrease (Increase) in deferred tax asset – AASB 15	**857,752**	618,884
Decrease (Increase) in deferred costs – AASB 15	**1,332,576**	1,381,185
Increase (Decrease) in deferred tax liability -AASB 15	**(544,952)**	(379,823)
Increase (Decrease) in deferred revenue -AASB 15	**(2,129,232)**	(2,250,133)
Decrease (Increase) in inventory	**-**	(25,021)
Decrease (Increase) in prepayments	**(48,884)**	(74,303)
Decrease (Increase) in other current assets	**(5,892)**	(12,571)
Decrease in deferred tax asset	**155,075**	38,033
Decrease (Increase) in other assets	**108,023**	308,325
Increase (Decrease) in trade and other creditors	**242,824**	113,879
Increase (Decrease) in current other liabilities	**53,330**	-
Increase (Decrease) in non- current other liabilities	**(103,642)**	(47,463)
Decrease (Increase) in unearned income	**87,841**	55,626
Increase (Decrease) in income tax provision	**-**	29,759
Increase (Decrease) in lease assets	**30,200**	-
Increase in employee benefits	**60,028**	27,004
Net cash flow from operating activities	**488,801**	1,316,173

12 TRADE AND OTHER RECEIVABLES – CURRENT

		Consolidated	
		2021	2020
		$	$
Trade receivables		**1,608,337**	913,350
Allowance for impairment loss	(a)	**(88,990)**	(169,068)
		1,519,347	744,282
Other receivables		**150,887**	218,435
Carrying amount of trade and other receivables		**1,670,234**	962,717

(a) Allowance for impairment loss

Trade receivables (current), which generally have 30-day terms, are recognised initially at fair value less an allowance for impairment as per AASB 9 requirements.

As per AASB 9, the Group's accounting for impairment losses for financial assets is based on a forward-looking expected credit loss (ECL) approach. The Group's ECL is based on an estimated percentage of past due receivables that are expected to default based on historical experience.

Movements in the provision for impairment loss were as follows:

	Consolidated	
	2021	2020
	$	$
Balance at the beginning of the period	**169,068**	73,475
Increase (reduction) in impairment	**(80,078)**	95,593
Balance at end of period	**88,990**	169,068

(b) Analysis of trade receivables aging and allowance for expected credit losses.

		Total	Not Due	0-30 Days	31-60 Days	61-90 Days	+91 Days
		$	$	$	$	$	$
2021							
Current		**1,657,162**	**778,460**	**599,474**	**120,796**	**117,480**	**40,952**
Non-Current	**16**	**80,251**	**80,251**	**-**	**-**	**-**	**-**
Total Consolidated		**1,737,413**	**858,711**	**599,474**	**120,796**	**117,480**	**40,952**
Expected Credit Loss Rate		**5.1%**	**3.5%**	**1.8%**	**2.9%**	**2.8%**	**100.0%**
Total Provision Calculated		**88,990**	**30,180**	**11,085**	**3,480**	**3,293**	**40,952**
2020							
Current		913,350	643,684	161,150	13,207	8,257	87,052
Non-Current		138,253	138,253	-	-	-	-
Total Consolidated		1,051,603	782,367	161,150	13,207	8,257	87,052
Expected Credit Loss Rate		15.7%	8.8%	2.1%	19.8%	60.1%	100.0
Total Provision Calculated		169,593	70,801	3,395	2,620	3,805	88,972

12 TRADE AND OTHER RECEIVABLES – CURRENT (continued)

The impairment loss is based on ECL and not specific to certain debtors.
Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(c) Fair value and credit risk

Due to the nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

13 INVENTORIES

	Consolidated	
	2021	2020
	$	$
Inventories at cost	**52,508**	47,880
Total Inventories at cost	**52,508**	47,880

14 PREPAYMENTS

	Consolidated	
	2021	2020
	$	$
Current		
Balance at beginning of period	**353,672**	279,369
Additions (reductions) during the year	**33,645**	74,303
Balance at end of period	**387,317**	353,672
Non-current		
Balance at beginning of period	**-**	-
Additions (reductions) during the year	**15,239**	-
Balance at end of period	**15,239**	-

15 OTHER ASSETS – CURRENT AND NON-CURRENT

	Consolidated	
	2021	2020
	$	$
Capital expenditure deposit/ Bank guarantee security deposit current	**5,892**	167,937
Bank guarantee security deposit non- current	**167,937**	-
Total	**173,829**	167,937

16 TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Consolidated	
	2021	2020
	$	$
Trade receivables due under term payment plans	**80,251**	138,252
Total	**80,251**	138,252

For analysis of maximum exposure to credit risk at the time of reporting refer to Note 12(b)

17 INVESTMENT IN CONTROLLED ENTITY

Name – Cryosite Distribution Pty Limited	Equity interest held by the consolidated entity 2021 %	2020 %	Investment 2021 $	2020 $
Country of incorporation – Australia	100	100	20	20

18 PLANT AND EQUIPMENT

	Leasehold Improvements $	Fixtures and fittings $	Information Technology $	Warehouse Equipment $	Office furniture & equipment $	Total $
Cost						
At 1 July 2019	211,613	133,829	263,378	4,339,197	31,254	4,979,271
Additions	19,854	-	87,967	866,155	10,382	984,358
Disposals	(200,000)	-	(160,515)	(1,006,968)	-	(1,367,484)
At 30 June 2020	**31,467**	**133,829**	**190,829**	**4,198,384**	**41,636**	**4,596,145**
Additions	**84,058**	**19,723**	**49,386**	**293,581**	**418**	**447,169**
Disposals	-	-	**(53,219)**	**(999,792)**	**(5,905)**	**(1,058,916)**
At 30 June 2021	**115,525**	**153,552**	**186,999**	**3,492,173**	**36,149**	**3,984,398**
Depreciation and Impairment						
At 1 July 2019	(202,946)	(85,890)	(249,245)	(4,033,080)	(20,839)	(4,592,090)
Depreciation charge	(2,223)	(6,994)	(12,630)	(169,339)	(11,890)	(203,076)
Disposals	200,000	-	160,516	1,006,968	-	1,367,484
At 30 June 2020	**(5,169)**	**(92,974)**	**(101,359)**	**(3,195,451)**	**(32,729)**	**(3,427,682)**
Depreciation charge	**(15,485)**	**(6,853)**	**(27,612)**	**(300,554)**	**(7,027)**	**(357,531)**
Disposals	-	-	**53,219**	**904,909**	**5,905**	**964,033**
At 30 June 2021	**(20,654)**	**(99,827)**	**(75,752)**	**(2,591,096)**	**(33,851)**	**(2,821,180)**
Net Book Value - 30 June 2020	**26,298**	**40,856**	**89,470**	**1,002,933**	**8,907**	**1,168,465**
Net Book Value - 30 June 2021	**94,871**	**53,725**	**111,247**	**901,077**	**2,298**	**1,163,218**

19 INTANGIBLE ASSETS

	Software $	Total $
Cost		
At 30 June 2020	**20,317**	20,317
Additions	**-**	-
At 30 June 2021	**20,317**	20,317
Amortisation and impairment		
At 30 June 2020	**-**	-
Amortisation	**(4,066)**	(4,066)
At 30 June 2021	**(4,066)**	(4,066)
Net book value – 30 June 2020	**20,317**	20,317
Net book value – 30 June 2021	**16,251**	16,251

Software Development

During the previous financial year the company developed, validated and constructed a new Cord Blood database. The costs have been capitalised in line with accounting policies and are amortised over a 5-year period.

20 DEFERRED COSTS

	Consolidated	
	2021	2020
	$	$
Current	**1,295,890**	1,332,574
Non-current	**10,603,887**	11,899,778
	11,899,777	13,232,352

Deferred costs represent upfront costs, such as laboratory fees, attributable for the collection and processing of cord blood and tissue samples. These are capitalised and amortised over the remaining life of the storage contracts as required under AASB 15.

21 TRADE AND OTHER PAYABLES

	Consolidated	
	2021	2020
	$	$
CURRENT LIABILTIES		
Trade payables	**627,267**	389,339
Other payables	**160,272**	342,624
Total current payables	**787,539**	731,963
NON-CURRENT LIABILTIES		
Client deposits	**441,682**	441,682
Total non-current payables	**441,682**	441,682

21 TRADE AND OTHER PAYABLES (continued)

Fair value

Trade payables are non-interest bearing and are normally settled on 30 to 90-day terms. Therefore, their carrying value is assumed to be their fair value.

Other payables are non-interest bearing and are on ranging from 30 days to 12-month terms. Their carrying value is assumed to be fair value.

At 30 June, the ageing analysis of trade payables is as follows:

	Total $	Not yet due $	0-30 Days $	31-60 Days $	61-90 Days $	Over 90 Days $
2021						
Consolidated	**627,267**	**73,683**	**487,892**	**-**	**-**	**65,692**
2020						
Consolidated	389,339	-	260,306	129,428	-	-

Other balances within trade and other payables are not past due. It is expected that these other balances will be paid.

22 UNEARNED INCOME

	Consolidated	
	2021 **$**	2020 $
Current	**138,385**	78,692
Non-current	**28,148**	-
	166,533	78,692

23 DEFERRED REVENUE

	Consolidated	
	2021 **$**	2020 $
Current	**2,047,829**	2,129,237
Non-current	**16,099,625**	18,147,450
	18,147,454	20,276,687

24 PROVISIONS

	Consolidated	
	2021 $	2020 $
Current		
Annual leave	**164,715**	124,941
Long service leave	**70,815**	53,322
	235,530	178,263

24 PROVISIONS (continued)

	Consolidated 2021 $	2020 $
Non-current		
Long service leave	**43,724**	40,963
Lease make good	**200,000**	200,000
	243,724	240,963
Movements in provisions		
Annual leave		
Balance at beginning of the year	**124,941**	130,403
Arising /(taken) during the year	**39,774**	(5,462)
	164,715	124,941
Long Service Leave		
Balance at beginning of the year	**94,285**	61,818
Arising / (taken) during the year	**20,254**	32,467
	114,539	94,285

Nature and timing of long service leave provision is based on the accounting policy and the significant estimations and assumptions applied in the measurement of this provision as in Note 3.

Nature and timing of lease make-good provision

In June 2019 the current lease agreement with Allsup Pty Limited for the premises in Granville, was extended until 31 October 2025. The make good provision remains at $200,000 in respect of the Group's obligation to reflect this arrangement regarding the leased premises. Because of the long-term nature of the liability, there is uncertainty in estimating the actual cost that may ultimately be incurred and any impacts on this of renegotiated terms at the time of lease expiry.

For the relevant accounting policy and the significant estimations and assumptions applied in the measurement of this provision refer to Note 3.

25 CONTRIBUTED EQUITY AND ACCUMULATED LOSSES

	Consolidated 2021 $	2020 $
Ordinary shares	**5,861,788**	5,861,788

Movement in ordinary shares on issue

	2021 Shares No.	**2021** $	2020 Shares No.	2020 $
Beginning of the financial year	**46,859,563**	**5,861,788**	46,859,563	5,861,788
End of the financial year	**46,859,563**	**5,861,788**	46,859,563	5,861,788

Terms of conditions of contributed equity

Ordinary shares carry the right to receive dividends and entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

25 CONTRIBUTED EQUITY AND ACCUMULATED LOSSES (continued)

Movement in accumulated losses

	Consolidated	
	2021	2020
	$	$
Balance at the beginning of the year	**(6,167,211)**	(7,647,390)
Net profit for the year	**652,574**	1,480,179
Balance at the end of the year	**(5,514,637)**	(6,167,211)

26 RESERVES

	Consolidated	
	2021	2020
	$	$
Share options reserve	**30,392**	18,616
Balance at the end of year	**30,392**	18,616

Movement in share options/rights reserve

	Consolidated	
	2021	2020
	$	$
Balance at the beginning of the year	**18,616**	69,532
Performance rights/options granted	**11,776**	29,198
Performance rights/options cancelled	**-**	(80,114)
Balance at the end of the year	**30,392**	18,616

The purpose of the share rights reserve is to record the value of share-based payments provided to employees as part of their remuneration. Refer to Note 30 for further details of these plans.

27 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments – Group as lessee

Group as lessee

Commercial Property Security deposits

The security deposit for the lease at Granville is covered by a bank guarantee for $167,937 issued by the Commonwealth Bank of Australia. Cash deposit is held as security as per note 15.

(b) Plant and equipment commitments

Cryosite has committed $760k in capital expenditure in the 2022 financial year to accommodate the need of new business lines. The capital investments includes one high-quality freezer room, a vault, a humidity controller Box and a fort lift.

(c) Contingent Liabilities

The Group is not aware of any contingent liabilities at reporting date.

28 AUDITORS REMUNERATION

	Consolidated	
	2021	2020
	$	$
Amounts received or due and receivable by Mazars for:		
- Audit or review of the financial report of the entity and any other entity in the consolidated group.	**71,000**	71,002
- Other services in relation to the entity and any other entity in the consolidated group.	**7,300**	5,300
	78,300	76,302

29 RELATED PARTY DISCLOSURES

During the financial year, payments were made to CoSA Life Science Pty Limited ("CoSA"), an entity related to Mr Bryan Dulhunty. During the year, Cryosite paid CoSA $100,006 (2020: $150,012) for services provided, including an Executive Director fee (July-Oct 2021) of $25,006 and a Company Secretary fee of $25,000 and an incentive payment of $50,000.

During the prior financial year, payments were made to MGW Capital Pty Ltd ("MGW"), an entity related to Mrs Nicola Swift. Cryosite paid $Nil to MGW in the current financial year (2020: $40,000).

<u>Parent Entity</u>

The consolidated financial statements include the financial statements of Cryosite Limited and its wholly owned subsidiary Cryosite Distribution Pty Limited. For details, refer to Note 17.Cryosite Limited is the ultimate parent entity.

Cryosite Distribution Pty Limited neither has a bank account nor does it hold any cash in its own right. All receipts and payments for this entity are made by Cryosite Limited, with the amounts charged against an inter-company loan account. No interest is payable on this balance and no amounts are due and payable.

Cryosite Limited and Cryosite Distribution Pty Limited are part of a tax consolidation group and have entered into a tax funding agreement. Under this agreement, payments are to be made for tax losses transferred between entities in the group. Refer to Note 8.

Cryosite Limited received a dividend from Cryosite Distribution Pty Limited in the previous financial year totaling $36,992. No dividend was paid in the financial year ended 30 June 2021.

30 SHARE-BASED PAYMENTS EXPENSE

	Consolidated	
	2021	2020
	$	$
Total Expense (income) recognized in the profit and loss relating to share based payments:		
Options	**11,775**	18,615
Performance rights	**-**	(69,312)
	11,775	(50,916)

Long Term Incentive Plan: Cryosite Employee Incentive Plan (CEIP)

On the 23rd February 2017, the Cryosite Employee Incentive Plan (CEIP) was established by the Company. On invitation, the CEIP provides executives the opportunity to receive a long-term equity-based incentive in each financial year and is governed by the CEIP Plan Rules.

Full details of the performance rights and options issued to executives are noted in the remuneration report which forms part of the Directors' Report.

Options

There were no options granted during the 2021 year.	Key management personnel No	Staff No	Total No
Options granted 27th June 2019	1,950,000	-	1,950,000
Balance granted as at 30th June 2021	**1,950,000**	**-**	**1,950,000**
Options cancelled in June 2021	-	-	-
Balance as at 30th June 2021	**1,950,000**	**-**	**1,950,000**

The following components of the CEIP for options are as follows;

Vesting date	Up to 25 months from date of grant.
Option price	6 cents
Vesting conditions	Options will only vest after certain performance and conditions are met.
Performance conditions	Earnings per Share (EPS), Positive operating cashflow
Service conditions	Continuous employment with Cryosite from the date of the options are granted until the vesting date.
Expiry date	Options will expire 36 months after the vesting date.
Exercise of Options	Any options which meet the Vesting conditions will be available for exercise up until the Expiry date.

Conditions of options

Grant date	27 June 2019
Vesting date	1 September 2021
Expiry date	1 September 2024
Period	27/6/2019 to 1/9/2021
Exercise price	6 cents

30 SHARE-BASED PAYMENTS EXPENSE (continued)

Targets for options

Conditions of Vesting	Target date	Percentage of Performance Rights that vest
Positive Earnings per share (EPS)*	30 June 2021	33.3%
Positive Cashflow from Operations*	30 June 2021	33.3%
Continuous service	30 June 2021	33.3%

* Based on the 2021 audited accounts

As at 30 June 2021, no options had vested.

31 KEY MANAGEMENT PERSONNEL

(a) Key Management Personnel

Directors	
Mr. Bryan Dulhunty *	Non-Executive Chairman
Mr. Andrew Kroger	Non-Executive Director
Mrs. Nicola Swift	Non-Executive Director
Executive	
Mr. John Hogg (appointed on 15th October 2020)	Chief Executive Officer
Jane Hao (appointed on 8th of January 2021)	Chief Financial Officer

* On 15th Oct 2020 Mr. Bryan Dulhunty stepped down from his executive Chairman's role to non-executive Chairman.

(b) Compensation for key management personnel

	Consolidated 2021 $	Consolidated 2020 $
Directors		
Short-term employee benefits*(1)	**305,006**	358,345
Post-employment benefits	**19,475**	15,992
Share base payments	**7,850**	5,017
Sub-total directors	**332,331**	379,354
Key Management Personnel		
Short-term employee benefits	**285,438**	62,042
Post-employment benefits	**28,317**	5,506
Share base payments	**3,925**	-
Sub-total key management personnel	**317,680**	67,548
Total compensation	**650,011**	446,902

*This includes payments made to CoSA Pty which is a party related to Bryan Dulhunty. During the year, Cryosite paid CoSA $100,006 (2020: $150,012) including the Executive Director fee (July-Oct 2021) $25,006, Company Secretary fee $25,000 and the incentive payment of $50,000.

32 FINANCIAL INSTRUMENTS

The Group's principal financial liabilities comprise of trade payables. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations.

The Group does not enter into any derivative transactions. The main risks arising from the Group's financial instruments are cash flow interest rate risk and credit risk. The Board of Directors reviews and monitors each of these risks.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to:

- cash and cash deposits with floating interest rates; and
- assessments of appropriate discount rates for deferred arrangements.

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets is set out below:

2021	Note	**Weighted average effective interest %**	**Floating Interest $**	**Non-Interest bearing $**	**Total $**
Financial assets					
Interest bearing deposits	10	**0.18%**	**2,000,000**	**-**	**2,000,000**
Cash and equivalents	10	**0.03%**	**1,871,745**	**9,381**	**1,881,126**
Other assets non current	15	**1.00%**	**167,937**	**5,892**	**173,829**
Current receivables	12	**-**	**-**	**1,670,234**	**1,670,234**
Non-Current receivables	16	**-**	**-**	**80,251**	**80,251**
Total			**4,039,682**	**1,765,758**	**5,805,440**
Financial Labilities					
Trade creditors and accruals	21		**-**	**627,267**	**627,267**

2020	Note	Weighted average effective interest %	Floating Interest $	Non-Interest bearing $	Total $
Financial assets					
Interest bearing deposits	10	1.05%	4,001,756	-	4,001,756
Cash and equivalents	10	0.01%	60,076	-	60,076
Other assets	15	1.80%	167,937	-	167,937
Current receivables	12	-	-	962,717	962,717
Non-Current receivables	16	-	-	138,253	138,253
Total			4,229,769	1,100,970	5,330,739
Financial Labilities					
Trade creditors and accruals	21		-	389,339	389,339

Interest rate sensitivity analysis

The Group has no material exposure to any probable interest volatility.

32 FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group trades with a number of types of customers, the main ones being:

- Incorporated companies
- Research institutes; both private and academic
- Cord Blood customer

Incorporated Companies

The Group trades with recognised, publicly listed companies and large unlisted proprietary companies and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Research institutes both private and academic

The Group also trades with research institutes that are either publicly, privately or government owned along with recognised universities. Such customers are subject to credit search and collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Cord Blood customers

All cord blood customer need sign a formal agreement and prepay for their storage charges.

We don't offer individuals a trade on credit term. Credit risk limits are remote and regularly monitored. There are no transactions that are not denominated in the functional currency of the Group.

(c) Capital management

When managing capital, the boards' objective is to ensure the entity continues as a going concern as well as to maintain returns to shareholders. The board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As part of regular reviews, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2020. The Board of Directors is responsible for assessing financial risks, related controls and other financial risk management strategies. The Company deploys its assets and liabilities so as to manage risk at commercially appropriate levels, bearing in mind the constraints imposed by the consolidated entity's size, results and other financial circumstances. The Company aims to balance opportunities to improve profitability against related risks of losses of assets or the incurrence of additional liabilities.

32 FINANCIAL INSTRUMENTS (continued)

(d) Fair value

All financial assets and liabilities have been disclosed in the financial statements and notes thereto at their carrying value, which approximates their net fair values. The fair value of the assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair values of balances related to long term revenue contracts are determined using a discounted cash flow method using discount rates that reflect the appropriate level of risk over the life of the long-term revenue stream.

(e) Liquidity Risk

The Group has assessed liquidity risk to be low at balance date. Total current assets, including cash and equivalents, of $7,292,967 (2020: $6,926,612) at balance date less the total current liabilities of $3,477,866 (2020: $3,365,767) brings in an excess of amounting to $3,815,101(2020: $3,560,845). The Group generated a positive operating cashflow of $438,801(excluding government incentive of 50k). 2020: $307,190 (excluding the government incentive and the one-off legal settlement receipt) during the financial year. Liquidity risks are managed by managing the payment & receipt cycle, capital expenditures and controllable expenses.

Maturity analysis of financial assets and liabilities based on management's expectation.

Year ended 30 June 2021	**Less than 6 months $**	**6-12 months $**	**1-5 years $**	**Greater than 5 $**	**Total $**
Consolidated Financial Assets					
Cash and cash equivalents	**3,881,126**	**-**	**-**	**-**	**3,881,126**
Trade and other receivables	**1,567,385**	**40,952**	**79,067**	**1,185**	**1,688,589**
Other assets	**-**	**-**	**167,937**	**-**	**167,937**
	5,448,511	**40,952**	**247,004**	**1,185**	**5,737,652**
Consolidated Financial liabilities					
Trade and other payables	**561,575**	**65,692**	**-**	**-**	**627,267**
Net maturity	**4,886,936**	**(24,740)**	**247,004**	**1,185**	**5,110,385**

Year ended 30 June 2020	Less than 6 months $	6-12 months $	1-5 years $	Greater than 5 $	Total $
Consolidated Financial Assets					
Cash and cash equivalents	4,061,832	-	-	-	4,061,832
Trade and other receivables	937,847	24,870	131,077	7,176	1,100,970
Other Assets	-	-	167,937	-	167,937
	4,999,679	24,870	299,014	7,176	5,330,739
Consolidated Financial liabilities					
Trade and other payables	731,963	-	-	-	731,963
Net maturity	4,267,716	24,870	299,014	7,176	4,598,776

The risk implied from the values shown in the table above, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from investment in working capital such as inventories and trade receivables. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as enable an effective controlling of future risks the Directors monitor the expected settlement of financial assets and liabilities

32 FINANCIAL INSTRUMENTS (continued)

The Group has assessed liquidity risk to be low at balance date and at the date of this report based on total

(f) Currency Risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The risk is measured using sensitivity analysis and cash flow forecasting. In order to protect against exchange rate movements, the consolidated entity has established a foreign currency bank account.

33 PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2021	2020
	$	$
ASSETS		
Total Current Assets	**7,292,967**	6,926,612
Total Non-Current Assets	**14,699,908**	16,575,314
TOTAL ASSETS	**21,992,875**	23,501,926
LIABILITIES		
Total Current Liabilities	**3,477,866**	3,365,767
Total Non-Current Liabilities	**18,137,446**	20,422,946
TOTAL LIABILITIES	**21,615,312**	23,788,713
EQUITY		
Contributed equity	**5,861,808**	5,861,808
Share option reserves	**30,392**	18,616
Accumulated losses	**(5,514,637)**	(6,167,211)
TOTAL EQUITY	**377,563**	(286,787)
TOTAL COMPREHENSIVE INCOME		
Net Profit of the parent entity for the year net of income tax	**652,574**	1,536,027
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**652,574**	1,536,027

GUARANTEES ENTERED INTO BY THE PARENT ENTITY

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiaries.

COMMITMENTS AND CONTINGENCIES OF THE PARENT ENTITY
Commitments and contingencies for the parent entity are the same as those disclosed in Note 27.

34 LEGAL CLAIM

Cryosite receive $1M in settlement of legal claim

Arising from the ACCC settlement as outlined in Note 35, Cryosite entered into a deed of settlement under which the company was paid $1,000,000 on 30 September 2019, in settlement of the claim for loss and damage relating to legal services received by Cryosite in connection with the proposed 2017 transaction.

The settlement sum is in full and final settlement of all claims by Cryosite relating to this matter.

	2021 **$**	2020 $
Legal claim received	-	1,000,000
Legal fees incurred	-	(41,017)
Net legal settlement before tax	-	958,983

35 LEGAL SETTLEMENT

On the 13th February 2019, the Company settled with the Australian Competition and Consumer Commission (ACCC) in relation to the proceeding against Cryosite in the Federal Court of Australia.

Under the terms of the settlement, the Company agreed to pay a pecuniary penalty of $1.1m (including costs) to the ACCC, with Cryosite being allowed to pay the penalty in instalments with $250,000 (including $50,000 in legal costs) to be paid within 30 days of the Court's order and the balance to be paid in 10 equal annual instalments from 2020 to 2029.

	2021 **$**	2020 $
Other Liabilities – current	**53,330**	50,311
Other Liabilities – non-current	**474,502**	527,833
Total	**527,832**	578,144

36 RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassification have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of Profit and Loss and other comprehensive income and in the note 33 Parent Entity. Comparative figures have been adjusted to conform to the current years' presentation.

The items were reclassified as follows:

(a) Statement of Profit & Loss and Other Comprehensive Income

	2020 $	2020 $
	Reclassified	Reported in Prior Year
Costs of providing services	**(3,333,500)**	(4,971,717)
Depreciation and amortisation expense	**(437,554)**	(437,554)
Marketing expenses	**(57,604)**	(57,604)
Occupancy costs	**(329,831)**	(329,831)
Administration expenses	**(4,049,171)**	(2,410,954)
Legal claim	**958,983**	958,983
Total expenses	**(7,248,677)**	(7,248,677)

(b) Parent entity

	2020 $	2020 $
ASSETS		
	Reclassified	Reported in Prior Year
Total Current Assets	**6,926,612**	7,492,162
Total Non-Current Assets	**16,575,314**	19,553,832
TOTAL ASSETS	**23,501,926**	27,045,994
LIABILITIES		
Total Current Liabilities	**3,365,767**	3,430,747
Total Non-Current Liabilities	**20,422,946**	23,902,034
TOTAL LIABILITIES	**23,788,713**	27,332,781
EQUITY		
Contributed equity	**5,861,808**	5,861,788
Share option reserves	**18,616**	18,616
Accumulated losses	**(6,167,211)**	(6,167,191)
TOTAL EQUITY	**(286,787)**	(286,787)
TOTAL COMPREHENSIVE INCOME		
Net Profit of the parent entity for the year net of income tax	**1,536,027**	1,536,027
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,536,027**	1,536,027

(c) Compensation for Key Management Personnel 2020

Reclassified

Year Ended 30 June 2020	Short term benefits		Post employment benefits	Share based payments	Total	Share based payments	Performance based
	Salary & Fees $	Other Cash benefits $	Super $	(4) $	$	%	%
Directors							
Andrew Kroger	33,333	-	3,167	-	36,500	0.0%	0.0%
Bryan Dulhunty*(1)	75,000	-	7,125	5,017	87,142	5.8%	5.8%
Nicola Swift (2)	60,000	-	5,700	-	65,700	0.0%	0.0%
Total directors	168,333	-	15,992	5,017	189,342	2.6%	2.6%
Executives							
Mark Byrne (3)	62,042	-	5,506	-	67,548	0.0%	0.0%
Total Executive	62,042	-	5,506	-	67,548	0.0%	0.0%
Total	230,375	-	21,498	5,017	256,890	2.0%	2.0%

Reported in Prior Year

Year Ended 30 June 2020	Short term benefits		Post employment benefits	Share based payments	Total	Share based payments	Performance based
	Salary & Fees $	Other Cash benefits $	Super $	(4) $	$	%	%
Directors							
Andrew Kroger	33,333	-	3,167	-	36,500	0.0%	0.0%
Bryan Dulhunty*(1)	75,000	150,012	7,125	5,017	237,154	2.1%	33.7%
Nicola Swift (2)	60,000	40,000	5,700	-	105,700	0.0%	0.0%
Total directors	168,333	190,012	15,992	5,017	379,354	1.3%	1.3%
Executives							
Mark Byrne (3)	62,042	-	5,506	-	67,548	0.0%	0.0%
Total Executive	62,042	-	5,506	-	67,548	0.0%	0.0%
Total	230,375	190,012	21,498	5,017	446,902	1.1%	1.1%

Other cash benefits amounts were reclassified in the related party disclosures.

Level 12, 90 Arthur Street
North Sydney NSW 2060

PO Box 1994
North Sydney NSW 2059
Australia

Tel: +61 2 9922 1166
Fax: +61 2 9922 2044
www.mazars.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRYOSITE LIMITED AND ITS CONTROLLED ENTITY

Report on the Financial Report

Opinion

We have audited the accompanying consolidated financial report of Cryosite Limited (the "Company") and the entity it controlled (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021 and 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 year ended on that date, other selected explanatory notes and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report for the current year. We have determined that there are no key audit matters to communicate in our report.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

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Opinion on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2021 as outlined on pages 10 to 14 of the financial report.

In our opinion, the Remuneration Report of Cryosite Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MAZARS RISK & ASSURANCE PTY LTD

R. Megale

Rose Megale
Director
Sydney, 24 August 2021

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 16th August 2021.

SUBSTANTIAL SHAREHOLDERS

The names of any substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	2021		2020	
Shareholder	**No of shares**	**% of issued capital**	No of shares	% of issued capital
ANDREW KROGER AND RELATED ENTITIES	**20,266,964**	**43.25**	18,889,612	40.31
CELL CARE AUSTRALIA PTY LTD	**-**	**-**	9,129,995	19.48
MR GARY GRIFFITH ROBINS & MR ALLAN JAMES ROBINS	**2,800,000**	**5.98**	-	-
DMX CAPITAL PARTNERS LIMITED	**2,370,973**	**5.06**	-	-

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are:

SHAREHOLDERS	**LISTED ORDINARY SHARES**	
	No of shares	% of ordinary shares
MR ANDREW KROGER and related entities	20,266,964	43.25
BNP PARIBAS NOMINEES PTY LTD	5,867,934	12.52
MR GARY GRIFFITH ROBINS & MR ALLAN JAMES ROBINS	2,800,000	5.98
DMX CAPITAL PARTNERS LIMITED	2,370,973	5.06
MR ALISTAIR DAVID STRONG	2,000,000	4.27
BELL POTTER NOMINEES LTD	1,758,236	3.75
MR CRAIG ANTHONY ROGERS	1,067,126	2.28
MR MARK GREGORY KERR & MRS LINDA MARIE KERR	855,000	1.82
SUNNYIT PTY LTD	559,518	1.19
H F A ADMINISTRATION PTY LIMITED	480,000	1.02
MR STEPHEN ROBERTS	362,707	0.77
MRS JANE SUSAN MILLIKEN	350,917	0.75
WIFAM INVESTMENTS PTY LTD	300,000	0.64
CASTLEREAGH EQUITY PTY LTD	300,000	0.64
INTEGUMENT PTY LTD	262,013	0.56
MS MARIE LUDIVINE SANDRINE LANGEVIN & MR GARY GRIFFITH ROBINS	235,000	0.50
M N J HOLDINGS PTY LTD	214,931	0.46
NARON NOMINEES PTY LTD	213,007	0.45
MS ANGELINE LIM	200,000	0.43
MRS MICHELE EVE ROBINS	200,000	0.43
	40,664,326	**86.77**

DISTRIBUTION OF EQUITY SECURITIES

Number of Shareholders by Size of Holding

Range	No of Holders	No of ordinary shares
1 to 1,000	42	14,212
1,001 to 5,000	241	870,032
5,001 to 10,000	64	518,516
10,001 to 100,000	105	3,195,060
100,001 and Over	37	42,261,743
Total	489	46,859,563

Voting Rights

All ordinary shares carry one vote per share without restriction.

Number of shareholders holding less than a marketable parcel

The number of shareholders holding less than a marketable parcel of shares is 45 and they hold 17,460 shares.