

APPENDIX 4E - PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

1. Details of Reporting Period

The financial information contained in this report is for the year ended 30 June 2023. Comparative amounts (unless otherwise indicated) relate to the year ended 30 June 2022.

2. Results for Announcement to the Market

	30 June 2023 \$'000	30 June 2022 \$'000	% increase (decrease)
Revenue from continuing operations	16,939	35,421	(52%)
Net (loss)/profit from ordinary activities after tax attributable to members	(14,052)	3,063	N/A*
Net (loss)/profit for the period attributable to members	(14,052)	3,063	N/A*
(Loss)/profit per share (cents per share)	(9.80)	2.14	N/A*
Net Tangible Assets (cents per share)	26.1	37.0	

* Not Applicable due to movement from profit to loss during the year.

No dividends were paid during the financial year and none are proposed to be paid.

The group incorporated Genetic Signatures GmbH on 29 December 2022. Refer to note 23 in the attached annual report.

No control was lost over any existing entities of the group.

The company has no interest in any joint ventures at the date of this report.

3. Brief Explanation of Results

The loss for the group after providing for income tax amounted to \$14,052,000 (FY22 profit after tax of \$3,063,000). Further information on the results is detailed in the 'Review of Operations' section of the Directors' report which is part of the attached Annual Report.

4. Audit status

The financial statements have been audited and an unmodified opinion has been issued.

5. Attachments forming part of Appendix 4E

The Annual Report of Genetic Signatures Limited for the year ended 30 June 2023 is attached.

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

Company

John Melki

Chief Executive Officer

john.melki@geneticsignatures.com

T: +61 2 9870 7580

Karl Pechmann

Chief Financial Officer

karl.pechmann@geneticsignatures.com

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



Annual Report 2023

Strategy Statement

We will be the trusted global partner for driving improved patient outcomes using our innovative **3base**[®] technology to provide configurable, clinically relevant molecular diagnostic solutions for infectious diseases.

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Chairman's Letter



Dear Shareholders, it is a pleasure to present Genetic Signatures' annual report for the financial year ending 30 June 2023.

Since its inception 22 years ago, Genetic Signatures has experienced substantial growth, transitioning from a modest Australian start-up to a well-respected global player in the field of molecular diagnostics for infectious diseases. Our patented **3base**[®] technology offers distinct advantages for multiplex PCR testing, now a fundamental workflow in diagnostic laboratories.

During the COVID-19 pandemic, Genetic Signatures saw robust demand for the *EasyScreen*[™] SARS-CoV-2 Detection Kit, leading to heightened awareness of the Genetic Signatures brand and the unique advantages of **3base**[®] technology in key markets. Subsequently, following a decrease in public health molecular SARS-CoV-2 testing, the 2023 fiscal year saw revenue contract to \$16.9 million. However, this decline had been anticipated by the Company, with a planned strategic focus to transition both existing and newly acquired customers to our well-established syndromic testing solutions. This syndromic methodology employs multiplex PCR testing to identify an array of pathogens causing similar symptoms in patients, within a single test.

Indeed, the Company experienced subsequent revenue expansion from these established non-COVID testing solutions, serving as a testament to our sustainable growth trajectory and showcased

Genetic Signatures' advantageous position to capitalise on the escalated global demand for syndromic testing.

The revenue generated during the COVID-19 pandemic was invested into product development, with at least five new product groupings now in various stages of development. In addition, the Company continues to work towards future registration of key syndromic solutions in Australia, Europe and North America. We have also progressed development of our next generation, fully automated sample-to-answer instrument for high-volume testing. This instrument is expected to further drive demand for *EasyScreen*[™] kits in targeted markets, and further embed **3base**[®] technology in the workflow of our existing customer base. This demonstrates Genetic Signatures' steadfast dedication to meet our customers' diagnostic requirements, and underscores our enduring dedication to long-term growth, ultimately delivering lasting value to our shareholders.

This year, we continued to deliver high-impact sales and marketing initiatives to further increase awareness and positioning of Genetic Signatures as a leading competitor in global molecular diagnostics in the lucrative United States (US) and European markets.

In the US, Genetic Signatures remains focused on the commercial launch of the *EasyScreen*[™] Gastrointestinal Parasite Detection Kit. With the goal of capturing 40% of the estimated addressable market of 5.5 million tests per annum, this innovative diagnostic solution offers faster and more accurate detection of a comprehensive range of gastrointestinal parasites in a single test. This advanced approach not only facilitates early patient management but also presents substantial cost efficiencies within the healthcare system.

Despite facing challenges along the way, I'm excited about the Company's first 510(k) FDA submission, planned for Q1 FY2024. This will mark a very significant step forward as we anticipate clearance of the first *EasyScreen*[™] **3base**[®] detection kit for sale in the US.

Bolstered by an established and highly experienced team in North America, we have secured a select group of pre-qualified sites poised to commence validating the *EasyScreen*[™] Gastrointestinal Parasite Detection Kit. These sites will also have the potential to adopt the kit for routine use upon FDA clearance. To support sales in the North American region, this product was also cleared for sale in Canada, further extending our reach and sales potential in this market.

In order to maintain a continuous flow of FDA-registered products within the US, we have also commenced a clinical trial for the *EasyScreen*[™] Essentials Respiratory Detection Kit. This product is a syndromic test designed to detect the most common, clinically relevant respiratory infections, including SARS-CoV-2. **3base**[®] technology is particularly well-suited for the detection of seasonal viral respiratory pathogens, as the tests are more resilient to genetic changes that occur with the emergence of new strains. This trial has progressed quickly with 510(k) FDA submission for this detection kit and workflow targeted in 2024.

In Europe, Genetic Signatures is well-positioned to further lift sales across the existing portfolio of registered detection kits and automated systems. This year has seen further expansion of Genetic Signatures' laboratory facility at the BioHub in Birmingham, United Kingdom, and the establishment of the German subsidiary. This will provide further support for European sales and marketing activities, as well as technical support for our European customers and Channel partners.

Genetic Signatures is actively broadening its presence in international markets, as evidenced by the appointment of two additional channel partners to drive the promotion of the **3base**[®] product portfolio in the Middle East.

These selected channel partners possess specialised knowledge in marketing molecular diagnostic products, along with strong established networks within crucial diagnostic laboratories across the region.

Managing the transition of the Company after the global pandemic, and prioritisation of the ongoing product development and registration pipeline has required focused governance. The Board of Directors and Management have risen to these challenges during the year. I would like to express my thanks to my fellow directors including; Director and Chief Executive, Dr John Melki; Executive Director, Michael Aicher, who heads US operations; and my fellow Non-Executive Directors, Dr Tony Radford, Dr Neil Gunn and Caroline Waldron.

I would like to express my sincere appreciation for the dedicated efforts of our employees. Genetic Signatures' corporate strategy finds its foundation in the skills of our global team, whose unwavering commitment to our core values propels the Company forward.

I am proud of the lived values that resonate in our daily working environment, and the celebration of individual differences and diversity that fuels Genetic Signatures' innovation and success.

Equally, I thank Genetic Signatures' principal advisors, our growing team of global partners, and our long-standing and new shareholders. You enable us to realise our vision: To reduce infectious disease burden and improve patient health by using novel **3base**[®] technology to enable configurable solutions that simplify molecular diagnostics.

Our collective drive has empowered us to embrace new opportunities and leverage our expertise to deliver a uniquely configurable and diversified product portfolio, underpinned by our patented **3base**[®] technology. With an unwavering enthusiasm for the future, and a robust strategic plan to support long term growth, we look forward to continuing to shape the landscape of molecular diagnostics and making lasting positive contributions to the field.



Dr Nick Samaras
Chair



2023 Annual Review CEO Report

Sales of \$16.9 million in FY2023

Completion of clinical testing and data validation to support a 510(k) submission to the US FDA for regulatory clearance of the *EasyScreen*[™] Gastrointestinal Parasite Detection Kit

Established European subsidiary and expanded Australian coverage to include key customers in Western Australia

Completed first stage of development of new, sample-to-answer instrument which has now progressed to building of a prototype

Building The Foundations for Long Term Growth

In FY2023, Genetic Signatures achieved a robust year of sales performance, driven by its diverse array of **3base**[®] assays and automated instruments, resulting in revenue of \$16.9 million. Notably, this achievement was attained despite the decline and eventual cessation of public health molecular SARS-CoV-2 (COVID-19) testing during the year. The prior strong commercial demand for the *EasyScreen*[™] SARS-CoV-2 Detection Kit over the preceding two fiscal years significantly bolstered the Company's financial standing, enabling investments in long-term growth initiatives – a central priority for Genetic Signatures throughout FY2023.

The key pillars of Genetic Signatures' long-term growth strategy include:

- Increasing brand presence and sales in key European and US markets
- Supporting Genetic Signatures' existing customer base and driving additional uptake of *EasyScreen*[™] syndromic testing solutions
- Continued expansion of the *EasyScreen*[™] syndromic testing portfolio to other key disease areas impacting health
- Embedding **3base**[®] technology in high-volume customer sites by developing a fully automated, sample-to-answer Next Generation Instrument

Preparing for Market entry into the US

A key focus for Genetic Signatures during FY2023 was the completion of clinical testing and data validation for a 510(k) submission to the US FDA in Q1 2024, for regulatory clearance of the *EasyScreen*[™] Gastrointestinal Parasite Detection Kit.

The US is a significant commercial opportunity for Genetic Signatures' *EasyScreen*[™] Gastrointestinal Parasite Detection Kit with an estimated Total Addressable Market (TAM) of 5.5 million tests per annum. Currently in the US, the diagnosis of gastrointestinal (GI) protozoan infections

primarily relies on sample culture and microscopy, supported by antigen detection and pathogen-specific molecular tests. This approach is well recognised as being time-consuming, of variable reliability, labour-intensive, and can take several days to provide a result. By comparison, Genetic Signatures' *EasyScreen*[™] Gastrointestinal Parasite Detection Kit offers a simple and rapid molecular test for the eight most common, clinically relevant GI parasites, providing results within 2-4 hours.

The *EasyScreen*[™] Gastrointestinal Parasite Detection Kit includes a number of GI pathogen targets that are currently unavailable in other existing commercial products. This underscores the distinctive and competitive advantages this product offers in the market. The absence of available predicate tests for specific pathogen targets also necessitated Genetic Signatures to develop new validation methodologies for the FDA 510(k) submission. While this led to a delay in the timeline, with submission now planned for Q1 FY2024, the additional testing data is projected to fortify the submission's strength. This will mark a noteworthy milestone for the Company, with carefully selected User Experience Sites in the US ready to initiate the evaluation of this unique syndromic testing solution and workflow.

During FY2023, Genetic Signatures also commenced clinical testing of its second **3base**[®] product for the US market. The *EasyScreen*[™] Essentials Respiratory Detection Kit is a syndromic test designed to detect the most common and clinically important respiratory infections, including the SARS-CoV-2 virus. Clinical testing has already commenced, with completion expected during H2 CY2023, and subsequent FDA 510(k) submission in H1 CY2024.

Genetic Signatures patented **3base**[®] technology is particularly well-suited for the detection of seasonal respiratory viral pathogens as the tests are more resilient than traditional PCR to genetic mutation and the emergence of new strains. There is significant market opportunity for this syndromic solution with the diagnostic advantages well understood. A recent publication reporting a meta-analysis of over 17,000 subjects across 27 different studies demonstrated that use of syndromic PCR tests for respiratory viruses can reduce the time to result by 24 hours, leading to shorter hospital stays and improvements in infection control management¹.

1 <https://doi.org/10.1016/j.jinf.2023.03.005>



Gaining Momentum in Established Markets

During FY2023, Genetic Signatures expanded its Australian footprint to include two pathology laboratories in Western Australia. These customers are intending to adopt a range of *EasyScreen*[™] detection kits into their diagnostic workflow and have already installed Genetic Signatures' automated instruments to improve the throughput and efficiency of testing.

Genetic Signatures has Australian TGA registrations in place for **3base**[®] *EasyScreen*[™] detection kits for the syndromic testing of respiratory and gastrointestinal infections, as well as antimicrobial drug resistance (AMR). While the Company has generated material sales of these products in Australia over the past four years, these have primarily been to high volume customers in New South Wales, Victoria and Queensland.

In line with Genetic Signatures' drive to enhance its presence in key European markets, the Company formally established a subsidiary in Germany, solidifying its commitment to offer direct sales and technical assistance to its European customers. This German arm bolsters the existing EMEA subsidiary, which is already well established. Local support was further enhanced by expansion of Genetic Signatures' laboratory space at the BioHub in Birmingham, United Kingdom.

Notably, several European sites embraced **3base**[®] technology for SARS-CoV-2 testing during the pandemic. Building on this experience, a number of these customers have integrated, or are evaluating or preparing to integrate, the **3base**[®] syndromic solutions into their laboratory workflow.

In the first half of FY2023 Genetic Signatures lodged a submission for registration of the *EasyScreen*[™] Gastrointestinal Parasite Detection with Health Canada. This registration was confirmed in October 2022 and is the 3rd *EasyScreen*[™] Detection Kit to be registered for the Canadian market. Genetic Signatures is supported by a channel partner in the region.

Strategic Partnerships for Entry into New Markets

Genetic Signatures recently signed an exclusive agreement with two channel partners, securing rights to promote its **3base**[®] technology and syndromic testing solutions in the United Arab Emirates, the Kingdom of Saudi Arabia, Bahrain, Qatar, and Israel. These strategic partnerships will support Genetic Signatures' expansion into the Middle East by increased brand recognition and market penetration through the channel partners' existing networks, and customer base. Moreover, these collaborations provide invaluable local insights and support in the region.

Expanding the Syndromic Testing Portfolio

In line with Genetic Signatures' long-term growth strategy, during FY2023 the Company continued to diversify and expand its product offering and range of *EasyScreen*[™] detection kits available in priority international markets. Genetic Signatures has established assays for the detection of over 100 clinically relevant pathogens, across a broad range of infectious diseases.

The simplified multiplexing process, enabled by Genetic Signatures' **3base**[®] technology, has allowed the detection of multiple pathogens that may be responsible for an infection in a single test. Syndromic testing's clinical advantage lies in pinpointing the cause of infection among numerous potential pathogens, determined by patient symptoms. Genetic Signatures has a number of established syndromic tests developed for a range of infectious diseases with regulatory clearance for sale in Australia and Europe. These include *EasyScreen*[™] detection kits for gastrointestinal and respiratory infections, and key gene targets associated with antimicrobial resistance. A range of research use only (RUO) syndromic solutions are also available.

Genetic Signatures also has CE-IVD registration in Europe for syndromic testing for 10 of the most prevalent sexually transmitted diseases. The Company continues to work towards future registration of key syndromic solutions in Australia and North America, and is currently transitioning key *EasyScreen*[™] detection kits through the new European IVDR regulatory pipeline, as new compliance requirements for in vitro diagnostics progressively come into effect over the coming years.

These forthcoming products will expand the Company's product portfolio, enabling laboratories to offer a diverse array of tests to cater to their diagnostic needs.

Answering Customer Need for a Fully Automated Syndromic Workflow

Genetic Signatures' existing automated workflow seamlessly integrates with *EasyScreen*[™] detection kits, empowering diagnostic laboratories to efficiently test for a wide spectrum of infectious disease targets. Three instruments offer flexible, automated medium and high-throughput nucleic acid extraction and PCR set up on a single system. Additionally, a fourth instrument caters for simple, rapid extraction for lower throughput requirements.

In FY2022, Genetic Signatures initiated a strategic project aimed at addressing a distinct market requirement: the creation of a fully automated sample-to-answer instrument tailored for high-throughput testing within diagnostic laboratories. This Next Generation Instrument's design and specifications were developed through extensive market analysis and customer insight to meet the demands of high-volume customers. Encompassing the entire diagnostic testing workflow – from sample extraction to result reporting – the system minimises operator intervention, streamlines the laboratory workflow, and provides laboratories with the flexibility to run multiple *EasyScreen*[™] detection kits in a single run.

By facilitating seamless adoption of **3base**[®] technology, this fully automated solution will embed our technology into the daily laboratory workflow to foster lasting commercial partnerships with our customers.

In addition, the Company's research and development program continues to progress, with a range of syndromic tests for 5 other disease areas in varying stages of development.





During FY2023, the first of the four phased-development program for the Next Generation Instrument was completed, with a working prototype successfully demonstrating the sample-to-answer workflow, a significant milestone in the instruments' development. A full prototype is expected to be delivered to carefully selected customer sites for beta testing in the near future.

Conclusion

I take great pride in the accomplishments of the Genetic Signatures team during FY2023, as we lay the groundwork for our sustained long-term growth and remain steadfast in pursuing our strategic goals. A pivotal milestone has been the preparation of a solid FDA submission for clearance of the *EasyScreen™* Gastrointestinal Parasite Detection Kit and its diagnostic workflow. Submission is expected in Q1 2024 and will be our first product for regulatory clearance in the US market. This achievement bears substantial commercial promise, given the sizable market potential in the US and the unmet need for this diagnostic solution. In parallel, we have made significant progress towards submission of our second syndromic product in the US for the detection of leading respiratory infections, the *EasyScreen™* Essentials Respiratory Detection Kit. Our North American team have been instrumental in the ongoing success of the clinical trials and preparing the market for the future launch of these products.

We continue to expand our global presence in Europe with the establishment of the German subsidiary, two new channel partners in the Middle East, and the unwavering commitment of our EMEA team to drive brand awareness and sales in the broader region.

Our research and development, validation and production team's commendable efforts have propelled the ongoing development, enhancement and commercial delivery of our *EasyScreen™* detection kits, and workflow to the global market.

Moving into FY2024, the Genetic Signatures Board of Directors and our global team maintain a resolute commitment to executing our long-term growth strategies to deliver promising commercial outcomes for the Company, and its Shareholders. We are excited about the future as we strengthen our value proposition and expand our global reach. We sincerely thank our valued Shareholders for their ongoing support and unwavering belief in our mission to advance innovation and excellence in molecular diagnostics through our unique **3base®** technology.

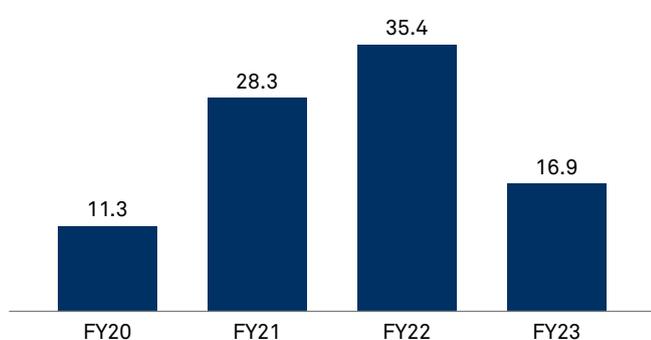
Dr John Melki
Managing Director and CEO



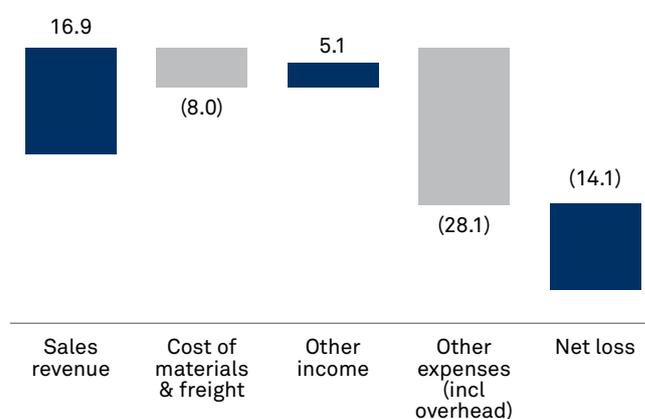
Full Year Results Highlights



Revenue from operations (\$m)



FY23 financial highlights (\$m)

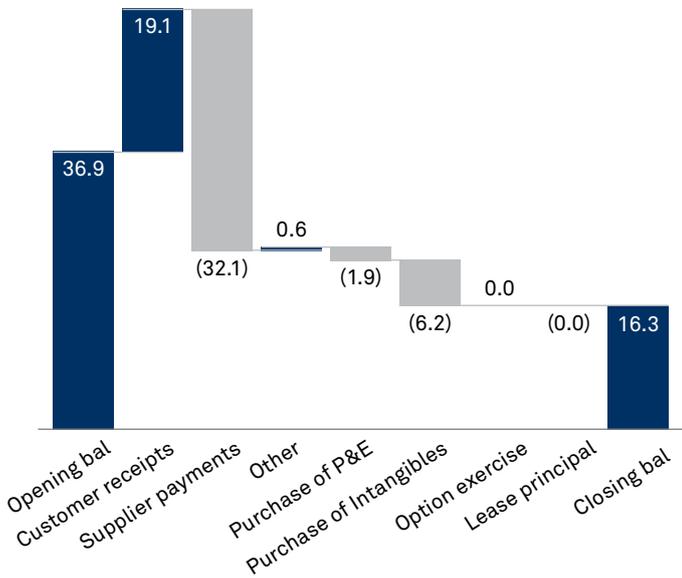


In the year ended 30 June 2023, Genetic Signatures' revenue was \$16.9 million. During the year the Company increased revenue from the sale of non-COVID detection kits after the cessation of public health SARS-CoV-2 testing, reducing demand of this type of testing.

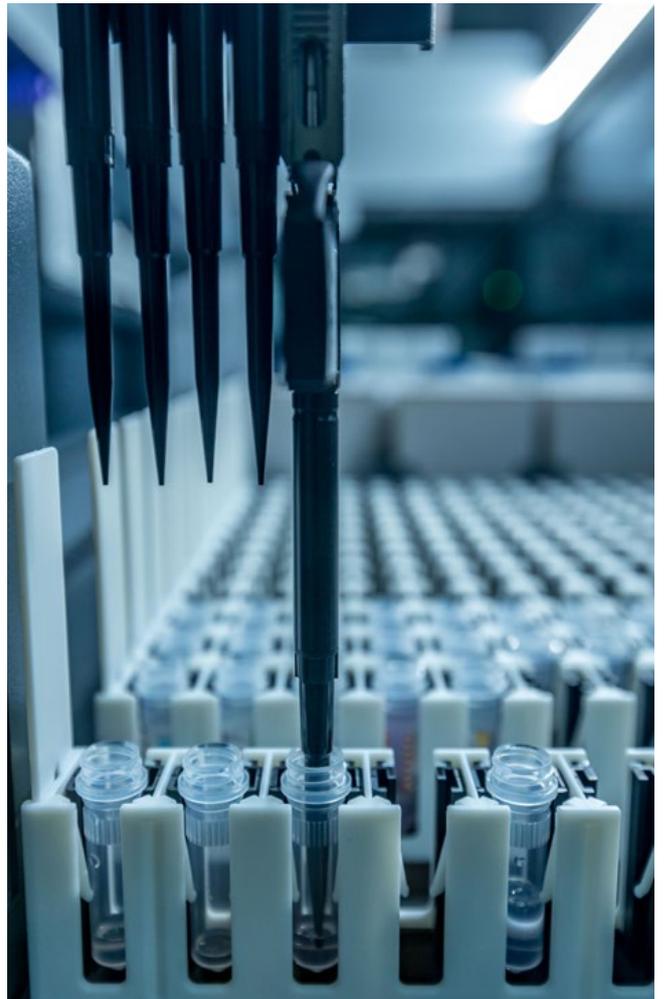
The net loss for the year ended 30 June 2023 was \$14.1 million compared to a net profit of \$3.1 million in FY2022. Gross profit on materials reduced to 60% compared to 70% in the prior year. This reduction was primarily attributable to lower sales volumes during the year. Freight costs continue to be significant due to global logistics challenges and inflation. Overall, other expenses have grown 40% year on year as investments in people, R&D, clinical trials, and marketing have been made to take advantage of future opportunities, particularly in the US and European target markets. Fundamental investment in building and testing upgraded products also continues to support the Company's product pipeline.



Cash movements (\$m)



The cash balance at 30 June 2023 was \$16.3 million. Net operating cash outflows for the year was \$12.5 million and included collections from customers of \$19.1 million. During the year, investments in instrumentation for use at customer sites, production and manufacturing facilities, and research facilities were \$1.9m. In addition, \$6.2 million was invested in capitalised intangible assets, which was primarily related to the Next Generation Instrument development.



Strategic Global Presence

Genetic Signatures is expanding its global presence to accommodate future growth in key markets

With direct presence in Australia, the UK, Germany, and the US, the Company has strategically positioned laboratory and warehousing facilities to ensure swift product delivery. These facilities also serve as hubs for comprehensive training and technical assistance for both channel partners and customers.

Australia Headquarters

Headquartered in Sydney, Australia, Genetic Signatures occupies a large, three-story building with commercial office space and a core laboratory for research and development, validation, and quality assurance testing. The production facility is located on a separate site in Sydney, where the *EasyScreen*[™] detection kits are manufactured and stored before shipping to global warehousing facilities.



Europe Operations

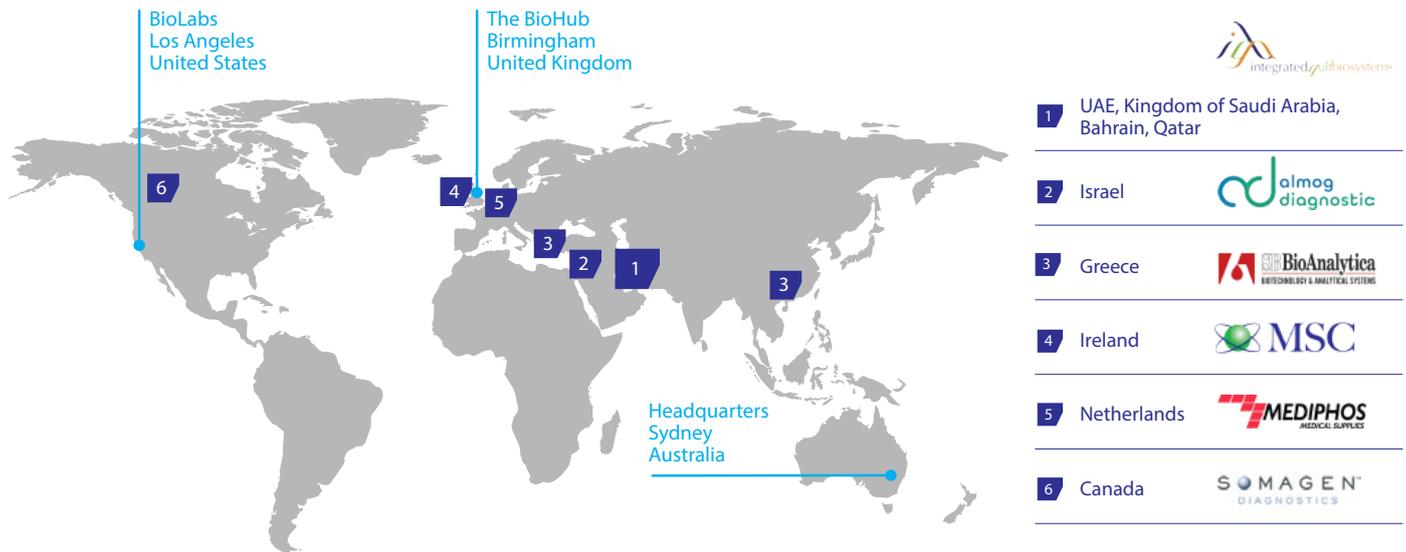
In Europe, the Company maintains multiple warehousing facilities to support its operations, including a partnership with The BioHub Birmingham in the UK for access to their outstanding laboratory and business facilities. This year, Genetic Signatures expanded its laboratory space at The BioHub to accommodate growth, with enhanced instrumentation for technical support and training. The Company's commitment to the European market is further solidified by the establishment of a subsidiary in Germany.



North America Operations

In North America, multiple warehousing facilities also ensure timely product supply, and laboratory space at BioLabs at the Lundquist in Los Angeles, supports research and development, and training for the North American region.





An Expanding Global Distributor Network

Genetic Signatures' has a strong global network of dedicated channel partners in Europe, North America and more recently, the Middle East. These partners each possess unique market insight and strong local presence to amplify Genetic Signatures' brand visibility, stimulate sales growth, and provide local customer support.

Genetic Signatures recently announced two new strategic channel partnerships in the Middle East; with Integrated Gulf Biosystems (IGB) and Almog Diagnostic. This marks a significant milestone in the Company's expansion into the region, presenting exciting opportunities and advantages for stakeholders involved.



Integrated Gulf Biosystems (IGB) is a long-established partner for the distribution of life science and clinical solutions in the Middle East. This exclusive partnership allows Genetic Signatures to tap into the promising market of United Arab Emirates, Kingdom of Saudi Arabia, Bahrain and Qatar. Leveraging IGB's extensive expertise with Genetic Signatures' current OEM partners, and bolstered by IGB's in-house technical assistance and training capabilities, IGB is poised to seamlessly introduce the Company's proprietary **3base**[®] syndromic workflow to their established customer networks.

"Our association with Genetic Signatures, is aligned with their mission to deliver the most advanced applications for molecular diagnostic screening assays. IGB, being an end-to-end solution provider for automated workflows in the region, the association with Genetic Signatures... will be a great asset, for our foray into serving the clinical diagnostics area, thereby helping to deliver faster and accurate patient results," said Prabhu Sampath, Co-Founder and CEO, Integrated Gulf Biosystems LLC.



Almog Diagnostic, based in Tel Aviv, was founded in 1987, brings extensive expertise in distributing innovative and high-quality products for research, diagnostics, and clinical use. Their focused approach in introducing new innovative and niche technologies to the Israeli market aligns well with Genetic Signatures' patented **3base**[®] syndromic solutions for infectious diseases. Bolstered by an in-house applications laboratory and skilled engineers to support Genetic Signatures' automated systems, Almog Diagnostic is aptly positioned to provide robust sales and service support.

"In our continuous growth we always seek for the next 'big thing', cutting-edge technologies, that we can bring to the Israeli market. We strongly believe that our new collaboration with Genetic Signatures, the 3base[®] syndromic multiplex testing solutions, and the coming sample-to-result automation, can make a change in the diagnostic market," said Nitsan Levi, VP New Technologies and Implementation, Almog Diagnostics.

Marketing & Events

Elevating brand recognition: Genetic Signatures' prominent event sponsorship

2023 saw significant investment to represent a strong brand presence at prominent international conferences, positioning Genetic Signatures as a leading global brand in syndromic testing for infectious diseases.

These events were very successful, notably elevating the Company's brand visibility and fostering valuable engagements with prospective customers and channel partners who were keen to understand the benefits of Genetic Signatures' patented **3base**[®] technology and flexible syndromic workflow.

Key events sponsored for FY2023 included:

The 97th Annual Meeting of the American Society of Parasitologists (ASP), Texas, United States, 9th - 12th July 2022

74th Annual Meeting of the German Society for Hygiene and Microbiology (DGHM), Berlin, Germany, 5th - 7th September 2022

European Society for Clinical Virology (ESCV), Manchester, United Kingdom, 7th - 10th September 2022

Institute for Biomedical Science Congress, Birmingham, United Kingdom, 25th - 28th September 2022

38th NRL Workshop on Infectious Disease Testing 2023, Melbourne, Australia, 10th - 12th October, 2022

12th European Meeting on Molecular Diagnostics (EMMD), Noordwijk, Netherlands, 12th - 14th October 2022

32nd Annual Meeting of the Society for Virology (gFV)- Ulm, Germany, 28th - 31st March 2023

33rd European Congress of Clinical Microbiology and Infectious Diseases (ECCMID), Copenhagen, Denmark, 15th - 18th April 2023

Berufsverband der Ärzte für Mikrobiologie, Virologie und Infektionsepidemiologie (BÄMI), Göttingen, Germany, 11th - 13th May 2023

American Society of Microbiology (ASM) Microbe, Texas, United States, 16th - 18th June 2023

The European Congress of Clinical Microbiology and Infectious Diseases (ECCMID)

The 33rd ECCMID conference was held from 15-18 April 2023 in Copenhagen. This premier global event in clinical microbiology and infectious diseases, showcased cutting-edge research and diagnostics, and emerging trends in this field. Attended by over 16,000 delegates from 146 countries, Genetic Signatures had a solid presence with a 50m² booth and high impact advertising at the event. This successfully positioned the Company as a prominent global supplier of innovative, flexible syndromic testing for infectious disease.



NRL Workshop on Infectious Disease Testing

Australia's National Reference Laboratory (NRL) run the NRL Workshop on Infectious Disease Testing to unite professionals including scientists, IVD manufacturers, regulators, clinicians, and laboratory staff. This event facilitates discussions on current opportunities and challenges in the field, along with showcasing technological advancements and diagnostic tests for infectious diseases. Genetic Signatures has long sponsored and presented at this event, exhibiting their latest product innovations and enhancements.



Australian Investor Roadshows

Genetic Signatures regularly presents at leading investment events in Australia, such as the TechKnow Invest Roadshows. These events provide opportunities to connect directly with investors, brokers, and shareholders, facilitating insightful discussions about the Company's unique diagnostic solutions, competitive strengths, and strategic advancements to support long-term growth and deliver shareholder value.

Visit www.geneticsignatures.com/au/investors to access the latest presentations and reports.





North America A team prepared for success

Ron Gonzales leads Genetic Signatures' North American endeavours

Genetic Signatures local North American team has grown rapidly over the past year, driven by the Company's strategic efforts to establish a robust brand identity in the region, in preparation for the future launch of the *EasyScreen*[™] Gastrointestinal Parasite Detection Kit and automated workflow.

At the helm of this highly experienced and diversely skilled team is Ron Gonzales. After joining the Company in 2021, Ron's leadership has been pivotal in generating momentum, energy, and interest amongst highly targeted customers in the region.

Ron Gonzales is a seasoned veteran in the diagnostic and medical device industry with an impressive career spanning various senior leadership roles at Abbott Laboratories, Merrill Lynch, and QIAGEN. Ron's extensive background equips him with a solid understanding of the healthcare and diagnostic sector. His passion for the diagnostics industry was ignited during his tenure at Abbott Laboratories, where he embarked on a journey of professional growth and knowledge acquisition. His fearless approach to tackling challenges and his mantra of remaining "green and growing" allowed him to gain exposure across diverse product areas and business units.

Ron's ability to translate scientific concepts into tangible solutions for diagnostic laboratories is a hallmark of his expertise. His talent in anticipating and addressing customer needs has led to the establishment of enduring relationships, both with clients and industry partners. He attributes much of his success to the support of colleagues and senior managers who championed individual growth and development, fostering a culture of collaboration and shared success.

"My relationships in the market with both companies and clients have created great support for my growth and the partnerships needed for success. No one is successful alone," Ron said.

This collaborative leadership style remains at the core of Ron's approach, characterised by a growth mindset, unwavering enthusiasm, and confidence in taking on challenges. Ron's commitment to a positive company culture aligns seamlessly with Genetic Signatures' values, as he believes that culture is the heart of any successful business. Ron's decision to join Genetic Signatures was driven by the Company's "all in" culture, coupled with its cutting-edge proprietary **3base**[®] technology and supportive leadership.

Over the past 2 years, Ron has formed a North American team comprised of experts in Sales, Marketing, Technical Support, Clinical and Commercial Operations. "We have built a cohesive and motivated team in North America who are well equipped to overcome challenges and launch Genetic Signatures into the US market. A group of highly experienced individuals who now bring their expertise and knowledge to Genetic Signatures."

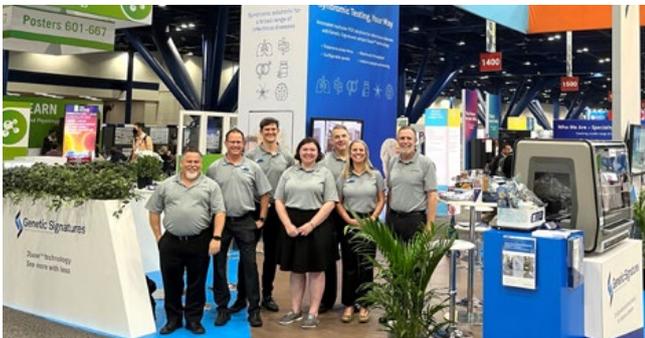
"We have a fantastic strategy for growth in the short and longer term with unique, customer-centric solutions that will place Genetic Signatures on the world stage," Ron said. "Combine this with our local and global team's collective spirit and expertise, we are well positioned for a resounding success in North America."

Elevating Market Presence in the US

The Company has recently initiated a series of impactful sales and marketing initiatives to establish brand recognition in the US. These endeavours encompass strong representation at prominent events, the delivery of a comprehensive three-part educational webinar series featuring eminent thought leaders in the parasitology field, the additional promotion of an aligned white paper, and the impactful delivery of a focus group with key opinion leaders in clinical diagnostics.

Sponsorship of Leading Industry Events

Genetic Signatures recently exhibited at leading events in the US including the American Society for Microbiology (ASM Microbe) and the Association for Diagnostics and Laboratory Medicine (formerly AACC). These prominent events in the field of microbiology, clinical chemistry, and diagnostics served as a platform for Genetic Signatures to demonstrate the Company's strong local presence.



Shaping Diagnostic Excellence: Insights from Leaders in Clinical Diagnostics

In March 2023, the Company held a focus group with influential Key Opinion Leaders (KOLs) from leading diagnostic laboratories in the US. The focus group provided a forum to discuss the key challenges facing clinical diagnostics and future requirements for infectious disease testing. The KOLs also provided valuable feedback on

3base[®] technology, the attractiveness of uniform PCR test conditions, and suggestions on future product development and diagnostic workflow. This research initiative enabled a deeper understanding of diagnostic laboratory needs in the US, aiding informed decision-making, refined strategic direction, and the shaping of effective communication strategies.

Educational Webinar Series: 'Advances in Gastrointestinal Parasite Testing'

In June 2023, Genetic Signatures delivered an educational webinar, the third in a 3-part series featuring molecular solutions for detecting gastrointestinal parasites. Experts in parasitology highlighted the advantages of a syndromic workflow that identifies multiple pathogens in one test, delivering results within hours, compared to weeks seen with conventional methods. The speakers also emphasised the unique pathogen targets in Genetic Signatures' *EasyScreen*[™] Gastrointestinal Parasite Detection Kit.

Hosted by 360Dx, a leading clinical diagnostics platform, this virtual event generated robust participation and an expanding opportunity pipeline for Genetic Signatures. This webinar series, together with an aligned white paper, are now available on-demand and will support future marketing efforts as the Company prepares to launch the *EasyScreen*[™] Gastrointestinal Parasite Detection Kit.

A Robust Pipeline with Multiple Products Cleared for Sale

Genetic Signatures has an extensive range of regulatory cleared *EasyScreen*™ detection kits for syndromic testing for respiratory, gastrointestinal, sexually transmitted diseases, and antimicrobial resistance. Diagnostic solutions for five other disease areas are also at various stages of the development pipeline, supporting future growth opportunities for the Company.

Genetic Signatures is currently transitioning key *EasyScreen*™ Detection Kits through the recently established European IVDR regulatory pipeline. This is to ensure the *EasyScreen*™ detection kits meet the new European compliance criteria for in vitro diagnostics, which will be progressively implemented in the years ahead.

Additionally, the Company is dedicated to securing IVD registration for the existing research use only (RUO) products to expand the availability of syndromic testing solutions and integrate **3base**® technology into laboratory workflows.

Regulatory approval is being pursued for two syndromic solutions targeting gastrointestinal parasite infections and leading respiratory infections in the US. The Company's product pipeline envisions the introduction of more solutions in the future.

Genetic Signatures remains committed to continuous improvement of the diagnostic workflow to meet their customer needs, with a range of initiatives in development. This includes the development of a fully automated sample-to-answer instrument tailored for high-throughput testing. This Next Generation Instrument minimises operator intervention, streamlines the laboratory workflow, and provides the flexibility to run multiple *EasyScreen*™ detection kits in a single run.





Upcoming Milestones

US: *EasyScreen*[™] Gastrointestinal Parasite Detection Kit

Planned 510(k) FDA submission in Q1 2024

Customer Experience Sites initiated with select diagnostic laboratories in the US

Receive FDA approval

Launch product once clearance is granted

Contracts with new customers

Completion of US clinical trial for second FDA submission

EasyScreen[™] Essentials Respiratory Detection Kit

R&D initiatives for new products

New tests for *EasyScreen*[™] detection kits

Continued technology and workflow improvements

Further progression for the development of the Next Generation Instrument

Quarterly sales updated and progress reports

Our People

One of Genetic Signatures' great strengths is its people. All team members live a set of core values that guide their approach to work, problem solving, and communication, and form the cornerstones of Genetic Signatures' culture.

All in

We are passionate about making a real and positive difference to patient health outcomes and we give every day our all, supporting each other and our customers to achieve our collective goals.

Truth

We conduct ourselves with honesty and integrity and seek and speak the truth.

Empowerment

We are clear on our responsibilities and see the road to our success, and we are given ownership to achieve this.

Evolution

We are passionate about continuously evolving our professional capability and molecular diagnostic solutions.

Diversity

We understand that each individual is unique, and we recognise our individual differences and unique perspectives fuel the innovation of our solutions.

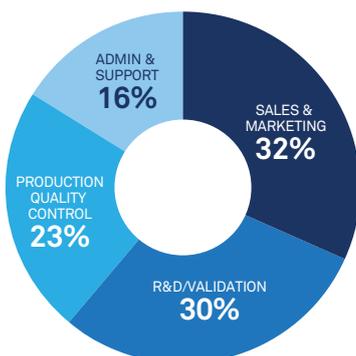
Recent employee engagement survey

97% of staff are motivated to see Genetic Signatures succeed

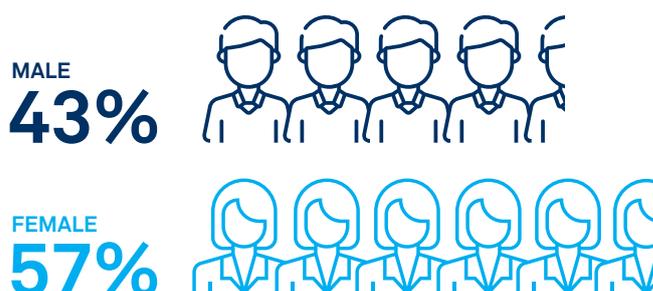
100% of staff understand how their role contributes to what we are trying to achieve as a company

91.5% agree that Genetic Signatures is an open and accepting workplace

Staff allocation by function



Staff gender profile





Introducing Karl Pechmann

Chief Financial and Operating Officer (CFO & COO) and Company Secretary

In the brief time since assuming his role at Genetic Signatures in June 2023, Karl Pechmann has made an indelible impact as Chief Financial and Operating Officer (CFO & COO) and Company Secretary. With extensive experience as a Chartered Accountant and governance expert within ASX and NASDAQ listed companies, his proficiency in financial management, strategic planning, and capital raising within medical technology, biotechnology, and healthcare sectors positions Genetic Signatures for successful global expansion under his adept leadership.

Karl's early interest in finance and business strategy was ignited during his cadetship program at KPMG, starting at just 18 years old. Karl was immediately exposed to diverse industries and high-net worth businesses at various stages of development. This rapidly accelerated Karl's career to senior management roles at multi-national companies including OncoSil Medical Limited, Kyckr Limited and Immutep Limited. Throughout this journey, Karl assumed responsibilities spanning finance, investor relations, treasury, operations, and information technology.

An advocate for adaptability and market responsiveness, Karl's transformative mindset has streamlined operations, enhanced efficiency, and strategically driven organisational growth. "Regardless of the type of industry you are working in, the biggest learning has been that teams need to be adaptable and responsive to changes in market dynamics, or to know when to pivot to meet market demand," Karl said.

His affinity for companies driving positive societal impact led him to Genetic Signatures, where innovation in molecular diagnostics for infectious diseases resonated deeply. "The Board, management and staff are dedicated to excellence in molecular diagnostics to improve patient health.

Genetic Signatures has deep roots in research and development and product development, and continuous improvement to our product offering brings confidence for the future growth of the company, globally," Karl explained.

Karl's extensive expertise in driving organisational change and enhancing operations will fortify Genetic Signatures' expansion into targeted international markets. "In my role, I closely collaborate with the business to not only interpret financial data but also make data-driven decisions to enhance operational performance. I foster the understanding among team members about their collective impact on operational excellence, and how this can translate to enhanced company performance to further invest in improving patient outcomes, as well as supporting improved financial results for shareholders," said Karl.

With a career marked by astute financial acumen, business planning and strategic leadership, Karl has already emerged as a driving force to support Genetic Signatures' financial stability and future growth objectives.

"My main goal for the Company is to be the trusted business partner to the Board, management and the Genetic Signatures team to facilitate the growth of the business and continued improvements to the Company's product offering, which will ultimately improve treatment decisions for patients."

Welcome to the team!

For the financial year
ended 30 June 2023

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The image features a blue-tinted background with a semi-transparent digital dashboard overlay on the left. The dashboard contains several data visualization elements: a candlestick chart at the top, a bar chart with a line graph below it, a bar chart with a line graph at the bottom left, and a combined bar and line chart at the bottom right. The combined chart has a y-axis from 0 to 80,000 and an x-axis with years from 2009 to 2019. A white arrow points upwards from the 2016 data point. On the right side, a blurred silhouette of a person is visible against a bright, hazy background. The overall aesthetic is modern and professional, typical of a corporate financial report cover.

Financial Report 2023

Directors' Report

The directors present their report, together with the financial statements, on the company and its controlled entities for the year ended 30 June 2023. This will hereafter be referred to as company, consolidated entity or group.

DIRECTORS

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

Nickolaos Samaras
Michael A Aicher
Neil Gunn

John R Melki
Anthony J Radford
Caroline C Waldron

PRINCIPAL ACTIVITIES

The principal activities of the group during the financial year were the research into identifying and commercialisation of individual genetic signatures to aid in the diagnosis of infectious diseases and the sale of associated products into the diagnostic and research marketplaces. There have been no significant changes in these activities during the year.

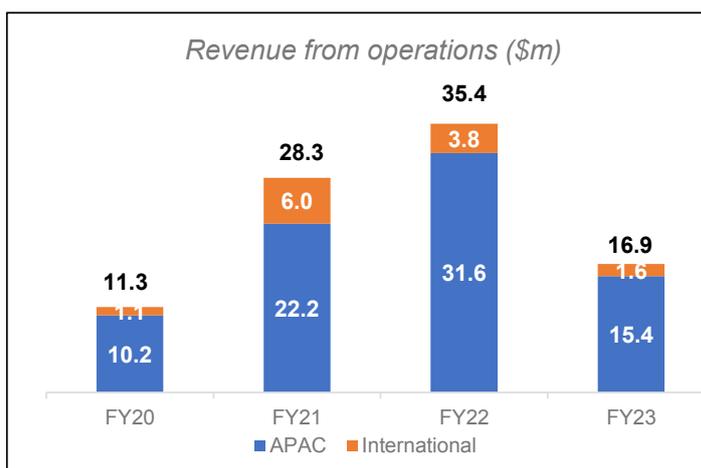
REVIEW OF OPERATIONS

Genetic Signatures has generated solid sales of **3base® EasyScreen™** for the year ended 30 June 2023. During the year the group was successful in opening new customer sites in both Australia and Europe and continuing to expand the range of tests undertaken using **3base® EasyScreen™** beyond SARS-CoV-2.

In the financial year ending 30 June 2023, Genetic Signatures' revenue was \$16.939 million representing a 52% decrease over the previous year. This reduction in revenue was due to the reduction of public health molecular testing for SARS-CoV-2. During the year, Genetic Signatures increased revenue from non-COVID kits to partially offset the reduction in SARS-CoV-2 revenue.

Genetic Signatures posted a full year net loss of \$14.052 million, compared to the prior corresponding period profit of \$3.063 million.

Gross margins on materials were 60%, compared to 70% in the prior year. The reduction in gross margin is attributable to the reduction in production volumes during the year. Freight and warehousing continues to be a significant expense due to increased logistics costs that have been widely reported in the media. Margins are expected to be maintained or improved as the proportion of international sales rises.



Significant investments have been made over the year to prepare to take advantage of future growth opportunities, and this has been shown in the increase in expenses from the previous year. Employee benefits expense were up 31% vs. prior corresponding period to \$15.037 million due to growth in headcount globally, primarily in Research & Development. This also includes share-based payments expense of \$1.972 million, a non-cash item. Scientific consumables increased 63% over prior year, reflecting the work on continuing and new R&D projects and clinical trial costs for the US FDA Enteric Parasite submission. Costs for the development phase of the Next Generation project is now being capitalised. Marketing & travel expenses increased over the prior year as restrictions on travel ease and markets, particularly the US, are being prepared for the launch of new products.

Cash on hand was \$16.349 million at 30 June 2023 and the group remains debt free. Genetic Signatures has reported net operating cash outflows for the year of \$12.451 million which includes collections from customers of \$19.093 million. During the year, the group made \$1.932 million in investments in instrumentation for use at customer sites and machinery for production or research work, and \$6.162 million in capitalised intangible assets, mostly related to development of the Next Generation instrument referred to above. Inventory balances reduced through the year to reflect the reduction in sales and supply chains eased.

Commercialisation Progress by Market

Australia

During the year, Genetic Signatures expanded its Australian footprint to include two pathology laboratories in Western Australia. Genetic Signatures has Australian TGA registrations in place for **3base**[®] *EasyScreen*[™] syndromic test kits for the evaluation of respiratory infections, enteric gastrointestinal pathogens and antimicrobial drug resistance (AMR).

During the year, Genetic Signatures completed the first of four phases of its program to develop a fully-automated, high-throughput, sample-to-answer instrument specifically designed for **3base**[®] technology. This program has now progressed into the development of a working prototype prior to building the commercial instrument. The design, requirements, and specifications for this instrument has been informed by extensive customer research which highlighted the attractiveness of a fully-automated, high-throughput, sample-to-answer instrument for high-volume sites wanting to routinely adopt **3base**[®] technology as part of their molecular testing offering.

EMEA

During the year Genetic Signatures registered a subsidiary in Germany to provide sales, marketing and technical support for its European customer base. A number of European sites initially adopted the **3base**[®] technology to assist with testing for SARS-CoV-2 during the pandemic. Following this experience, many of these customers are now either evaluating or have started to purchase **3base**[®] syndromic kits for other indications.

The region contributed 9.4% of total sales revenue in FY2023. As with Australia, SARS-CoV-2 testing has reduced as governments withdraw support for population-wide screening. The Genetic Signatures' sales & support teams, based in UK and Germany, are using the opportunity to sell the benefits of the other CE-IVD marked diagnostic kits in the portfolio.

Directors' Report

A key focus for Genetic Signatures during FY2023 was the completion of clinical testing, data validation, and the preparation of the submission of a 510(k) application for regulatory clearance for our *EasyScreen*[™] Gastrointestinal Parasite Detection Kit in the United States. This is the first product using our **3base**[®] technology to go in front of the US Food and Drug Administration.

The US is a significant commercial opportunity for Genetic Signatures' *EasyScreen*[™] Gastrointestinal Parasite Detection Kit with an estimated Total Addressable Market (TAM) of 5.5 million tests per annum. During the financial year, Genetic Signatures also commenced clinical testing of its second 3base[®] product for the US market. This product is a syndromic test designed to detect the most common respiratory infections, including the SARS-CoV-2 virus.

In the first half of FY2023 Genetic Signatures lodged an application for registration of this its Enteric testing kit with Health Canada. This registration was confirmed in October and is the 3rd *EasyScreen*[™] Detection Kit to be registered for the Canadian market.

Looking Forward

Genetic Signatures has an exciting year ahead as it manages the transition from SARS-CoV-2 to expanding the range of *EasyScreen*[™] tests that current and new customers use day to day.

The group is focused on its goal of being a solution of choice for pathology laboratories. Key goals over the next 12 months include:

- Anticipating US FDA clearance and successfully launching the product once clearance is granted.
- Completing regulatory clinical trials for the next product to be put through the US FDA.
- Progressing the Next Generation instrument through its development phases with early-stage prototypes available for comprehensive testing.
- Expanding the European customer base and the range of tests adopted by customers. This includes establishing distributor-based sales teams in markets not currently served.
- Continuing R&D activity and moving new products from the development phase towards commercialisation.

The above milestones will again broaden Genetic Signatures' applicability to pathology testing laboratories and will secure further growth, particularly in the target regions of Europe and the US.

STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the group during the year.

DIVIDENDS

No dividends were paid or were payable during the year (2022: NIL).

EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to the reporting date the group received a report of inconsistencies in the detection of the influenza B virus when employing the *EasyScreen*[™] Respiratory Pathogen Detection Kit. The group has undertaken an investigation and found that this season's influenza B virus is not being consistently detected in a small proportion of low viral concentration samples. The group is well-advanced in

resolving this issue, which is specific to the influenza B virus. Genetic Signatures has advised the regulatory authorities of the reported detection inconsistencies, and the group's ability to implement a solution in a relatively short timeframe. As a result, revenue from the sale of the *EasyScreen*[™] Respiratory Pathogen Detection Kit has impacted Q1 FY2024 revenue with no expected impact in following quarterly revenue periods.

Other than the above, there has not arisen, in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely in the opinion of the directors of the group to affect significantly the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

LIKELY FUTURE DEVELOPMENTS

Likely developments in the operations of the group and the expected results of those operations in future financial years are:

- A submission for US FDA clearance for its *EasyScreen*[™] Enteric Parasite Detection Kit is expected to be lodged in Q1 FY2024. If clearance is granted the group will be able to sell a fully cleared product in the USA for the first time. The group cannot forecast the potential positive financial impact at this stage.
- Work is underway on development of a new instrument. This project has been estimated to cost between \$10-12 million, including external consultancy, prototyping and other internal costs.

BUSINESS RISKS

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks.

Product Pipeline

The group's long-term sustainable viability will be determined in part by its ability to continue to identify and successfully develop and fund a pipeline of products capable of commercialisation and will need to be successful in this in the context of a dynamic and changing competitive landscape. The group will also need to protect and enhance the intellectual property position surrounding its portfolio. The commercial team remains alert to scientific and market developments and dedicates resources to intellectual property protection strategy and implementation.

Competitive Risk

The molecular diagnostic industries are highly competitive, and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than the group. There are companies that compete with the group's efforts to discover, validate and commercialise molecular diagnostic products or product candidates. The group's competitors may discover and develop products in advance of the group and/or products that are more effective than those developed by the group. As a consequence, the group's current and future technologies and products may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

Directors' Report

Regulatory Risk

The group operates under a broad range of legal, regulatory, tax and political systems. The continued viability of the group, including its ability to have products successfully approved or commercialised in its operating regions, as well as maintaining a competitive advantage, may be adversely impacted by regional specific regulatory regimes (which may result in delays or rejections of applications or regulatory sanctions if not appropriately managed), changes in regulatory or fiscal regimes, difficulties in interpreting or complying with local laws and reversal of current political, judicial or administrative policies, including as a result of geopolitical tensions. Regulatory risk includes changes in reimbursement regulation. The group has developed and seeks to continuously improve its regulatory compliance frameworks, including those for risk area identification and management, training, monitoring, reporting and remediation.

Reliance on key personnel

The group currently employs a number of key management and scientific personnel, and the group's future depends on retaining and attracting suitably qualified personnel. The group has included in its employment with key personnel provisions aimed at providing incentives and assisting in the recruitment and retention of such personnel. It has also, as far as legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the group. Despite these measures, however, there is no guarantee that the group will be able to attract and retain suitably qualified personnel, and a failure to do so could materially and adversely affect the value of the group's technologies.

ENVIRONMENTAL COMPLIANCE

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Climate risk

The Board is considering on an ongoing basis the potential response to climate risk and considering potential implementation of a formal review and policy response in future years.

DIRECTORS

Name:	Nickolaos Samaras
Qualifications:	BSc (Hons), PhD, MBA, FAIM, FAICD
Experience:	<p>Dr. Samaras has had over 30 years' business experience in the global Life Sciences industry and is a recognised and respected industry expert. He has held a number of senior executive level positions in management, marketing, sales, and research and development. His roles have included appointments as Managing Director of Applied Biosystems Pty Ltd (now part of Thermo Fisher), and senior roles with Perkin Elmer and AMRAD Corporation (now part of CSL).</p> <p>Dr. Samaras is an experienced executive, non-executive and Board Chairman, having served on the boards of several biotechnology companies.</p> <p>Dr. Samaras holds a BSc with Honours in Pathology and Immunology from Monash University and a PhD from the Department of Medicine at The University of Melbourne. He also holds postgraduate business qualifications which include an MBA from the School of Management at RMIT University and is a Fellow of the Australian Institute of Company Directors.</p>
Special responsibilities:	Non-Executive Chairman; Chairman Nomination and Remuneration Committee; Member Audit & Risk Committee
Directorships of other listed companies:	Nil
Interests in shares and options:	2,024,016 ordinary shares

Directors' Report

Name: **John R Melki**
Qualifications: BSc (Hons), PhD
Experience: Dr. Melki has led the commercialisation efforts of Genetic Signatures as Chief Executive Officer since 2011. Dr. Melki originally joined Genetic Signatures in 2003 where he was responsible for leading the commercialisation of two research products (worldwide) and five diagnostic products (locally and Europe) in the role of Senior Principal Research Scientist. He has authored over 20 peer-reviewed articles and is listed as an inventor on eight patent applications. Dr. Melki received his BSc from the University of New South Wales and his PhD from the University of Sydney, where his thesis was awarded the Peter Bancroft Prize from the Medical School. His primary research focus was in the sodium bisulphite conversion of DNA which is at the core of Genetic Signatures' 3base® technology.

Special responsibilities: Managing Director and Chief Executive Officer

Directorships of other listed companies: Nil

Interests in shares and options: 1,096,000 ordinary shares,
800,000 options over ordinary shares

Name: **Anthony J Radford AO FTSE**
Qualifications: BSc (Hons), PhD, DipCorpMan
Experience: Dr. Anthony Radford has a PhD from La Trobe University and was a member of the CSIRO team that invented the QuantiFERON method for Cellular Immune based diagnostics. He later joined AMRAD in pharmaceutical research and was Head of Development in 2000 when he left to co-found the diagnostic company Cellestis Limited, which listed on the ASX in 2001. Establishing offices and operations in the USA, Europe and Japan, Cellestis developed QuantiFERON –TB Gold, the worldwide benchmark for diagnosis of tuberculosis infection. Dr. Radford was CEO of Cellestis from founding until its acquisition by QIAGEN NV in 2011. He is a Fellow of the Australian Academy of Technology and Engineering, and a recipient of their Clunies Ross Prize.

Special responsibilities: Non-Executive Director; Member of Audit & Risk Committee and Nomination & Remuneration Committee

Directorships of other listed companies: Nil

Interests in shares and options: 240,000 ordinary shares

Name: **Neil Gunn**
Qualifications: BSc, Msc, PhD
Experience: Dr Gunn holds a PhD and Master of Science from Portsmouth Polytechnic, UK. He has over 30 years' experience in medical devices and diagnostics. Most recently Dr Gunn was CEO of IDbyDNA, a metagenomics company based in the US that was acquired by Illumina in 2022. Prior to this he was the President of Roche Sequencing Solutions where he oversaw all aspects of the business and managed a team of approximately 900 people. His team developed and launched more than 20 products per year. Dr Gunn was also previously Vice President of Roche's Molecular Diagnostics business and was responsible for over 120 diagnostic product launches principally into the IVD clinical market.
Dr Gunn is based in San Francisco, USA.
Special responsibilities: Non-Executive Director
Directorships of other listed companies: Nil
Interests in shares and options: 250,000 options over ordinary shares

Name: **Michael A Aicher**
Qualifications: BSc, MBA
Experience: Mr. Aicher has over 30 years of industry experience and was CEO and founder of National Genetics Institute (NGI) which was acquired by Laboratory Corporation of America, Inc. (LabCorp) in 2000. Mr. Aicher led LabCorp's Esoteric Business Units, which generated more than \$1 billion in annual revenue. Prior to NGI, Mr. Aicher served in a number of executive leadership roles at Central Diagnostics Laboratory. He currently serves as a director on boards of Roswell Biotechnologies, Techcyte and CytoBay. He is certified by the University of California at Berkeley as a Global Biotechnology Executive and is a recipient of Ernst & Young's "Entrepreneur of the Year" award for emerging technologies. Mr. Aicher received a BS in Business Administration from the University of Redlands.
Special responsibilities: Executive Director – US Operations
Directorships of other listed companies: Nil
Interests in shares and options: 645,785 ordinary shares

Directors' Report

Name:	Caroline C Waldron
Qualifications:	LLB (Hons), GAICD, FGIA
Experience:	Ms Waldron is a cross-border advisor and director with over 30 years expertise in governance, marketing, human resources, and digital transformation across a range of sectors. Her formal training is in law and she has been admitted to the Bar of England and Wales and the courts of other jurisdictions including Australia and New Zealand. Ms Waldron holds an LLB (Hons) from the University of London, is a Graduate of the AICD, and a Fellow of the Governance Institute of Australia.
Special responsibilities:	Non-Executive Director; Chair - Audit & Risk Committee
Directorships of other listed companies:	Non-executive Director – Resimac Group Ltd Non-executive Director – AMA Group Ltd
Interests in shares and options:	16,700 ordinary shares

Company Secretary

Name:	Karl Pechmann
Qualifications:	B Bus, CA, AGIA
Experience:	Mr Pechmann is a senior executive with extensive experience in ASX-listed companies and multi-national organisations. In these roles, Mr Pechmann has been responsible for numerous operational areas including finance, investor relations, treasury, operations, and information technology. He is a qualified Chartered Accountant and Chartered Secretary.

Mr Peter Manley was the group's former Company Secretary, resigning from this role on 27 March 2023. Mr Anthony Rule was appointed interim Company Secretary from this date until the appointment of Mr Karl Pechmann as Company Secretary on 28 June 2023.

DIRECTORS' MEETINGS

The number of meetings of the board of directors (including board committees) held during the year ended 30 June 2023, and the numbers of meetings attended by each director are set out below:

Name	Board		Audit & Risk Committee		Nomination & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Nickolaos Samaras	8	8	2	2	1	1
John R Melki	8	8	-	-	-	-
Anthony J Radford	8	8	2	2	1	1
Michael A Aicher	8	8	-	-	-	-
Neil Gunn	8	8	-	-	-	-
Caroline C Waldron	8	8	2	2	-	-

REMUNERATION REPORT - AUDITED

The remuneration report is set out under the following main headings:

1. Remuneration principles and key management personnel
2. Non-executive director remuneration
3. Executive remuneration
4. Equity disclosures
5. Employment agreements

1 REMUNERATION PRINCIPLES AND KEY MANAGEMENT PERSONNEL

1.1 Policy for determining the nature and amount of key management personnel remuneration

The Board's remuneration policy determines the nature and amount of remuneration for Board members and senior executives of the group. The policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Remuneration & Nomination Committee and approved by the Board. The Board ensures that the group's remuneration levels are appropriate in the markets in which it operates and are applied, and seen to be applied, fairly.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed with reference to market rates for comparable companies. The chairman's fees are determined independently to the fees of non-executive directors. The Chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors are entitled to receive share options, following approval by the shareholders of Genetic Signatures Limited.

Non-executive directors' fees are captured within an aggregate directors' pool limit, which is periodically recommended for approval by shareholders. The pool stands at \$450,000 excluding share-based payments which are subject to separate shareholder approval.

Directors' Report

Executive directors and senior executives

The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives, and the creation of value for shareholders. The Board ensures that executive reward satisfies the following key criteria.

Alignment to company and shareholders' interests:

- Has company growth as a core component of plan design
- Focuses on sustained long-term growth in shareholder wealth
- Attracts and retains high calibre executives
- Total remuneration is comparable to market standards.

Alignment to program participants' interests:

- Rewards capability and experience
- Reflects competitive reward for contribution to growth in company value
- Provides a clear structure for earning rewards
- Provides recognition for contribution

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

1.2 Key management personnel

The following persons were key management personnel of Genetic Signatures Limited during the financial year:

Non-executive directors

Dr Nickolaos Samaras - Chairman

Dr Anthony J Radford AO

Dr Neil Gunn

Ms Caroline C Waldron

Executive directors

Dr John R Melki - Managing Director & Chief Executive Officer

Michael A Aicher - Executive Director, US Operations

Other executives

Peter Manley - Chief Financial Officer/Company Secretary until his resignation on 27 March 2023 where he ceased to be Key Management Personnel.

2 NON-EXECUTIVE DIRECTOR REMUNERATION

2.1 Directors' Fees

The current remuneration was increased for Directors in recognition of business growth and resulting extra time and commitment from Non-executive Directors. Fees are inclusive of committee fees.

Board fees per annum

Chairman	\$117,500
Non-executive director (Australian based)	\$65,542
Non-executive director (overseas)	60,000 (USD, EUR or GBP depending on location)

Superannuation

Superannuation contributions for Australian-based non-executive directors are in addition to the Board fees and are calculated at a rate of 10.5% of the base fee, having increased from 10% in FY 2022 as required under the statutory superannuation guarantee. Directors may elect to salary sacrifice additional payments to their fund.

Share-based payments

Non-executive directors are not entitled to any performance-related remuneration but may receive option or equity grants if approved by shareholders. A non-executive director, Dr Neil Gunn received options as approved by shareholders at the 2021 Annual General Meeting.

2.2 Non-executive director remuneration

Non-executive directors	Year	Cash salary and fees \$	Super- annuation \$	Share-based payments \$	Total \$
Nickolaos Samaras	2023	117,500	12,337	-	129,837
	2022	108,000	10,800	-	118,800
Anthony J Radford	2023	65,542	6,882	-	72,424
	2022	60,000	6,000	-	66,000
Neil Gunn ¹	2023	89,206	-	100,557	189,763
	2022	82,426	-	86,937	169,363
Caroline C Waldron	2023	65,542	6,882	-	72,424
	2022	7,955	795	-	8,750
Total	2023	337,790	26,101	100,557	464,448
	2022	258,381	17,595	86,937	362,913

1 N Gunn is paid in USD. Changes in base pay are attributable to the stronger AUD against the USD through FY23 (Average rate FY23: 0.6726, FY22: 0.7283).

Directors' Report

3 EXECUTIVE REMUNERATION

The executive pay and reward framework has four components:

- * Base pay and benefits
- * Other remuneration such as superannuation
- * Short-term performance incentives, and
- * Long-term incentives through participation in the Genetic Signatures Employee Incentive Plan

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a market competitive base pay that comprises the fixed component of pay and rewards. Base pay for executive directors and senior executives is reviewed annually to ensure the executive's pay is aligned with the market.

There are no guaranteed base pay increases included in any executives' contracts.

Benefits

Executives may receive benefits including parking, car allowances or health insurance.

Retirement Benefits

Statutory superannuation payments are made to a fund selected by Australian based executives. Executives may also elect to salary sacrifice additional payments to their fund. No other retirement benefits are offered.

Short term incentives

Each executive may have a target short-term incentive (STI) opportunity depending on the accountabilities of the role and impact on the organisation or business unit performance.

Each year the remuneration committee considers the appropriate financial targets and KPI's to link the STI plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI.

For the year ended 30 June 2023, the KPI's linked to STI plans were based on group, individual and personal objectives. The KPI's required performance growing sales revenue, with particular emphasis on advancement in overseas markets, securing US FDA clearance for the group's first product and progress on the next generation instrument development.

The remuneration committee is responsible for assessing whether KPI's are met. To help make this assessment, the committee receives detailed reports on performance from management.

The short-term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the remuneration committee.

Long term incentives

Genetic Signatures Equity Incentive Plan (EIP)

Options are issued to executives (including the CEO) with the aim of aligning executive interests with those of shareholders. The proportion of long-term incentives increases with the level of seniority of the executive.

Options are granted under the EIP. The Plan is open to those employees and Directors whom the Directors believe have a significant role to play in the continued development of the group's activities.

Options are granted under the Plan for no consideration. They are granted for a 15-year period, and 25% of each new tranche vests and is exercisable after each of the first four anniversaries of the date of the grant. 300,000 options were issued in 2023 to key management personnel as at the date of this report.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to align shareholders, directors and executives' goals. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on KPIs, and the second being the issue of options to directors, executives and staff to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last five years for the consolidated entity, as well as the share prices at the end of the respective financial years. Analysis of the actual figures show significant growth by the consolidated entity and a transition from a loss maker to a profitable group that continues to develop new products, commercialise its existing products and develop new markets and customers.

The Board is of the opinion that these results can be attributed, in part, to the previously described remuneration policy and is satisfied with the results over the past five years.

	2023	2022	2021	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	16,939	35,421	28,284	11,263	4,866
Net (Loss)/Profit attributable to owners of the parent entity	(14,052)	3,062	1,756	(2,086)	(3,492)
Share price at year end	0.525	1.16	1.10	2.15	1.35
Dividends paid (cents per share)	-	-	-	-	-

Voting and Comments made at the Company's 2022 Annual General Meeting ('AGM')

The Company received 86.6% of "for" votes in relation to its remuneration report for the year ended 30 June 2022. No issues were raised with Directors concerning the Report.

Directors' Report

3.1 Executive director remuneration

	Year	Fixed remuneration				Variable remuneration				Remuneration proportions		
		Cash salary and fees \$	Non-monetary benefits \$	Super-annuation \$	Long-term benefits: Annual and long service leave \$	Subtotal	Short term incentive ² \$	Share-based payments ³ \$	Total \$	Fixed	At risk STI	At risk LTI
John R Melki <i>CEO</i>	2023	391,087	-	25,292	15,514	431,894	38,749	126,297	596,940	72%	7%	21%
	2022	366,906	-	25,384	29,683	421,973	39,535	151,379	612,887	69%	6%	25%
Michael A Aicher ¹ <i>Executive Director</i>	2023	178,416	-	-	-	178,416	-	-	178,416	100%	0%	0%
	2022	178,907	-	-	-	178,907	-	-	178,907	100%	0%	0%
Peter L Manley ⁴ <i>Former CFO</i>	2023	184,688	-	18,685	-	203,372	-	98,588	301,960	67%	0%	33%
	2022	233,273	-	27,373	19,181	279,827	26,000	139,248	445,075	63%	6%	31%
Total	2023	754,191	-	43,977	15,514	813,682	38,749	224,885	1,077,316			
	2022	779,086	-	52,757	48,864	880,707	65,535	290,627	1,236,869			

1 M Aicher is paid in USD. Changes in base pay are attributable to the weaker AUD against the USD through FY23 (Ave rate FY23: 0.6726, FY22: 0.7283).

2 The short term incentive represents a cash bonus which is the amount paid or payable for the respective financial year.

3 This represents the proportional fair value of options on issue not yet vested or vested during the reporting period. Options are valued using a Black-Scholes model as described in Note 18 to the accounts.

4 P Manley resigned as CFO on 21 March 2023 and ceased as Key Management Personnel of the group as at this date. The remuneration above includes his remuneration until the date of ceasing to be a KMP.

Short term incentives

	STI potential \$	Percentage of base	Paid	Forfeited
J.R. Melki	156,435	40%	24.8%	75.2%
M.A. Aicher	-	-	-	-
P.L. Manley	-	-	-	-

4 EQUITY DISCLOSURES

4.1 Key Management Personnel Share Movements

Details of equity instruments (other than employee share ownership plan restricted shares) held directly, indirectly or beneficially by key management personnel are as follows:

Name	Balance at 1 July 2022	Granted as compensation	Received on conversion of restricted shares	Other changes	Balance at 30 June 2023	Balance held nominally
N. Samaras	2,024,016	-	-	-	2,024,016	1,393,000
J.R Melki	1,096,000	-	-	-	1,096,000	1,096,000
M.A Aicher	645,785	-	-	-	645,785	645,785
A.J Radford	240,000	-	-	-	240,000	240,000
N Gunn	-	-	-	-	-	-
C. Waldron	-	-	-	16,700	16,700	16,700
P.L Manley	70,408	-	-	(70,408)	-	-
Total	4,076,209	-	-	(53,708)	4,022,501	3,391,485

Employee Incentive Plan - Options

KMP Name	Balance at 1 July 2022	Granted during the year	Exercised during the year	Other changes	Balance at 30 June 2023	Unvested at 30 June 2023
	No.	No.	Value ¹ \$	No.	No.	No.
J.R Melki	550,000	250,000	151,110	-	800,000	375,000
P.L Manley	350,000	50,000	36,598	-	(400,000) ³	-
N Gunn	250,000	-	-	-	250,000	187,500

- 1 This represents the total value of the options over the life of the options from grant date using a Black-Scholes valuation method. The amount is allocated against remuneration over the vesting period (total allocation vests in 4 equal tranches from the 1st anniversary of the issue date).
- 2 Value equals the difference between the exercise price and the closing share price per the ASX on the date of exercise/forfeiture multiplied by the number of options.
- 3 P.L Manley ceased to be Key Management Personnel as at 27 March 2023 due to resignation.

Directors' Report

5 EMPLOYMENT AGREEMENTS

Service contracts have been entered into by the group with key management personnel, describing the components and amounts of remuneration applicable on their initial appointment, including terms and performance criteria for performance-related cash bonuses. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels are reviewed generally each year by the Remuneration Committee to align with changes in job responsibilities and market salary expectations. All contracts are for an ongoing period.

All contracts can be terminated by either party with 3 months' notice (or one month in the case of Michael Aicher), subject to termination payments as described below:

John Melki

Director & Chief Executive Officer

Contract term:	Ongoing, commenced November 2014
Base salary:	\$391,087, exclusive of superannuation, to be reviewed annually by the Remuneration Committee.
Termination payments:	Payment on early termination by the group, other than for gross misconduct, equal to the base salary plus superannuation entitlements for three months.

Michael Aicher

Executive Director – US Operations

Contract term:	Ongoing, commenced April 2014
Base salary:	\$US120,000, to be reviewed annually by the Remuneration Committee.
Termination payments:	No payment on early termination. Contract is terminable by either party on one months' notice.

This concludes the remuneration report which has been audited.

OPTIONS

There were 8,164,750 unissued ordinary shares of the group under option outstanding at the date of this report. During the financial year 2,735,000 new options were issued, 20,000 were exercised, and 240,000 were forfeited.

INDEMNIFICATION OF OFFICERS AND AUDITORS

Genetic Signatures Ltd has indemnified the directors and executives of the group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the group paid a premium in respect of a contract to insure the directors and executives of the group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations 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.

NON-AUDIT SERVICES

During the financial year, the following fees for non-audit services were paid or payable to the auditor, BDO or their related practices:

	2023	2022
	\$	\$
Tax compliance services	33,735	43,180
Other non-audit services	-	-
Total fees for non-audit services	<u>33,735</u>	<u>43,180</u>

On the advice of the Audit and Risk Committee, the directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the non-audit services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Directors' Report

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 45.

Rounding of Amounts

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

This report is made in accordance with a resolution of directors.



John Melki
Director

Sydney
31 August 2023

Auditor's Declaration



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF GENETIC SIGNATURES LIMITED

As lead auditor of Genetic Signatures Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink that reads 'Gareth Few'. The signature is written in a cursive, flowing style.

Gareth Few
Director

BDO Audit Pty Ltd

Sydney, 31 August 2023

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Consolidated	
	Note	2023	2022
		\$'000s	\$'000s
Revenue	2	16,939	35,421
Other income	4	5,116	217
Cost of materials used		(6,712)	(10,465)
Freight on materials & finished goods		(1,284)	(1,524)
Employee benefits expense		(15,037)	(11,471)
Directors' and consultancy fees		(983)	(477)
Depreciation and amortisation expenses		(1,526)	(1,616)
Finance costs	5	(1)	(19)
Scientific consumables & clinical trials		(5,119)	(3,133)
Software expenses		(507)	(87)
Travel and marketing		(1,633)	(849)
Other expenses		(3,305)	(2,934)
(Loss)/profit before income tax		(14,052)	3,063
Income tax	6	-	-
(Loss)/profit attributable to members of the entity		(14,052)	3,063
Other comprehensive (loss)/income			
<i>Items that maybe reclassified subsequently to profit or loss:</i>			
Foreign Currency translation of foreign operations		181	220
Total comprehensive (loss)/income for the year, net of tax		(13,871)	3,283
Earnings (loss) per share		2023	2022
		cents	cents
Basic (Loss)/earnings per share to ordinary equity holders of the group	30	(9.80)	2.14
Diluted (Loss)/earnings per share to ordinary equity holders of the group	30	(9.80)	2.11

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Financial Report

Consolidated Statement of Financial Position

	Note	Consolidated	
		2023	2022
		\$'000s	\$'000s
Assets			
Current Assets			
Cash and cash equivalents	7	16,349	36,897
Trade and other receivables	8	4,386	4,133
Inventory	9	8,753	10,202
Government Grant receivable	10	6,877	-
Total Current Assets		<u>36,365</u>	<u>51,232</u>
Non-Current Assets			
Property, plant and equipment	11	7,224	6,733
Intangible assets	12	5,489	1,646
Right of use assets	13	-	43
Total Non-Current Assets		<u>12,713</u>	<u>8,422</u>
Total Assets		<u>49,078</u>	<u>59,654</u>
Liabilities			
Current Liabilities			
Trade and other payables	14	4,803	3,665
Lease liabilities	13	-	33
Provisions	15	1,266	1,107
Total Current Liabilities		<u>6,069</u>	<u>4,805</u>
Non-Current Liabilities			
Lease liabilities	13	-	1
Provisions	15	95	46
Total Non-Current Liabilities		<u>95</u>	<u>47</u>
Total Liabilities		<u>6,164</u>	<u>4,852</u>
Net Assets		<u>42,914</u>	<u>54,802</u>
Equity			
Issued capital	16	84,438	84,428
Reserves	17	7,623	5,469
Accumulated losses		(49,147)	(35,095)
Total Equity		<u>42,914</u>	<u>54,802</u>

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

Financial Report

Consolidated Statement of Changes in Equity

Consolidated	Issued Capital \$'000s	Share based payments reserve \$'000s	Foreign currency translation reserve \$'000s	Accumulated losses \$'000s	Total \$'000s
Balance at 1 July 2021	84,164	3,469	(135)	(38,158)	49,340
Profit attributable to members of the entity	-	-	-	3,063	3,063
Other comprehensive income	-	-	220	-	220
Total comprehensive income for the year	-	-	220	3,063	3,283
<i>Transactions with owners in their capacity as owners:</i>					
Share issues on conversion of options, net of costs (note 16)	264	-	-	-	264
Forfeiture of share-based payments (note 17)	-	(245)	-	-	(245)
Share-based payments (note 17)	-	2,160	-	-	2,160
Balance at 30 June 2022	84,428	5,384	85	(35,095)	54,802
(Loss)/Profit attributable to members of the entity	-	-	-	(14,052)	(14,052)
Other comprehensive income	-	-	181	-	181
Total comprehensive income for the year	-	-	181	(14,052)	(13,871)
<i>Transactions with owners in their capacity as owners:</i>					
Share issues on conversion of options, net of costs (note 16)	10	-	-	-	10
Forfeiture of share-based payments (note 17)	-	(137)	-	-	(137)
Share-based payments (note 17)	-	2,110	-	-	2,110
Balance at 30 June 2023	84,438	7,357	266	(49,147)	42,914

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

Financial Report

Consolidated Statement of Cash Flows

	Note	Consolidated 2023 \$'000s	2022 \$'000s
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		19,093	39,405
Payments to suppliers and employees (inclusive of GST)		(32,108)	(29,706)
Interest and other income received		565	126
Interest paid	13	(1)	(19)
Net cash provided by/(used in) operating activities	26(b)	(12,451)	9,806
Cash flows from investing activities			
Purchase of plant and equipment		(1,932)	(1,714)
Purchase of intangible assets	12	(6,162)	(1,275)
Net cash (used in) investing activities		(8,094)	(2,989)
Cash flows from financing activities			
Proceeds from exercise of options	16	11	273
Share issue costs	16	(1)	(9)
Lease costs (principal)		(33)	(365)
Net cash (used in) financing activities		(23)	(101)
Net increase/(decrease) in cash and cash equivalents		(20,568)	6,716
Cash and cash equivalents at beginning of financial year		36,897	30,121
Exchange differences on cash and cash equivalents		20	60
Cash and equivalents at end of financial year	26(a)	16,349	36,897

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

Note 1: Statement of Significant Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The group has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the group's financial statements for the financial year beginning 1 July 2022. There was no material impact on the financial statements from the adoption of these new accounting standards.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(v).

Going concern

During the financial year ended 30 June 2023 the group has reported a loss after tax of \$14.052 million (2022: profit of \$3.28 million) and a decline in cash flows from operative activities of \$12.45 million. As at 30 June 2023, the group holds cash and cash equivalents of \$16.349 million.

The directors have assessed the financial and operating implications of the above matters, including the expected net cash outflows over the next 12 months. Should forecasted revenue not be achieved, the group can flexibly manage cash outflows by reducing discretionary expenditure. Based on this consideration, the directors are of the view that the group will be able to pay its debts as and when they fall due for at least 12 months following the date of these financial statements and that it is appropriate for the financial statements to be prepared on the going concern basis.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Genetic Signatures Limited and its subsidiaries, Genetic Signatures US Ltd, Genetic Signatures UK Ltd and Genetic Signatures GmbH. Subsidiaries are entities (including structured entities) over which the group has control. The group has control over 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 use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Note 1: Statement of Significant Accounting Policies (continued)

(b) Income tax

The income tax expenses/(benefit) for the year comprise current income tax expense/(benefit) and deferred tax expenses/(benefit).

Current income tax expenses charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities/assets are therefore measured at the amounts expected to be paid to /recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investment in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors of the group to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent to disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Note 1: Statement of Significant Accounting Policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statements during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their estimated useful lives to the group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Plant and equipment	5 years

The assets residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Gains and losses on disposal are determined by comparing the net proceeds with the carrying amount prior to disposal. Any gains or losses are included in the statement of profit or loss and comprehensive income.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included within other receivables or payables in the statements of financial position.

Cash flows are presented on a gross basis, except for the GST component of investing and financing activities which are recoverable from, or payable to ATO and are disclosed as operating cash flows.

(e) Financial instruments

Classification

The group classifies financial assets as either:

- Those to be measured subsequently at fair value; or
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be either recorded in profit & loss or other comprehensive income.

Note 1: Statement of Significant Accounting Policies (continued)

Recognition and derecognition

Purchases and sales of financial assets are recognised on the date the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(i) Loans and receivables

Loans and receivables are assets held for collection of contractual cashflows where those cashflows represent payment of principal and interest measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

Any interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(iii) Equity instruments

The group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments are not reported separately from other changes in fair value.

The group does not currently hold any equity investments.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The group applies the AASB9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. These assumptions include recent sales, historical collection rates and forward-looking information.

Note 1: Statement of Significant Accounting Policies (continued)

(f) Revenue recognition

Revenue from the sale of goods is recognised when control of the goods has passed to the buyer which usually occurs on delivery. This revenue is classified into 3 categories, being:

Sale of Goods – Reagents and Consumables

The group manufactures and sells test kits for use in pathology laboratories. It also purchases disposable items for resale that are used by the pathology laboratories in conjunction with the test kits. Sales are recognised when control of the products has transferred, being the point in time when the products are delivered to the customer's specified location, the amount of revenue can be measured reliably, and it is probable that payment will be received by the group.

Sale of Goods – Equipment and rental

The consolidated entity provides equipment to customers if required which may be as an outright sale or be a placement under a lease arrangement. Where the equipment is sold the sale is recognised when control of the products has transferred, being the point in time when the products are delivered to the customer's specified location, the amount of revenue can be measured reliably, and it is probable that payment will be received by the group. In the event the group enters a lease, an assessment will be made as to the classification of that lease. A lease will be classified as a finance lease if it transfers substantially all of the risks and rewards associated with the underlying asset. Otherwise, the lease will be classified as an operating lease. Where the lease meets the definition of a finance lease revenue is recognised by applying the interest rate within the lease arrangement to the future lease payments and the estimated value of any unguaranteed end of term earnings or secondary income. Operating lease income will be recognised as income over time per the terms of the agreement with the customer, which may be as a cost per test or a periodic rental value.

Sale of Goods – Service

If a customer has purchased or is using group owned equipment there may be a service charge levied to maintain the equipment. Revenue is recognised over time in the period that the service is rendered.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Grant revenue is recognised when it is received or when the right to receive payment is established.

(g) Trade and other payables

Accounts payable represent the principal amounts outstanding at the reporting date plus, where applicable, any accrued interest.

Note 1: Statement of Significant Accounting Policies (continued)

(h) Impairment

At each reporting date, the group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions and net of bank overdrafts.

(j) Inventories

Inventories include raw materials, work in progress and all items available for resale, including equipment (defined in 1(f)) and goods in transit.

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate portion of variable and fixed overheads, the latter being allocated on the basis of normal operation capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30-60 days.

The group applies the AASB9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Trade receivables and contract assets have shared credit risk characteristics and, as such, the expected loss rates for trade receivables are a reasonable approximation of loss rates for contract assets. Losses incurred in the last 3 years represent less than 1% of receivables and are immaterial. The group has made a provision for impairment against an invoice that is in dispute and is considered to be at reasonable risk.

Other receivables are recognized at amortised cost, less any provision for impairment.

(l) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest in respect of lease liabilities.

Note 1: Statement of Significant Accounting Policies (continued)

(m) Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(n) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(o) Leases

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

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

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

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

Lease payments for operating leases of low value items or for a period of less than 12 months, where substantially all the risks and benefits remain with the lessor, are charged as expense in the period in which they are incurred. Refer to note 13 for further information pertaining to the group's right of use assets and liabilities.

(p) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at fair value of the equity instrument at the grant date. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 19.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of equity instruments that will eventually vest.

(q) Parent entity financial information

The financial information for the parent entity, Genetic Signatures Limited, disclosed in note 27, has been prepared on the same basis as the consolidated financial statements.

Note 1: Statement of Significant Accounting Policies (continued)

(r) Earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the group, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account dilutive potential ordinary shares.

(s) Foreign currency translation

The financial statements are presented in Australian dollars, which is Genetic Signatures Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

(t) Intangibles

Intangibles comprise costs incurred in developing or acquiring new knowledge that will contribute future financial benefits and are therefore capitalised. This currently comprises software development for the GS-Call software, which can be in the form of software, licences or systems; and costs associated with development of a new Instrument Development that will be unique to the PCR testing market. They include external direct costs of materials and service. Development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, where the group has the intention and ability to use the asset.

No amortisation of intangibles is recorded until the development work is in a form from which future economic benefit may be derived. As the software and instrument development is not yet advanced to this stage, no amortisation has been recorded to date.

Note 1: Statement of Significant Accounting Policies (continued)

(u) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Once the development phase is completed, capitalised development costs will be amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(w) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – valuation of employee share option plan shares

At each reporting date, the entity revises its estimate of the number of rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates, is recognised in profit or loss with a corresponding adjustment to equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the restricted shares or options.

Key judgements capitalisation of development costs

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the group is able to use or sell the assets, the group has sufficient resources, and intent to complete the development and its costs can be measured reliably.

Judgements - research and development claim

Judgement is required in determining the value of the research and development claim. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may be subject to change. The group calculates its research and development claim based on the group's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax payable in the year in which such determination is made.

Note 1: Statement of Significant Accounting Policies (continued)

Judgements – provisioning for inventory

Inventories generally have expiry dates and the group provides for product that have expired or are close to expiry. Expiry dates for raw material are no longer relevant once the materials are used in production. At this stage the relevant expiry date is that applicable to the resultant intermediate or finished product.

Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for the group's products. These factors are taken into consideration in determining the appropriate level of provisioning for inventory.

Judgements – availability of prior tax losses

Judgement has been exercised with regards to the availability of carry forward tax losses. The group must apply the Same Business Test which examines the business that was carried on during the year in which losses are being applied compared to the business which was carried on immediately before the failure of the Continuity of Ownership Test ("COT"), requiring the same business to be carried on between both times.

Consideration by independent experts assessed that, upon a review of the historic business of Genetic Signatures, the identity of its core technology, strategic direction and essential characteristics of the business activities remain similar during the whole test period.

Note 2: Revenue

Disaggregation of revenue

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product and geographical regions:

	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
Consolidated - 2023				
<i>Revenue lines</i>				
Reagents & consumables	14,989	1,507	-	16,496
Equipment sales & rental	362	81	-	443
Service contracts	-	-	-	-
	15,351	1,588	-	16,939
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	15,351	1,588	-	16,939
Services transferred over time	-	-	-	-
	15,351	1,588	-	16,939
Consolidated - 2022				
<i>Revenue lines</i>				
Reagents & consumables	30,714	3,319	-	34,033
Equipment sales & rental	742	420	-	1,162
Service contracts	127	99	-	226
	31,583	3,838	-	35,421
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	31,092	3,646	-	34,738
Services transferred over time	491	192	-	683
	31,583	3,838	-	35,421

Note 3: Financial Reporting Segments

The group is operated under one business segment which was the research and commercialisation of identifying individual genetic signatures to diagnose diseases and disabilities.

Major customers

During the year ended 30 June 2023 there were two customers (2022: two) that each contributed over 10% of the consolidated entity's external revenue.

Geographic locations

Asia Pacific

The group's head office and manufacturing operation is based in Sydney, Australia. 91% of the revenue was generated within the Australian entity.

Note 3: Financial Reporting Segments (continued)

EMEA

This business comprises Eastern and Western Europe, Middle East including Israel, and Africa. The group is represented by employees in UK and Germany.

Americas

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

	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total	
Consolidated - 2023					
Segment revenue	16,231	1,621	393	18,245	
Intersegment sales	(880)	(33)	(393)	(1,306)	
Total sales from external customers	15,351	1,588	-	16,939	
Other revenue	-	-	-	-	
Segment revenue from external customers	15,351	1,588	-	16,939	
Segment result from external customers	(11,577)	(2,204)	(3,692)	(17,473)	
Unallocated revenue less unallocated expenses				3,421	
Loss before income tax				(14,052)	
Income tax				-	
Net loss after tax				(14,052)	
Consolidated - 2022					
Segment revenue	34,798	4,194	135	39,127	
Intersegment sales	(3,215)	(356)	(135)	(3,706)	
Total sales from external customers	31,583	3,838	-	35,421	
Other revenue	-	-	-	-	
Segment revenue from external customers	31,583	3,838	-	35,421	
Segment result from external customers	7,434	375	(2,788)	5,021	
Unallocated revenue less unallocated expenses				(1,958)	
Profit before income tax				3,063	
Income tax				-	
Net profit after tax				3,063	
	Asia Pacific \$'000	EMEA \$'000s	Americas \$'000s	Inter company \$'000s	Total \$'000
Consolidated – 2023					
Segment assets	67,177	3,347	2,800	(24,246)	49,078
Segment liabilities	(5,911)	(9,381)	(16,202)	25,330	(6,164)
Consolidated – 2022					
Segment assets	70,952	4,374	2,265	(17,937)	59,654
Segment liabilities	(5,383)	(5,882)	(10,796)	17,209	(4,852)

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Notes to the Consolidated Financial Statements

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Note 4: Other income		
Interest income	543	132
Export Market Development Grant	-	75
Research & Development Tax Incentive	4,421	-
Other income	152	10
Total other income	5,116	217

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Note 5: Expenses		
<i>Finance costs</i>		
Interest charges	1	19
<i>Superannuation expense</i>		
Defined contribution superannuation expense (including non-executive Directors)	878	580
Write-down of inventory to net realisable value*	644	-
Items included in other expenses include:		
Patents – lodgement and maintenance	187	196
Foreign exchange loss	124	92

* Write-down of inventory to net realisable value: included in Cost of materials used in the statement of profit or loss and other comprehensive income. Refer to Note 9 for details of inventories.

Note 6: Income tax

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Numerical reconciliation of income tax benefit to prima facie tax payable		
Prima facie income tax (benefit) on profit/(loss) from ordinary activities (2023: AU 26% US 21% UK 19% Germany 23%; 2022: 26% US 21% UK 19%)	(3,102)	1,229
Add/(less)tax effect of:		
- non-deductible items	3,243	2,946
- tax losses not brought to account	1,653	946
- tax losses applied	(320)	(673)
- research and development tax credit	(1,105)	(3,781)
- temporary differences not brought to account	(369)	(667)
Income tax	<u>-</u>	<u>-</u>

The consolidated entity has recorded a loss during the year ended 30 June 2023. The consolidated entity currently has carried forward losses of \$5,312,273 from prior years in respect to its Australian operations, approximately US\$6,247,347 in respect to its North American operations, and GBP 1,427,113 from its UK operations. The utilisation of these carried forward losses is conditional on the consolidated entity meeting the conditions for deductibility imposed by the law in the period in which the consolidated entity derives sufficient taxable income in order to utilise these losses. For the year ended 30 June 2023, management has reviewed the deductibility of these losses in comparison to the estimated taxable income derived by the consolidated entity and are confident that sufficient losses are available to offset the taxable income for the financial year ended 30 June 2023. It is currently not known with sufficient certainty how the consolidated entity's trade will transpire for the FY24 period and beyond. As a consequence, the consolidated entity has elected not to recognise any deferred tax assets or carried forward income tax losses until the probability of recoupment is sufficiently certain.

Note 7: Cash and cash equivalents

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Cash at bank and on hand	6,349	11,897
Cash on deposit (maturity < 12 months)	10,000	25,000
	<u>16,349</u>	<u>36,897</u>

Cash at bank and on hand bears floating interest rates. The interest rate relating to cash and cash equivalents for the year was between nil% and 1.35% (2022: between nil% and 0.4%).

Genetics Signatures Limited has an unused credit card facility with the bank at the year-end of \$57,000 (2022: \$57,000).

Note 8: Trade and other receivables

	Consolidated	
	2023 \$'000s	2022 \$'000s
Current		
Trade debtors (a)	3,194	3,900
Provision for expected credit losses	-	(258)
	<u>3,194</u>	<u>3,642</u>
Other receivables (b)	1,192	491
	<u>4,386</u>	<u>4,133</u>

a. Past due but not impaired and impairment of receivables

Customers with balances past due amount to \$88,686 at 30 June 2023 (\$1,112,200 as at 30 June 2022). Among which the group has recognised a provision for expected credit losses of \$Nil (2022: \$258,000) in profit or loss in respect of impairment of receivables for the year ended 30 June 2023.

b. Other receivables

These amounts relate to prepayments and accrued interest. None of these receivables are impaired or past due but not impaired.

c. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. Information about the group's exposure to fair value and credit risk in relation to trade and other receivables is provided in note 28.

Note 9: Inventory

	Consolidated	
	2023 \$'000s	2022 \$'000s
Raw materials	5,536	6,245
Work in progress	600	305
Finished goods	3,347	3,865
Stock in transit	4	94
Provision for obsolescence	(734)	(307)
	<u>8,753</u>	<u>10,202</u>

Note 10: Government grant receivable

	Consolidated	
	2023 \$'000s	2022 \$'000s
Research & Development tax concession	<u>6,877</u>	<u>-</u>

During the year, the group qualified for Research & Development tax concessions to be a refundable tax offset, compared to the prior year where this concession was non-refundable.

Note 11: Property, plant and equipment

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Plant and equipment:		
At cost	12,688	10,942
Less: accumulated depreciation	(5,464)	(4,209)
	<u>7,224</u>	<u>6,733</u>

Movement in plant and equipment is as follows:

	Plant & equipment	Total
	\$'000s	\$'000s
Cost at 1 July 2021	9,540	9,540
Additions	2,310	2,310
Disposals	(967)	(967)
FX difference	59	59
Cost at 30 June 2022	<u>10,942</u>	<u>10,942</u>
Accumulated depreciation 1 July 2021	(3,880)	(3,880)
Depreciation expense	(1,289)	(1,289)
Disposal of assets	960	960
Accumulated depreciation 30 June 2022	<u>(4,209)</u>	<u>(4,209)</u>
Carrying amount 30 June 2022	<u>6,733</u>	<u>6,733</u>

Cost at 1 July 2022	10,942	10,942
Additions	1,932	1,932
Disposals	(357)	(357)
FX difference	171	171
Cost at 30 June 2023	<u>12,688</u>	<u>12,688</u>
Accumulated depreciation 1 July 2022	(4,209)	(4,209)
Depreciation expense	(1,509)	(1,509)
Disposal of assets	279	279
FX difference	(25)	(25)
Accumulated depreciation 30 June 2023	<u>5,464</u>	<u>5,464</u>
Carrying amount 30 June 2023	<u>7,224</u>	<u>7,224</u>

Note 12: Intangibles

	Consolidated		
	2023 \$'000s		2022 \$'000s
At cost	5,701		1,858
Less: accumulated amortisation	(212)		(212)
	5,489		1,646
Movement in intangibles is as follows:			
	Software \$'000s	Instrument Development \$'000s	Total \$'000s
Cost at 1 July 2021	583	-	583
Additions	297	978	1,275
Disposals	-	-	-
Cost at 30 June 2022	880	978	1,858
Accumulated amortisation 1 July 2021	(212)	-	(212)
Amortisation expense	-	-	-
Accumulated amortisation 30 June 2022	(212)	-	(212)
Carrying amount 30 June 2022	668	978	1,646
Cost at 1 July 2022	880	978	1,858
Additions	1,244	5,055	6,299
R&D tax incentive	(532)	(1,924)	(2,456)
Disposals	-	-	-
Cost at 30 June 2023	1,592	4,109	5,701
Accumulated amortisation 1 July 2022	(212)	-	(212)
Amortisation expense	-	-	-
Accumulated amortisation 30 June 2023	(212)	-	(212)
Carrying amount 30 June 2023	1,380	4,109	5,489

The software relates to the development of improvements to GS-Call software which will be incorporated in the instrument currently being developed. No amortisation of software is recorded until the development work is in a form from which future economic benefit may be derived.

Capitalised R&D tax incentives are directly attributable to capitalised development costs during the year.

Note 13: Right of use assets

	Consolidated	
	2023	2022
	\$'000s	\$'000s
(i) Amounts recognised in the statement of financial position		
<i>Right of use assets</i>		
Buildings	-	41
Equipment	-	2
	<u>-</u>	<u>43</u>
<i>Lease liabilities</i>		
Current	-	33
Non-current	-	1
	<u>-</u>	<u>34</u>
(ii) Amounts recognised in the statement of profit or loss		
Amortisation charge of right of use assets		
Buildings	41	344
Equipment	1	2
	<u>42</u>	<u>346</u>
Interest expense (included in finance costs)	1	19
Expenses related to short-term leases (included in other expenses)	<u>730</u>	<u>264</u>

Note 14: Trade and other payables

	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current – unsecured		
Trade creditors	3,770	3,417
Other creditors	1,033	248
	<u>4,803</u>	<u>3,665</u>

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Notes to the Consolidated Financial Statements

Note 15: Provisions	Consolidated	
	2023	2022
	\$'000s	\$'000s
Current		
Employee benefits	<u>1,266</u>	<u>1,107</u>
Non-Current		
Employee benefits	<u>95</u>	<u>46</u>

Note 16: Issued capital	Number	\$'000s
	<i>Opening balance at 1 July 2021:</i>	<u>142,907,246</u>
Movement in ordinary share capital		
Exercise of employee share options	478,750	273
Less: Share issue costs		<u>(9)</u>
Closing balance at 30 June 2022	<u>143,385,996</u>	<u>84,428</u>
Movement in ordinary share capital		
Exercise of employee share options	20,000	11
Less: Share issue costs		<u>(1)</u>
Closing balance as at 30 June 2023	<u>143,405,996</u>	<u>84,438</u>

All fully paid ordinary shares and founder shares have equal voting rights, of one vote per share, and subject to the prior rights of preference shares, have equal rights to receive dividends in proportion to the number of ordinary shares held.

Note 17: Reserves

<i>Share based payments reserve</i>	Consolidated	
	2023	2022
	\$'000s	\$'000s
Balance 1 July	5,384	3,469
Transferred to accumulated losses upon forfeiture	(137)	(245)
Share-based payment expenses	2,110	2,160
Balance 30 June	<u>7,357</u>	<u>5,384</u>

The share-based payments reserve is used to recognise the fair value of equity benefits provided to employees and Directors as part of their compensation.

<i>Foreign currency translation reserve</i>	Consolidated	
	2023	2022
	\$'000s	\$'000s
Balance 1 July	85	(135)
Arising from translation of foreign subsidiaries	181	220
Balance 30 June	<u>266</u>	<u>85</u>

The foreign currency translation reserve is used to recognise the exchange difference on the translation of the US, UK and German subsidiaries into Australian Dollars.

Note 18: Related party transactions

Related parties

(a) The company's main related parties are as follows:

Key management personnel:

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Key Management personnel include:

Nickolaos Samaras – Director
 John R Melki – Director and Chief Executive Officer
 Michael A Aicher – Director
 Anthony J Radford – Director
 Neil Gunn – Director
 Caroline C Waldron – Director
 Peter Manley – Chief Financial Officer/Company Secretary (ceased to be a KMP upon his resignation on 27 March 2023)

For details of disclosures relating to key management personnel, refer to Note 19.

(b) Transactions with related parties:

There were no related party transactions during the year other than transactions with key management personnel as part of their remuneration.

Note 19: Share-based payments

Options were issued during the year, pursuant to the Equity Incentive Plan. Fair values at grant date are determined using a Black-Scholes Option Pricing Model that takes into account the exercise price, the term of the option, the share price at the grant date, the expected volatility of the underlying share, and risk-free interest rate for the term of the option. The model inputs for options granted during the year ended 30 June 2023 are noted below:

Grant date	Expiry date	Vesting period (mths)	Exercise price	Share price at issue date	Fair value at issue date	Est. volatility	Expected dividend yield	Average risk-free rate
Sep 22	Sep 37	48	\$0.93	\$0.89	\$0.73	61.73%	-	3.68%
Nov 22	Nov 37	48	\$0.93	\$0.75	\$0.60	61.73%	-	3.73%

Historical 12-month volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

Notes to the Consolidated Financial Statements

Employee Share Ownership Plan Shares

Set out below are the summaries of restricted shares and options granted under the plan:

2023

Grant date	Exercise price	Balance at beginning of the year	Granted during the year	Converted during the year	Expired/ Forfeited during the year	Balance at the end of the year	Vested and convertible at year end
Options							
October 2016	\$0.52	181,000	-	-	-	181,000	181,000
November 2016	\$0.52	100,000	-	-	-	100,000	100,000
October 2017	\$0.34	272,500	-	-	-	272,500	272,500
August 2018	\$0.53	492,500	-	(20,000)	-	472,500	472,500
November 2018	\$0.53	200,000	-	-	-	200,000	200,000
February 2019	\$0.84	150,000	-	-	-	150,000	150,000
May 2019	\$1.10	150,000	-	-	-	150,000	150,000
November 2019	\$0.98	737,750	-	-	-	737,750	541,500
March 2020	\$1.13	50,000	-	-	-	50,000	37,500
September 2020	\$2.30	1,200,000	-	-	(80,000)	1,120,000	560,000
November 2020	\$2.30	250,000	-	-	-	250,000	125,000
September 2021	\$1.44	1,520,000	-	-	(70,000)	1,450,000	362,500
November 2021	\$1.44	250,000	-	-	-	250,000	62,500
November 2021	\$1.39	100,000	-	-	-	100,000	25,000
June 2022	\$1.51	36,000	-	-	-	36,000	36,000
September 2022	\$0.93	-	2,485,000	-	(90,000)	2,395,000	-
November 2022	\$0.93	-	250,000	-	-	250,000	-
Total		5,689,750	2,735,000	(20,000)	(240,000)	8,164,750	3,276,000
Weighted average option exercise price		\$1.36	\$0.93	\$0.53	\$1.54	\$1.21	\$1.14
Weighted average remaining contractual life of options (years)						12.5	

2022

Grant date	Exercise price	Balance at beginning of the year	Granted during the year	Converted during the year	Expired/ Forfeited during the year	Balance at the end of the year	Vested and convertible at year end
Options							
October 2016	\$0.52	181,000	-	-	-	181,000	181,000
November 2016	\$0.52	100,000	-	-	-	100,000	100,000
October 2017	\$0.34	325,000	-	(52,500)	-	272,500	272,500
October 2017	\$0.38	250,000	-	(250,000)	-	-	-
August 2018	\$0.53	550,000	-	(50,000)	(7,500)	492,500	340,000
November 2018	\$0.53	200,000	-	-	-	200,000	150,000
February 2019	\$0.84	150,000	-	-	-	150,000	112,500
May 2019	\$1.10	200,000	-	(50,000)	-	150,000	100,000
November 2019	\$0.98	809,000	-	(51,250)	(20,000)	737,750	345,250
March 2020	\$1.13	100,000	-	(25,000)	(25,000)	50,000	25,000
September 2020	\$2.30	1,230,000	-	-	(30,000)	1,200,000	300,000
November 2020	\$2.30	250,000	-	-	-	250,000	62,500
April 2021	\$1.56	15,000	-	-	(15,000)	-	-
September 2021	\$1.44	-	1,565,000	-	(45,000)	1,520,000	-
November 2021	\$1.44	-	250,000	-	-	250,000	-
November 2021	\$1.39	-	100,000	-	-	100,000	-
June 2022	\$1.51	-	36,000	-	-	36,000	-
Total		4,360,000	1,951,000	(478,750)	(142,500)	5,689,750	1,988,750
Weighted average option exercise price		\$1.25	\$1.44	\$0.57	\$1.47	\$1.36	\$0.96
Weighted average remaining contractual life of options (years)						12.7	

Note 20: Key management personnel disclosures

	2023	2022
	\$	\$
Short-term employee benefits	1,091,980	1,037,467
Non-monetary benefits	-	-
Short term incentive	38,749	65,535
Post-employment benefits	70,078	70,352
Long-term benefits	15,514	48,864
Termination benefits	-	-
Share based payments	325,442	377,564
	<u>1,541,763</u>	<u>1,599,782</u>

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

Note 21: Commitments

There were no material capital commitments at the reporting date (2022: Nil).

Note 22: Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction, or event of a material and unusual nature likely in the opinion of the directors of the Company to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Note 23: Subsidiaries

	Country of incorporation	Equity holding in subsidiaries	
		2023 %	2022 %
a) Parent entity			
Genetic Signatures Limited	Australia		
b) Controlled entities			
Genetic Signatures USA Ltd	USA	100%	100%
Genetic Signatures UK Ltd	UK	100%	100%
Genetic Signatures GmbH	Germany	100%	-

Note 24: Auditors' remuneration

	Consolidated	
	2023	2022
	\$	\$
<i>BDO</i>		
Audit and review of financial statements	114,500	100,637
Other non-audit services		
Tax compliance services	33,735	43,180
Total non-audit services	<u>33,735</u>	<u>43,180</u>
Total audit and non-audit services	<u>148,235</u>	<u>143,817</u>

Note 25: Contingent liabilities

The group does not have any material contingent liabilities at year-end (2022: nil).

Note 26: Cash Flow Information

	Consolidated	
	2023	2022
	\$'000s	\$'000s
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank	16,349	36,897
(b) Reconciliation of Profit after Income Tax to net Cash inflows/(outflows) from Operations		
(Loss)/Profit after income tax	(14,052)	3,063
<i>Non cash flow items included in profit/(loss)</i>		
Depreciation	1,484	1,270
Share based payments expenses	1,973	1,915
Loss/(profit) on disposal of assets	-	60
Inventory provision for obsolescence	426	37
Bad debts provision	(258)	115
Amortisation of leases	42	346
Transfers between inventory and fixed assets	119	(683)
<i>Changes in operating assets and liabilities:</i>		
Decrease in trade and other receivables	496	1,240
(Increase) in government grant receivable	(4,421)	-
Decrease in inventories	1,027	1,932
Increase in provisions	207	198
Increase in payables	506	313
Net cash (outflow)/inflow from operating activities	(12,451)	9,806

Financial Report

Notes to the Consolidated Financial Statements

Note 27: Parent Entity Financial Information

(a) Summary financial information:

	2023 \$'000s	2022 \$'000s
Assets		
Current Assets		
Cash and cash equivalents	15,987	36,348
Trade and other receivables	5,080	10,163
Inventory	7,715	9,424
Government grant receivable	6,877	-
Total Current Assets	<u>35,659</u>	<u>55,935</u>
Non-Current Assets		
Plant and equipment	3,446	4,207
Intangible assets	5,489	-
Right of use assets	-	43
Total Non-Current Assets	<u>8,935</u>	<u>4,250</u>
Total Assets	<u>44,594</u>	<u>60,185</u>
Liabilities		
Current Liabilities		
Trade and other payables	4,108	4,284
Provisions	1,099	1,019
Leases	-	33
Total Current Liabilities	<u>5,207</u>	<u>5,336</u>
Non-Current Liabilities		
Leases	-	1
Provisions	95	46
Total Non-Current Liabilities	<u>95</u>	<u>47</u>
Total Liabilities	<u>5,302</u>	<u>5,383</u>
Net Assets	<u>39,292</u>	<u>54,802</u>
Equity		
Issued capital	84,438	84,428
Reserves	7,355	5,383
Accumulated losses	(52,501)	(35,009)
Total Equity	<u>39,292</u>	<u>54,802</u>
(Loss)/Profit for the year	(17,492)	3,284
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) for the year	<u>(17,492)</u>	<u>3,284</u>

(b) Summary financial information:

The Parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

(c) Significant accounting policies:

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 28: Financial risk management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and lease liabilities. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are shown at their net fair value.

Net Fair Value

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have material impact on the amounts estimated.

	Net Carrying Value 2023	Net Fair Value 2023	Net Carrying Value 2022	Net Fair Value 2022
	\$'000s	\$'000s	\$'000s	\$'000s
Financial assets				
Cash and cash equivalents	16,349	16,349	36,897	36,897
Trade and other receivables	4,386	4,386	4,133	4,133
Total Financial Assets	<u>20,735</u>	<u>20,735</u>	<u>41,030</u>	<u>41,030</u>
Financial Liabilities				
Trade creditors	3,770	3,770	3,031	3,031
Other creditors	1,033	1,033	633	633
Lease liabilities	-	-	34	34
Total Financial Liabilities	<u>4,803</u>	<u>4,803</u>	<u>3,698</u>	<u>3,698</u>

The values disclosed in the above table have been determined based on the following methodologies:

Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. The fair value of lease liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Interest Rate Risk

The group's main interest rate risk arises from the cash balance which is invested at variable rates.

Sensitivity

Significant changes in market interest rates may have an effect on the group's income and operating cash flows. The group manages its cash flow interest rate risk by placing excess funds in term deposits.

Based on the cash held at reporting date, the sensitivity to a 1% increase or decrease in interest rates would increase/(decrease) after tax loss by \$163,000 (2022 profit: \$369,000).

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to domestic and international customers, including outstanding receivables and committed transactions. The group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The majority of customers have long term relationships with the group and sales are secured with supply contracts. Sales are secured by letters of credit when deemed appropriate. The group has policies that limit the maximum amount of credit exposure to any one financial institution.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. The table below summarises the assets which are subject to credit risk.

	Consolidated	
	2023	2022
Financial assets	\$'000s	\$'000s
Cash and cash equivalents	16,349	36,897
Trade and other receivables	4,386	4,133
Total Financial Assets	<u>20,735</u>	<u>41,030</u>

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. Further detail is explained in Note 1(k).

Liquidity Risk

Liquidity Risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, development and financing activities;
- obtaining funding from a variety of sources including equity issues;
- only investing surplus cash with major financial institutions.

Financial liability maturity analysis (undiscounted payments)

	Weighted average interest rate	Within 1 Year	1 to 5 Years	Total contractual cash flows	Total Carrying amount
2023	%	\$'000s	\$'000s	\$'000s	\$'000s
Financial liabilities due for payment					
Trade and other payables	-	4,803	-	4,803	4,803
Lease liabilities	4.5%	-	-	-	-
Total expected outflows		<u>4,803</u>	<u>-</u>	<u>4,803</u>	<u>4,803</u>

	Weighted average interest rate	Within 1 Year	1 to 5 Years	Total contractual cash flows	Total Carrying amount
2022	%	\$'000s	\$'000s	\$'000s	\$'000s
Financial liabilities due for payment					
Trade and other payables	-	3,665	-	3,665	3,665
Lease liabilities	4.5%	33	1	34	34
Total expected outflows		<u>3,698</u>	<u>1</u>	<u>3,699</u>	<u>3,699</u>

Note 29: Capital Risk Management

The group's objective when managing capital is to safeguard the ability to continue as a going concern so that they can fund future growth and provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and the market.

There were no externally imposed capital requirements during the year.

Financial Report

Notes to the Consolidated
Financial Statements

Note 30. Earnings per share

	Consolidated	
	2023	2022
	\$'000s	\$'000s
(Loss)/Profit after income tax	(14,052)	3,063
(Loss)/Profit after income tax attributable to the owners of Genetic Signatures Limited	(14,052)	3,063
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	143,399,640	143,102,251
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	553,500	2,333,750
Weighted average number of ordinary shares used in calculating diluted earnings per share	143,953,140	145,436,001
	Cents	Cents
Basic (Loss)/Profit per share	(9.80)	2.14
Diluted (Loss)/Profit per share	(9.80)	2.11



35.555

87.270

81.438

87.072

44.353

22.242

26.073

83.712

73.963

59.102

42.304

25.799

47.922

79

96.268

87.270

81.438

87.072

44.353

22.242

26.073

83.712

73.963

59.102

42.304

25.799

47.922

79

96.268

87.270

81.438

87.072

44.353

79.609

96.132

75.008

45.161

92.595

58.236

3.244

44.353

22.242

26.073

83.712

73.963

59.102

42.304

25.799

47.922

79

96.268

87.270

81.438

87.072

9

97

21.2

3

8

6

8

6

4

4

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration required by section 295A of the Corporation Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Melki
Director
Sydney, 31 August 2023

Independent Auditor's Report



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Genetic Signatures Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Genetic Signatures Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to 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.

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Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory valuation

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 9, the Group held inventory with a carrying value of \$8,753,000 as at 30 June 2023.</p> <p>Inventory valuation was considered a key audit matter due to the significant value of these assets in the Consolidated Statement of Financial Position, the various locations that inventory was held, and the key estimates and judgements applied by management in assessing the net realisable value ('NRV') of inventory.</p>	<p>Our audit procedures for addressing this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none">• Observed the inventory count procedures at key locations around the year-end and performed detailed test counts and compared these to the underlying inventory records.• Evaluated the assumptions applied by management in assessing potential obsolescence for near-expiry and slow-moving inventory.• Analysed inventory turnover by product group in comparison to prior periods and to expectations.• Reviewed management's processes and estimates for calculating the overhead and labour costs included within manufactured finished goods inventory.• Performed various analytical procedures in relation to inventory including an analysis of monthly gross margins and inventory turnover, comparing to prior years and expectations.• Tested a sample of inventory items on hand to initial supplier invoices and subsequent sales invoices to ascertain whether inventory was being correctly recognised at the lower of cost and NRV.

Revenue recognition

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 2, the Group recognised revenue of \$16,939,000 during the financial year ended 30 June 2023 (2022: \$35,421,000).</p> <p>Given the overall significance of revenue to the Group as a key performance indicator, we considered this area to be a key audit matter.</p>	<p>To determine whether revenue was appropriately accounted for and disclosed within the financial statements, we performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none">• Critically evaluated the revenue recognition policies for all material revenue sources including reviewing any new sales agreements entered during the year to identify any variable consideration / multiple performance obligation arrangements to ensure revenue was recognised in accordance with



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<p>accounting standard AASB 15 Revenue from Contracts with Customers.</p> <ul style="list-style-type: none">• Tested the operating effectiveness of key internal controls surrounding the existence and occurrence of revenues.• Performed substantive analytical procedures over the key revenue streams, comparing against expectations developed from discussions with management and supporting information.• Substantively testing a sample of revenue transactions throughout the financial year by tracing sales invoices to supporting sales documentation, shipping documentation and cash receipts.• Performed detailed cut-off testing to ensure that revenue transactions around the year-end had been recorded in the correct period.

Capitalisation of software and development costs

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 12, the Group has capitalised software and development costs of \$5,489,000 for the year ended 30 June 2023 (2023: \$1,646,000).</p> <p>Given the judgements involved in the recognition criteria and the financial significance to the group, we considered this area to be a key audit matter.</p>	<p>To determine whether costs were appropriately capitalised and disclosed within the financial statements, we performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none">• Reviewed if the internally generated intangible assets arising from the development have met the recognition criteria under AASB 138 Intangible Assets;• Agreed a sample of development costs and software to supporting documentation, ensuring any research expenditure was recognised as an expense when incurred; and• Reviewed for any indicators of impairment of the intangible assets.

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Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
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Australia

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do 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 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 this 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 has 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 this 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 (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Genetic Signatures Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

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.

BDO Audit Pty Ltd

A stylized signature of the letters 'BDO' in a cursive, handwritten font.

A handwritten signature in cursive script that reads 'Gareth Few'.

Gareth Few
Engagement Partner

Sydney, 31 August 2023

Analysis of Holdings

Genetic Signatures Limited Analysis of Holdings as at 28 August 2023

Additional Information Required Under ASX Listing Rules

The additional information required by the Australian Securities Exchange (ASX) and not shown elsewhere is set out below. The information is current at 28 August 2023.

Issued Capital

As at 28 August 2023 the Company had 143,405,996 fully paid ordinary shares on issue.

Distribution of Equity Securities

Analysis of numbers of equity security holders for GSS fully paid ordinary shares by size of holding:

Holdings Ranges	Holders	Total Units	%
1-1,000	524	258,406	0.180
1,001-5,000	570	1,604,942	1.120
5,001-10,000	239	1,915,654	1.340
10,001-100,000	451	16,446,540	11.470
100,001-9,999,999,999	119	123,180,454	85.900
Totals	1,903	143,405,996	100.000

Unmarketable parcel of shares

The number of individual shareholders holding less than a marketable parcel of shares was 534 (a total of 268,611 shares held by 534 shareholders).

1,042 fully paid ordinary shares comprise a marketable parcel at GSS' closing share price of \$0.48 on 28 August 2023.

Shareholder Information

Equity Security Holders

The names of the twenty largest shareholders of quoted securities are listed below:

Shareholder	Balance as at 28 August 2023	%
ASIA UNION INVESTMENTS PTY LTD	37,500,000	26.150
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,395,196	12.130
NATIONAL NOMINEES LIMITED	9,855,824	6.873
CITICORP NOMINEES PTY LIMITED	8,267,504	5.765
UBS NOMINEES PTY LTD	3,775,944	2.633
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,470,046	2.420
CAPITAL CONCERNS PTY LIMITED <LOGUE FAMILY SUPER FUND A/C>	3,200,000	2.231
BNP PARIBAS NOMS PTY LTD <DRP>	2,107,405	1.470
BRAHAM CONSOLIDATED PTY LTD	1,828,463	1.275
BUTTONWOOD NOMINEES PTY LTD	1,662,607	1.159
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,575,614	1.099
MR JOHN ROBERT MELKI	1,096,000	0.764
RIDDLER FAMILY INVESTMENTS PTY LTD	1,053,846	0.735
IDOLLINK PTY LTD <MCKEITH SUPER FUND A/C>	1,029,890	0.718
QUICKINVEST PTY LTD <QUICKINVEST STAFF S/F A/C>	1,020,000	0.711
EIGHTEEN HOLDINGS PTY LTD	976,403	0.681
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	916,659	0.639
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	883,314	0.616
BRAHAM INVESTMENTS PTY LTD <BRAHAM STAFF SUPER FUND A/C>	871,517	0.608
JULEYU PTY LTD <PHILLIP ISAACS S/F A/C>	863,213	0.602
Total Securities of Top 20 Holdings	99,349,445	69.278
Total of Securities	143,405,996	100.00

Substantial Holders

Shareholder	Balance as at 28 August 2023	%
ASIA UNION INVESTMENTS PTY LTD	37,500,000	0.2615
PERENNIAL VALUE MANAGEMENT LIMITED	21,462,703	0.1497
FIL LIMITED	9,876,864	0.0689

Company Directory

Directors	Nickolaos Samaras – Non-Executive Chairman John R Melki – CEO & Managing Director Anthony J Radford Michael A Aicher Neil Gunn Caroline Waldron
Company Secretary	Karl Pechmann
Annual General Meeting 2023	The 2023 Annual General Meeting will be held on 29 November 2023. Further details about the AGM will be released with the Notice of Meeting.
Registered office and principal place of business	7 Eliza Street Newtown NSW 2042 Phone: +61 2 9870 7580
Share register	Boardroom Pty Limited Level 8 210 George Street Sydney NSW 2000 Phone: +61 2 9290 9600
Auditor	BDO Audit Pty Ltd Level 11 1 Margaret Street Sydney NSW 2000
Stock exchange listing	Genetic Signatures shares are listed on the Australian Securities Exchange (ASX code: GSS)
Website	www.geneticsignatures.com
Corporate Governance Statement	<p>Genetic Signatures Ltd and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. Genetic Signatures Ltd has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council.</p> <p>Details of the corporate governance report is available on the Group website at: https://geneticsignatures.com/au/investors/corporate-governance/</p>





Contact Us

www.geneticsignatures.com

Australasia and Asia Pacific (Head Office)

A: 7 Eliza Street Newtown, NSW, 2042 Australia

E: apac@geneticsignatures.com

P: +61 2 9870 7580

Europe, Middle East and Africa

E: EMEA@geneticsignatures.com

P +44 330 828 0813 (English)

P +49 32 22109 2834 (German)

Americas

E: americas@geneticsignatures.com

P: +1 800 687 4118

