



A leader in
personalised
predictive genetics

Annual Report
2021

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Corporate Governance

Genetic Technologies Limited and its Board of Directors are committed to implementing and achieving an effective corporate governance framework. Our Corporate Governance Statement can be found on our website – www.gtglabs.com.

Letter from the Chair

Dear shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for Genetic Technologies Limited ("GTG") for the 2021 financial year.

I would like to extend our gratitude to our shareholders and our industry and business partners who have supported us over the year to establish GTG as a leading provider of Genomics based risk assessment tests for serious disease.



FY21 Reflections

FY21 presented many challenges for both established and emerging businesses given the changing dynamics caused by COVID-19. Genetic Technologies was no different, however, we were well positioned at the start of this financial year having addressed a number of issues early in the COVID journey. This ensured we were able to secure capital with the support of our US bankers and institutional investors and pivot to work on our COVID-19 Risk Test and broaden our pipeline from a single test to a multi-test covering the majority of serious diseases.

The Board and Management made the strategic decision in March 2020 to focus on the development of the COVID-19 Risk Test, requiring not only monetary resources but more importantly scientific resources and opportunity costs. This was decided in part due to the commercial opportunities but also the ethical and social responsibility GTG held given the ability to assist humanity with our skill sets and platform in developing genomic based risk assessment tests.

With over 10 years of development experience the ability to provide the stratification of risk of hospitalisation from this debilitating virus was critical. We thank all those who contributed to the success of this test and especially our chief scientist Dr Richard Allman and his team and the support provided by Dr Muchnicki as Chief Medical Officer (CMO) and Interim CEO. In 12 months we were able to take a concept from research to commercialisation via IBX and Vault in the highly regulated United States, all based out of our bespoke lab in Hanover Street Fitzroy with a highly dedicated scientific team.

Additionally, in February 2021 we strengthened our management team with the addition of Simon Morriss as CEO and closed the financial year with the appointment of Mike Tonroe as our CFO. Simon brings over 20 years' experience within the Pharmaceutical, Healthcare and FMCG industries having held senior executive positions at Sanofi and Blackmores. He brings a wealth of experience in managing teams and successfully executing across sales, marketing and brand building. Additionally, he has been critical in leading commercialisation across these industries and understands the unique pressures and opportunities. Mike has over 25 years' experience in overseeing the finance function at both management and board-level positions for private and listed companies in Australia, the United Kingdom, the United States and Canada. He also has extensive experience in the biotech space across both the financial and company secretary roles and has made significant inroads in improving our internal financial processes since his appointment in June 2021.

We are incredibly pleased to have both individuals join the Company and note the significant contributions they have already made in the strategic direction and processes for Genetic Technologies Limited. We look forward to the year ahead where this vast experience and initial foundational work is translated into realised revenues for the Company. We have now established a strong Board and Management team with the requisite skills to drive forward with our mission and vision for the Company, and I thank them too for their ongoing support.

Capital Management

The Board of Genetic Technologies Limited is committed to responsible management of shareholder funds while ensuring the Company remains appropriately resourced to execute on its strategic objectives. We have continued to appropriately manage our financial requirements in Australia and the United States by ensuring we have appropriate levels of funding to abide by our listing requirements. This continues to be a focus for the Company and over the course of the year we raised US\$11.66 million (before costs) from US Institutional Investors to underpin the execution of our long-term strategy. This allowed us to execute on the strategic acquisition of EasyDNA which is further outlined in the letter from the CEO in addition to delivering on the launch of the COVID-19 Risk Test and the ongoing development of the multi-test and laboratory expansion.

Board and Advisory Board

We have a strong Board of Directors at Genetic Technologies Limited with the experience and skills necessary to assure sound governance, while also providing effective support and guidance for management. I thank them personally for their ongoing support and especially Dr Muchnicki who did an outstanding job to reposition the Company as Interim CEO.

We further strengthened our governance with the addition of a Scientific Advisory Board ("SAB"). The GTG Scientific Advisory Board is charged to advise the Board of Directors and executive leadership team on scientific matters involving product development, interactions with academic and other external research organisations, emerging concepts and industry trends, and the acquisition of technologies.

Given GTG is in the early stages of commercialisation, it is also important that the SAB has a balance of experience relevant to building market adoption globally of GTG's products including primary care, consumer education and clinical guidelines. The SAB will provide strategic counsel to the Board and Management on both launched products and products in development. The SAB comprises Professor Jon Emery, Professor Finlay Macrae AO, and Dr Ora K Gordan, and members of the GTG executive team and meets on a quarterly basis. While additional appointments may be made in the future, the three members bring a wide range of clinical and research experience and provide GTG with coverage of both the Australian and US target markets.

We are fortunate to attract such high calibre advisory board members, providing further validation of GTG's reputation in the genomics landscape. The SAB brings together some of the brightest minds in genomics, preventative healthcare, serious disease, and data driven research. We look forward to drawing on their advice and experience as we launch and develop leading technologies for individualised risk assessment of serious disease.

Closing Comments

Finally, on behalf of the Board, I would like to thank our Genetic Technologies Limited employees for their perseverance during this monumental year. We are also grateful to our shareholders for your ongoing support throughout the year and your participation in our transformational capital raises which will enable management to deliver on the promise that genomics is not just the way of the future, but it is viable and available now through GeneType and EasyDNA.

We look forward to engaging with you throughout the year and at our 2021 Annual General Meeting.

Sincerely,

Mr Peter Rubenstein
Chairman, Genetic Technologies Limited

August 31, 2021

Vision and Values

Collaborative

Cooperative, Receptive,
Informative, Transparent

*Unity and diversity drives us to make a
positive impact on the community*

Dynamic

Proactive, Striving, Responsive,
Motivated.

*Cutting edge Innovation that creates
an aspirational place to work*



Professional

Trustworthy, Respectful,
Punctual, Accountable

*Leveraging our collective skills and
knowledge to create global partnerships*

Passionate

Enthusiastic, Inspiring,
Dedicated, Energetic

*A place where you can apply your skills
and realise your career goals*

Letter from the CEO

Dear shareholders,

The past 12 months have been a pivotal period for Genetic Technologies. Transitioning the business from a predominantly research-based platform to commercialising our products has been the focus for the Company over the last few years. We have made significant inroads on this strategy while navigating the challenges brought on by the global pandemic. This has driven us to innovate and assess our strategy and structure over the year and brought with it opportunities to both rapidly progress our COVID-19 Risk Test as well as challenges as we were required to adapt our sales and marketing approach.



Having joined GTG in February 2021, I must firstly acknowledge the significant contribution of Dr Jerzy Muchnicki guiding the business over the past two years. Jerzy has been instrumental in driving the vision for the products and platform we have developed and continues to do so in his role as Chief Medical Officer. Additionally, I thank our Shareholders for their patience as we transition the business and experience the inherent growing pains of a company moving from a research focus to revenue generation.

Reflecting on what was achieved in the last year, we have established our online sales platforms for Breast Cancer and Colorectal Cancer, partnered with Taliax on their Predictix product and released our COVID-19 Risk Test in the US. We also continued to build on our portfolio of IP and confirmed grant of US Patent No 11,031,098 - 'Computer Systems and Methods for Genomic Analysis. Additionally, in July 2021 we announced the acquisition of EasyDNA for US\$4 million providing an established platform delivering steady revenue growth of 11% over the past two years with US\$4.63 million in revenue in Calendar Year 2020.

EasyDNA is a leader in paternity testing and animal genomics: their breadth of available products also extends into the important health and wellness categories, providing multiple growth opportunities for GTG moving forward. The acquisition included all brands, websites and reseller agreements associated with EasyDNA. This includes over 70 websites in 40 countries and six brand identities and agreements with 12 NATA and associated international certified laboratories. EasyDNA revenue contributions are strongly weighted to five countries: Australia, UK, France, Canada and the US, where it received 68% of its Calendar Year 2020 revenue, with the UK contributing 20% of total revenue.

With several of our existing tests already 'Conformite Europeenne' ("CE") marked, gaining established sales channels into the Europe and the UK provides a solid foundation for rapid growth. With notable recent advances on our Multitest having a strong distribution platform in place with global reach will strengthen our roll out strategy as we move this test into commercialisation.

The EasyDNA acquisition will provide GTG with the platform to build its direct-to-consumer offerings and wellness division, one of three core pillars of our commercialisation strategy. The platform will also allow us to build awareness of our medically supervised products which includes GeneType for Breast Cancer and Colorectal Cancer further enhancing our Consumer Initiated Testing (CIT) division.

The final pillar of our commercialisation strategy being our business-to-business medical focus will incorporate our reimbursable germline products currently in development and will focus on payers and insurers as well as physicians, specialists and surgeons.

We adapted our sales approach over the year and incorporated a licensing model with our partnership with IBX allowing the Company to leverage the substantial and existing networks in the US and Europe without the requirement to establish costly sales and marketing teams adapted for each region. This will ensure that we can continue to operate cost effectively through existing on the ground networks while leveraging our newly acquired digital presence through EasyDNA to raise awareness of our broader product suite.

Our team are paramount to our success. We have a strong, long-serving team of industry leading Scientific and Medical experts who are supported by a number of very influential key opinion leaders as members of our Advisory Board that drive our innovation pipeline. As we closed out the financial year, we welcomed Mike Tonroe as our Chief Financial Officer and Carl Stubbings as Chief Commercial Officer. Mike has extensive experience in managing the financial requirements of MedTech companies as they transition from pre revenue to post revenue and will bring an additional level of rigour and structure to our team. Carl is an experienced senior leader in the biotechnology and diagnostics industry with a focus on commercialisation, sales, marketing and business development.

We are immensely proud of what the team achieved this year. In under 12 months they identified an opportunity, developed a test, and released a product to market, in our COVID-19 Risk Test in addition to progressing our existing product base. Our COVID product whilst addressing a current need within the health sector also demonstrates the ability of the Company to respond and develop products swiftly to address current and future market demand. This bodes well for the future as we work to develop our platform of tests. Although the COVID test was not without its challenges including delays from the original timeline, the end product has opened doors for us to engage with significant partners in the US.

We have made notable progress over the year and we still have significant milestones and objectives to achieve in the years ahead but are confident that we have the right team in place to deliver on the near and longer-term objectives. We continue to adapt our structure while remaining true to our purpose, to empower a healthier life, by developing new products and identifying future trends and opportunities in genetics and Artificial Intelligence driven preventative health.

Once more we thank our shareholders for the continued support and our partners, staff and all those that have supported Genetic Technologies over the year.

Mr Simon Morriss
Chief Executive Officer
Genetic Technologies Limited

August 31, 2021



FORM 20-F

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 000-51504

GENETIC TECHNOLOGIES LIMITED

(Exact name of Registrant as specified in its charter
and translation of Registrant’s name into English)

Australia

(Jurisdiction of incorporation or organisation)

60-66 Hanover Street, Fitzroy, Victoria, 3065, Australia

(Address of principal executive offices)

Simon Morriss,
Chief Executive Officer

60-66 Hanover Street, Fitzroy, Victoria, 3065, Australia

Telephone: 011 61 3 8412 7000; Facsimile: 011 61 3 8412 7040

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered or to be registered pursuant to Section 12(g) of the Act: American Depositary Shares, each representing 600 Ordinary Shares

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Number of outstanding shares of each of the issuer’s classes of capital or common stock as of the close of the period covered by the annual report. There were 9,016,726,743 Ordinary Shares outstanding as of June 30, 2021.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒
Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.”

☐ Yes ☒ No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued
by the International Accounting Standards Board ☒ Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. ☐ Yes ☐ No

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INTRODUCTION

In this Annual Report, the “Company,” “Genetic Technologies,” “we,” “us” and “our” refer to Genetic Technologies Limited and its consolidated subsidiaries.

Our consolidated financial statements are set out beginning on page F1 of this Annual Report (refer to Item 18 “Financial Statements”).

References to the “ADSs” are to our ADSs described in Item 12.D “American Depositary Shares” and references to the “Ordinary Shares” are to our Ordinary Shares described in Item 10.A “Share Capital”.

Our fiscal year ends on June 30 and references in this Annual Report to any specific fiscal year are to the twelve month period ended on June 30 of such year.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements that involve risks and uncertainties. We use words such as “anticipates”, “believes”, “plans”, “expects”, “future”, “intends” and similar expressions to identify such forward-looking statements. This Annual Report also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of Genetic Technologies and related service markets and spending. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Annual Report. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described below under the caption “Risk Factors” and elsewhere in this Annual Report.

Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations are contained in cautionary statements in this Annual Report including, without limitation, in conjunction with the forward-looking statements included in this Annual Report and specifically under Item 3.D “Risk Factors”.

All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Australian Disclosure Requirements

Our ordinary shares are primarily quoted on the Australian Securities Exchange (“ASX”) in addition to our listing of our ADSs on the NASDAQ Global Select Market. As part of our ASX listing, we are required to comply with various disclosure requirements as set out under the Australian Corporations Act 2001 and the ASX Listing Rules. Information furnished under the sub-heading “Australian Disclosure Requirements” is intended to comply with ASX listing and Corporations Act 2001 disclosure requirements and is not intended to fulfill information required by this Annual report on Form 20F.

ENFORCEMENT OF LIABILITIES AND SERVICE OF PROCESS

We are incorporated under the laws of Western Australia in the Commonwealth of Australia. All of our directors and executive officers, and any experts named in this Annual Report, reside outside the U.S. Substantially all of our assets, our directors’ and executive officers’ assets and such experts’ assets are located outside the U.S. As a result, it may not be possible for investors to affect service of process within the U.S. upon us or our directors, executive officers or such experts, or to enforce against them or us in U.S. courts, judgments obtained in U.S. courts based upon the civil liability provisions of the federal securities laws of the U.S. In addition, we have been advised by our Australian solicitors that there is doubt that the courts of Australia will enforce against us, our directors, executive officers and experts named herein, judgments obtained in the U.S. based upon the civil liability provisions of the federal securities laws of the U.S. or will enter judgments in original actions brought in Australian courts based upon the federal securities laws of the U.S.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Item 3.A Selected Financial Data

The following selected financial data for the five years ended June 30, 2021 is derived from the audited consolidated financial statements of Genetic Technologies Limited, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, which became effective for our Company as of our fiscal year ended June 30, 2006.

The balance sheet data as of June 30, 2021 and 2020 and the statement of comprehensive income/(loss) data for the 2021, 2020 and 2019 fiscal years are derived from our audited consolidated financial statements which are included in this Annual Report. Balance sheet data as of June 30, 2019, 2018 and 2017 and statements of comprehensive income/ (loss) data for the 2018 and 2017 financial years are derived from our audited consolidated financial statements which are not included in this Annual Report. The data should be read in conjunction with the consolidated financial statements, related notes and other financial information included herein.

All amounts are stated in Australian dollars as of June 30, 2021 as noted.

Item 3. Key Information (cont.)

Item 3.A Selected Financial Data (cont.)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME/ (LOSS)
FOR 2021, 2020, 2019, 2018 AND 2017**

	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2019	Year ended June 30, 2018	Year ended June 30, 2017
	A\$	A\$	A\$	A\$	A\$
Revenue from operations					
Genetic testing services	120,554	9,864	25,444	189,254	518,506
Less: cost of sales	(361,027)	(251,511)	(276,267)	(300,088)	(492,417)
Gross profit/(loss) from operations	(240,473)	(241,647)	(250,823)	(110,834)	26,089
Other income	1,564,456	1,140,647	1,019,769	441,476	344,112
Selling and marketing expenses	(1,119,851)	(637,295)	(576,077)	(1,066,404)	(2,721,474)
General and administrative expenses	(4,158,319)	(4,058,557)	(3,830,198)	(3,015,818)	(3,109,530)
Laboratory, research and development costs	(3,109,383)	(2,477,578)	(2,360,762)	(2,210,498)	(2,366,334)
Finance costs	(14,049)	(14,823)	(20,031)	(28,843)	(31,995)
Foreign exchange gains reclassified on liquidation of subsidiary	—	—	—	527,049	—
Other gains/(losses)	—	(5,522)	(407,482)	—	—
Impairment of intangible asset expense	—	—	—	—	(544,694)
Loss from continuing operations before income tax	(7,077,619)	(6,294,775)	(6,425,604)	(5,463,872)	(8,403,826)
Net profit from discontinued operation	—	—	—	—	—
Loss before income tax	(7,077,619)	(6,294,775)	(6,425,604)	(5,463,872)	(8,403,826)
Income tax expense	—	—	—	—	—
Loss for the year	(7,077,619)	(6,294,775)	(6,425,604)	(5,463,872)	(8,403,826)
Other comprehensive income/(loss)					
Exchange (losses)/gains on translation of controlled foreign operations	(37,468)	(33,175)	23,668	(522,966)	(130,655)
Other comprehensive (loss)/income for the year, net of tax	(37,468)	(33,175)	23,668	(522,966)	(130,655)
Total comprehensive loss for the year	(7,115,087)	(6,327,950)	(6,401,936)	(5,986,481)	(8,534,481)
Loss per share (cents per share)					
Basic and diluted net loss per ordinary share	(0.08)	(0.15)	(0.24)	(0.22)	(0.40)
Weighted-average shares outstanding	8,544,157,979	4,155,017,525	2,635,454,870	2,435,282,724	2,121,638,888

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) of the Consolidated Financial Statements for additional information.

Item 3. Key Information (cont.)

Item 3.A Selected Financial Data (cont.)

CONSOLIDATED BALANCE SHEET DATA FOR 2021, 2020, 2019, 2018 AND 2017					
	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017
	A\$	A\$	A\$	A\$	A\$
Assets					
Current assets	22,236,114	15,192,749	3,195,672	5,990,697	11,631,649
Non-current assets	735,574	440,230	69,333	175,284	476,648
Total assets	22,971,688	15,632,979	3,265,005	6,165,981	12,108,297
Liabilities					
Current liabilities	(1,405,381)	(1,397,572)	(1,492,990)	(1,450,713)	(1,465,293)
Non-current liabilities	(33,272)	(242,800)	(809)	(3,390)	(63,960)
Total liabilities	(1,438,653)	(1,640,372)	(1,493,799)	(1,454,103)	(1,529,253)
Net assets	21,533,035	13,992,607	1,771,206	4,711,878	10,579,044
Equity					
Contributed equity	153,574,974	140,111,073	125,498,824	122,372,662	122,382,625
Reserves	11,033,279	9,928,571	6,009,932	5,651,162	6,044,493
Accumulated losses	(143,075,218)	(136,047,037)	(129,737,550)	(123,311,946)	(117,848,074)
Total equity	21,533,035	13,992,607	1,771,206	4,711,878	10,579,044

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) of the Consolidated Financial Statements for additional information.

Exchange rates

The following table sets forth, for the periods and dates indicated, certain information concerning the noon buying rate in New York City for Australian dollars expressed in U.S. dollars per \$1.00 as certified for customs purposes by the Federal Reserve Bank of New York.

Period ended	At period end USD	Average rate USD	High USD	Low USD
Yearly data				
June 2017	0.7676	0.7562	0.7680	0.7387
June 2018	0.7399	0.7753	0.8105	0.7355
June 2019	0.7009	0.7153	0.7466	0.6860
June 2020	0.6893	0.6711	0.7043	0.5755
June 2021	0.7518	0.7444	0.7829	0.6863

Item 3.B Capitalisation and Indebtedness

Not applicable.

Item 3.C Reasons for the Offer and Use of Proceeds

Not applicable.

Item 3.D Risk Factors

Before you purchase our ADSs, you should be aware that there are risks, including those described below. You should consider carefully these risk factors together with all of the other information contained elsewhere in this Annual Report before you decide to purchase our ADSs.

Risks Related to our Business

A variety of general risk factors associated with commercialising our products and product candidates internationally could materially adversely affect our business.

We, or our licensing partners, may seek regulatory approval for our products or product candidates in multi-jurisdictions, accordingly, we expect that we will be subject to additional risks for our products and product candidates related to operating in foreign countries if we obtain the necessary approvals, including:

- differing regulatory requirements in foreign countries;
- the potential for so-called parallel importing, which is what happens when a local seller, faced with high or higher local prices, opts to import goods from a foreign market (with low or lower prices) rather than buying them locally;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labour laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labour unrest is more common than in Germany or the U.S.;
- potential liability under the Foreign Corrupt Practices Act of 1977 or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as in the EU or the U.S.;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with our or our licensing partners' international operations may materially adversely affect our ability to attain or maintain profitable operations.

Our Company has a history of incurring losses.

We have incurred operating losses in every year since the year ended June 30, 2011. As at June 30, 2021, the Company had accumulated losses of A\$143,075,218 and the extent of any future losses and whether or not the Company can generate profits in future years remains uncertain. The Company currently does not generate sufficient revenue to cover its operating expenses. We expect our capital outlays and operating expenditures to remain constant for the foreseeable future as we continue to focus on R&D and new product development, IP creation and the introduction of predictive genetic testing products. If we fail to generate sufficient revenue and eventually become profitable, or if we are unable to fund our continuing losses by raising additional financing when required, our shareholders could lose all or part of their investments.

We may not be successful in transitioning from our existing product portfolio to our next generation of risk assessment tests, and our newly developed approach to marketing and distribution of such products may not generate revenues.

Although we developed and marketed our BREVAGen™ and BREVAGenplus products in the recent past, and had internally developed product distribution teams in both Australia and the U.S., we believe that our future success is dependent upon our ability to successfully introduce and sell our newly developed products, “GeneType for Breast Cancer”, “GeneType for Colorectal Cancer” and or COVID severity risk test. Although we believe that we now have world class products that are poised to be an important part of making predictive genetic testing a mainstream healthcare activity, we may not be successful in transitioning from our existing products to these products, and there can be no assurance that the demand for these new products will develop. Furthermore, we plan to introduce our new products to healthcare providers through a global network of distribution partners instead of through our own sales force. Although we believe that we are building worthwhile sales and distribution relationships with experienced United States distribution firms, there can be no assurance that we will be able to enter into distribution arrangements on terms satisfactory to us, and that our marketing strategy will be successful and result in significant revenues.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Our products may never achieve significant market acceptance.

We may expend substantial funds and management effort on the development and marketing of our predictive genetic testing products with no assurance that we will be successful in selling our products or services. Our ability to enter into distribution arrangements to successfully sell our molecular risk assessment and predictive genetic testing products and services will depend significantly on the perception that our products and services can reduce patient risk and improve medical outcomes, and that our products and services are superior to existing tests. Our business could also be adversely affected if we expend money without any return.

Failure to demonstrate the clinical utility of our products could have a material adverse effect on our financial condition and results of operations.

The Company believes that its GeneType for Breast Cancer, GeneType for Colorectal Cancer and COVID severity risk tests, along with the pipeline of new tests under development have the capacity to transform health outcomes for entire populations. However, it is critical for the Company to demonstrate the clinical utility of its new products. Clinical utility is the usefulness of a test for clinical practice. If the Company is unable to demonstrate clinical utility, or if the data is deemed insufficient to validate utility, there may be insufficient demand for the Company's products.

If our competitors develop superior products, our operations and financial condition could be affected.

We are currently subject to increased competition from biotechnology and diagnostic companies, academic and research institutions and government or other publicly-funded agencies that are pursuing products and services which are substantially similar to our molecular risk assessment testing products, or which otherwise address the needs of our customers and potential customers.

Our competitors in the predictive genetic testing and assessment market include private and public sector enterprises located in Australia, the U.S. and elsewhere. Many of the organisations competing with us are much larger and have more ready access to needed resources. In particular, they would have greater experience in the areas of finance, research and development, manufacturing, marketing, sales, distribution, technical and regulatory matters than we do. In addition, many of the larger current and potential competitors have already established name / brand recognition and more extensive collaborative relationships.

Our competitive position in the molecular risk assessment and predictive testing area is based upon, amongst other things, our ability to:

- continue to strengthen and maintain scientific credibility through the process of obtaining scientific validation through clinical trials supported by peer-reviewed publication in medical journals;
- create and maintain scientifically advanced technology and offer proprietary products and services;
- continue to strengthen and improve the messaging regarding the importance and value that our cancer risk assessment tests provide to patients and physicians;
- diversify our product offerings in disease types other than breast cancer, colorectal cancer and COVID severity risk test;
- obtain and maintain patent or other protection for our products and services;
- obtain and maintain required government approvals and other accreditations on a timely basis; and
- successfully market our products and services.

If we are not successful in meeting these goals, our business could be adversely affected. Similarly, our competitors may succeed in developing technologies, products or services that are more effective than any that we are developing or that would render our technology, products and services obsolete, noncompetitive or uneconomical.

We have important relationships with external parties over whom we have limited control.

We have relationships with academic consultants, research collaborators at other institutions and other advisers who are not employed by us. Accordingly, we have limited control over their activities and can expect only limited amounts of their time to be dedicated to our activities. These persons may have consulting, employment or advisory arrangements with other entities that may conflict with or compete with their obligations to us. Our consultants typically sign agreements that provide for confidentiality of our proprietary information and results of studies. However, we may not be able to maintain the confidentiality of our technology, the dissemination of which could hurt our competitive position and results from operations. To the extent that our scientific consultants, collaborators or advisors develop inventions or processes that may be applicable to our proposed products, disputes may arise as to the ownership of the proprietary rights to such information, and we may not be successful with any dispute outcomes.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

We may be subject to liability and our insurance may not be sufficient to cover damages.

Our business exposes us to potential liability risks that are inherent in the testing, manufacturing, marketing and sale of molecular risk assessment and predictive tests. The use of our products and product candidates, whether for clinical trials or commercial sale, may expose us to professional and product liability claims and possible adverse publicity. We may be subject to claims resulting from incorrect results of analysis of genetic variations or other screening tests performed using our products. Litigation of such claims could be costly. Further, if a court were to require us to pay damages to a plaintiff, the amount of such damages could be significant and severely damage our financial condition. Although we have public and product liability insurance coverage under broad form liability and professional indemnity policies, the level or breadth of our coverage may not be adequate to fully cover any potential liability claims. In addition, we may not be able to obtain additional liability coverage in the future at an acceptable cost. A successful claim or series of claims brought against us in excess of our insurance coverage and the effect of professional and/or product liability litigation upon the reputation and marketability of our technology and products, together with the diversion of the attention of key personnel, could negatively affect our business.

We use potentially hazardous materials, chemicals and patient samples in our business and any disputes relating to improper handling, storage or disposal of these materials could be time consuming and costly.

Our research and development, production and service activities involve the controlled use of hazardous laboratory materials and chemicals, including small quantities of acid and alcohol, and patient tissue samples. We do not knowingly deal with infectious samples. We, our collaborators and service providers are subject to stringent Australian federal, state and local laws and regulations governing occupational health and safety standards, including those governing the use, storage, handling and disposal of these materials and certain waste products. However, we could be liable for accidental contamination or discharge or any resultant injury from hazardous materials, and conveyance, processing, and storage of and data on patient samples. If we, our collaborators or service providers fail to comply with applicable laws or regulations, we could be required to pay penalties or be held liable for any damages that result and this liability could exceed our financial resources. Further, future changes to environmental health and safety laws could cause us to incur additional expense or restrict our operations.

In addition, our collaborators and service providers may be working with these same types of hazardous materials, including hazardous chemicals, in connection with our collaborations. In the event of a lawsuit or investigation, we could be held responsible for any injury caused to persons or property by exposure to, or release of, these hazardous materials or patient samples that may contain infectious materials. The cost of this liability could exceed our resources. While we maintain broad form liability insurance coverage for these risks, the level or breadth of our coverage may not be adequate to fully cover potential liability claims.

We depend on the collaborative efforts of our academic and corporate partners for research, development and commercialisation of our products. A breach by our partners of their obligations, or the termination of the relationship, could deprive us of valuable resources and require additional investment of time and money.

Our strategy for research, development and commercialisation of our products has historically involved entering into various arrangements with academic, corporate partners and others. As a result, the success of our strategy depends, in part, upon the strength of those relationships and these outside parties undertaking their responsibilities and performing their tasks to the best of their ability and responding in a timely manner. Our collaborators may also be our competitors. We cannot necessarily control the amount and timing of resources that our collaborators devote to performing their contractual obligations and we have no certainty that these parties will perform their obligations as expected or that any revenue will be derived from these arrangements.

If our collaborators breach or terminate their agreement with us or otherwise fail to conduct their collaborative activities in a timely manner, the development or commercialisation of the product candidate or research program under such collaborative arrangement may be delayed. If that is the case, we may be required to undertake unforeseen additional responsibilities or to devote unforeseen additional funds or other resources to such development or commercialisation, or such development or commercialisation could be terminated. The termination or cancellation of collaborative arrangements could adversely affect our financial condition, intellectual property position and general operations. In addition, disagreements between collaborators and us could lead to delays in the collaborative research, development, or commercialisation of certain products or could require or result in formal legal process or arbitration for resolution. These consequences could be time-consuming and expensive and could have material adverse effects on the Company.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

We rely upon scientific, technical and clinical data supplied by academic and corporate collaborators, licensors, licensees, independent contractors and others in the evaluation and development of potential therapeutic methods. There may be errors or omissions in this data that would materially adversely affect the development of these methods.

If our sole laboratory facility becomes inoperable, we will be unable to perform our tests and our business will be harmed.

We rely on our sole laboratory facilities in Melbourne, Australia, which has been certified under the U.S. Clinical Laboratory Improvements Amendments (“CLIA”). Our current lease of laboratory premises expires February 28, 2022. The facility and the equipment we use to perform our tests would be costly to replace and could require substantial lead time to repair or replace. If we were to lose our CLIA certification or other required certifications or licenses, or if the facility is harmed or rendered inoperable by natural or man-made disasters, including flooding and power outages, it will be difficult or impossible for us to perform our tests for some period of time. The inability to perform our tests or the backlog of tests that could develop if our facility is inoperable for even a short period of time may result in the loss of customers or harm our reputation, and we may be unable to regain those customers in the future.

If we no longer had our own facility and needed to rely on a third party to perform our tests, we could only use another facility with established state licensure and CLIA accreditation. We cannot assure you that we would be able to find another CLIA certified facility willing to comply with the required procedures, that this laboratory would be willing to perform the tests on commercially reasonable terms, or that it would be able to meet our quality standards. In order to establish a redundant clinical reference laboratory facility, we would have to spend considerable time and money securing adequate space, constructing the facility, recruiting and training employees, and establishing the additional operational and administrative infrastructure necessary to support a second facility. We may not be able, or it may take considerable time, to replicate our testing processes or results in a new facility. Additionally, any new clinical reference laboratory facility would be subject to certification under CLIA and licensing by several states, including California and New York, which could take a significant amount of time and result in delays in our ability to begin operations.

The loss of key members of our senior management team or our inability to attract and retain highly skilled scientists, clinicians and salespeople could adversely affect our business.

Our success depends largely on the skills, experience and performance of key members of our executive management team and others in key management positions. The efforts of each of these persons together will be critical as we continue to develop our technologies and testing processes, continue our international expansion and transition to a company with multiple commercialised products. If we were to lose one or more of these key employees, we may experience difficulties in competing effectively, developing our technologies and implementing our business strategies.

During the year, we experienced significant changes in our executive officers, including the appointment of Simon Morriss as our Chief Executive Officer on February 1, 2021 with Jerzy Muchnicki who had been acting CEO since September 21, 2019, stepping into the role of Chief Medical Officer and Executive Director. Mike Tonroe has been appointed Chief Financial Officer in June 15, 2021 taking over from Philip Hains who had been in role since July 15, 2019. While we believe our current executive officers have the skills and experience to enable us to execute our business plan, these changes may nevertheless result in a transition phase that could adversely affect our operations in the short-term.

Our research and development programs and commercial laboratory operations depend on our ability to attract and retain highly skilled scientists and technicians, including licensed laboratory technicians, chemists, biostatisticians and engineers. We may not be able to attract or retain qualified scientists and technicians in the future due to the competition for qualified personnel among life science businesses. In addition, if there were to be a shortage of clinical laboratory scientists in coming years, this would make it more difficult to hire sufficient numbers of qualified personnel. We also face competition from universities and public and private research institutions in recruiting and retaining highly qualified scientific personnel. In addition, our success depends on our ability to attract and retain salespeople with extensive experience in oncology and close relationships with medical oncologists, pathologists and other hospital personnel. We may have difficulties sourcing, recruiting or retaining qualified salespeople, which could cause delays or a decline in the rate of adoption of our tests. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that could adversely affect our ability to support our research and development and sales programs.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Changes in the way that the FDA regulates our tests could result in the delay or additional expense in offering our tests and tests that we may develop in the future.

Historically, the U.S. Food and Drug Administration (“FDA”) has exercised enforcement discretion with respect to most laboratory-developed tests (“LDTs”) and has not required laboratories that furnish LDTs to comply with the agency’s requirements for medical devices (e.g., establishment registration, device listing, quality systems regulations, premarket clearance or premarket approval, and post-market controls). In recent years, however, the FDA publicly announced its intention to regulate certain LDTs and issued two draft guidance documents that set forth a proposed phased-in risk-based regulatory framework that would apply varying levels of FDA oversight to LDTs. However, these guidance documents were withdrawn at the end of the Obama administration and replaced by an informal discussion paper reflecting some of the feedback that FDA had received on LDT regulation. The FDA acknowledged that the discussion paper in January 2017 does not represent the formal position of the FDA and is not enforceable. Nevertheless, the FDA wanted to share its synthesis of the feedback that it had received in the hope that it might advance public discussion on future LDT oversight. Notwithstanding the discussion paper, the FDA continues to exercise enforcement discretion and may decide to regulate certain LDTs on a case-by-case basis at any time, which could result in delay or additional expense in offering our tests and tests that we may develop in the future.

Our business could be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or changing interpretations of, CLIA or state laboratory licensing laws to which we are subject.

The clinical laboratory testing industry is subject to extensive federal and state regulation, and many of these statutes and regulations have not been interpreted by the courts. The regulations implementing CLIA set out federal regulatory standards that apply to virtually all clinical laboratories (regardless of the location, size or type of laboratory), including those operated by physicians in their offices, by requiring that they be certified by the federal government or by a federally approved accreditation agency. CLIA does not preempt state law, which in some cases may be more stringent than federal law and require additional personnel qualifications, quality control, record maintenance and proficiency testing. The sanction for failure to comply with CLIA and state requirements may be suspension, revocation or limitation of a laboratory’s CLIA certificate, which is necessary to conduct business, as well as significant fines and/or criminal penalties. Several states have similar laws and we may be subject to similar penalties. If the certification of one laboratory owned by the Company is suspended or revoked that may preclude the Company from owning or operating any other laboratory in the Country for two years.

We cannot assure you that applicable statutes and regulations and more specifically, the Food, Drug, and Cosmetic Act, will not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect our business. Potential sanctions for violation of these statutes and regulations include significant fines and the suspension or loss of various licenses, certificates and authorisations, which could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us, which may be costly.

Failure to establish and comply with appropriate quality standards to assure that the highest level of quality is observed in the performance of our testing services and in the design, manufacture and marketing of our products could adversely affect the results of our operations and adversely impact our reputation.

The provision of clinical testing services, and the design, manufacture and marketing of diagnostic products involve certain inherent risks. The services that we provide and the products that we design, manufacture and market are intended to provide information for healthcare providers in providing patient care. Therefore, users of our services and products may have a greater sensitivity to errors than the users of services or products that are intended for other purposes. Similarly, negligence in performing our services can lead to injury or other adverse events. We may be sued under common law, physician liability or other liability law for acts or omissions by our laboratory personnel. We are subject to the attendant risk of substantial damages awards and risk to our reputation.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to design and implement an effective system of internal control may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of the ADSs and our Ordinary Shares.

As of June 30, 2021, our Chief Executive Officer and Chief Financial Officer assessed the effectiveness of our internal control over financial reporting. In connection with this assessment, we are satisfied that remediation of the material weakness in relation to segregation of duties identified as of June 30, 2020 had occurred. Refer to Item 15.B for the description of the material weakness and Item 15.D for the efforts undertaken to remediate the material weakness identified as of June 30, 2020.

To remediate the previously identified material weakness and to enhance our overall control environment, we continued to implement policies and procedures to ensure segregation of duties are appropriate as of June 30, 2021, and continuous training for the finance team is in place. However, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to prevent potential future material weaknesses.

Failure to comply with HIPAA, including regarding the use of new “standard transactions,” may negatively impact our business.

Pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended, or HIPAA, we must comply with comprehensive privacy and security standards with respect to the use and disclosure of protected health information, as well as standards for electronic transactions, including specified transaction and code set rules. Under the 2009 HITECH amendments to HIPAA, the law was expanded, including requirements to provide notification of certain identified data breaches, direct patient access to laboratory records, the extension of certain HIPAA privacy and security standards directly to business associates, and heightened penalties for noncompliance, and enforcement efforts.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

If we fail to comply with the complex federal, state, local and foreign laws and regulations that apply to our business, we could suffer severe consequences that could materially and adversely affect our operating results and financial condition.

Our operations are subject to extensive federal, state, local and foreign laws and regulations, all of which are subject to change. These laws and regulations currently include, among other things:

- CLIA, which requires that laboratories obtain certification from the federal government, and state licensure laws;
- FDA laws and regulations;
- HIPAA, which imposes comprehensive federal standards with respect to the privacy and security of protected health information and requirements for the use of certain standardised electronic transactions; amendments to HIPAA under HITECH, which strengthen and expand HIPAA privacy and security compliance requirements, increase penalties for violators, extend enforcement authority to state attorneys general and impose requirements for breach notification;
- state laws regulating genetic testing and protecting the privacy of genetic test results, as well as state laws protecting the privacy and security of health information and personal data and mandating reporting of breaches to affected individuals and state regulators;
- the federal anti-kickback law, or the Anti-Kickback Statute, which prohibits knowingly and willfully offering, paying, soliciting, receiving, or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing, arranging for, or recommending of an item or service that is reimbursable, in whole or in part, by a federal health care program;
- other federal and state fraud and abuse laws, such as anti-kickback laws, prohibitions on self-referral, and false claims acts, which may extend to services reimbursable by any third-party payor, including private insurers;
- the federal Physician Payments Sunshine Act, which requires medical device manufactures to track and report to the federal government certain payments and other transfers of value made to physicians and teaching hospitals and ownership or investment interests held by physicians and their immediate family members;
- Section 216 of the federal Protecting Access to Medicare Act of 2014 (“PAMA”), which requires applicable laboratories to report private payor data in a timely and accurate manner beginning in 2017 and every three years thereafter (and in some cases annually);
- state laws that impose reporting and other compliance-related requirements; and
- similar foreign laws and regulations that apply to us in the countries in which we operate.

These laws and regulations are complex and are subject to interpretation by the courts and by government agencies. Our failure to comply could lead to civil or criminal penalties, exclusion from participation in state and federal health care programs, or prohibitions or restrictions on our laboratory’s ability to provide or receive payment for our services. We believe that we are in material compliance with all statutory and regulatory requirements, but there is a risk that one or more government agencies could take a contrary position, or that a private, party could file suit under the qui tam provisions of the federal False Claims Act or a similar state law. Such occurrences, regardless of their outcome, could damage our reputation and adversely affect important business relationships with third parties, including managed care organisations, and other private third-party payors.

A failure to comply with any of federal or state laws applicable to our business, particularly laws related to the elimination of healthcare fraud, may adversely impact our business.

Federal officials responsible for administering and enforcing the healthcare laws and regulations have made a priority of eliminating healthcare fraud. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care Education and Reconciliation Act of 2010, jointly the “Affordable Care Act,” includes significant fraud and abuse measures, including required disclosures of financial arrangements between drug and device manufacturers, on the one hand, and physicians and teaching hospitals, on the other hand. Federal funding available for combating health care fraud and abuse generally has increased. While we seek to conduct our business in compliance with all applicable laws and regulations, many of the laws and regulations applicable to our business, particularly those relating to billing and reimbursement of tests and those relating to relationships with physicians, hospitals and patients contain language that has not been interpreted by courts. We must rely on our interpretation of these laws and regulations based on the advice of our counsel and regulatory or law enforcement authorities may not agree with our interpretation of these laws and regulations and may seek to enforce legal remedies or penalties against us for violations. From time to time we may need to change our operations, particularly pricing or billing practices, in response to changing interpretations of these laws and regulations or regulatory or judicial determinations with respect to these laws and regulations. These occurrences, regardless of their outcome, could damage our reputation and harm important business relationships that we have with healthcare providers, payers and others.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

We face risks associated with currency exchange rate fluctuations, which could adversely affect our operating results.

We receive a portion of our revenues and pay a portion of our expenses in currencies other than the United States dollar, such as the Australian dollar, the Euro and the British pound. As a result, we are at risk for exchange rate fluctuations between such foreign currencies and the United States dollar, which could affect the results of our operations. If the U.S. dollar strengthens against foreign currencies, the translation of these foreign currency denominated transactions will result in decreased revenues and operating expenses. We may not be able to offset adverse foreign currency impact with increased revenues. We do not currently utilise hedging strategies to mitigate foreign currency risk and even if we were to implement hedging strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications.

Government regulation of genetic research or testing may adversely affect the demand for our services and impair our business and operations.

In addition to the regulatory framework governing healthcare, genetic research and testing has been the focus of public attention and regulatory scrutiny. From time to time, federal, state and/or local governments adopt regulations relating to the conduct of genetic research and genetic testing. In the future, these regulations could limit or restrict genetic research activities as well as genetic testing for research or clinical purposes. In addition, if such regulations are adopted, these regulations may be inconsistent with, or in conflict with, regulations adopted by other government bodies. Regulations relating to genetic research activities could adversely affect our ability to conduct our research and development activities. Regulations restricting genetic testing could adversely affect our ability to market and sell our products and services. Accordingly, any regulations of this nature could increase the costs of our operations or restrict our ability to conduct our testing business.

Failure in our information technology systems could significantly increase testing turn-around times or impact on the billing processes or otherwise disrupt our operations.

Our laboratory operations depend, in part, on the continued performance of our information technology systems. Our information technology systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. Sustained system failures or interruption of our systems in our laboratory operations could disrupt our ability to process laboratory requisitions, perform testing, and provide test results in a timely manner and/or billing process. Failure of our information technology systems could adversely affect our business and financial condition.

Breaches of network or information technology, natural disasters or terrorist attacks could have an adverse impact on our business.

Cyber-attacks or other breaches of information technology security, natural disasters, or acts of terrorism or war may result in hardware failure or disrupt our product testing or research and development activities. There has been a substantial increase in frequency of successful and unsuccessful cyber-attacks on companies in recent years. Such an event may result in our inability, or the inability of our collaborative partners, to operate the facilities to conduct and complete the necessary activities, which even if the event is for a limited period of time, may result in significant expenses and/ or significant damage or delay to our commercial or research activities. While we maintain insurance cover for some of these events, the potential liabilities associated with these events could exceed the cover we maintain.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Ethical and other concerns surrounding the use of genetic information may reduce the demand for our services.

Public opinion regarding ethical issues related to the confidentiality and appropriate use of genetic testing may influence government authorities to call for limits on, or regulation of the use of, genetic testing. In addition, such authorities could prohibit testing for genetic predisposition to certain conditions, particularly for those that have no known cure. Furthermore, adverse publicity or public opinion relating to genetic research and testing, even in the absence of any governmental regulation, could reduce the potential markets for our products and services.

Risks associated with our intellectual property.

The patenting of genes and issues surrounding access to genetic knowledge are the subjects of extensive and ongoing public debate in many countries. By way of example, the Australian Law Reform Commission has previously conducted two inquiries into the social uses of genetic information. The patents we hold overuses of “non-coding” DNA have broad scope and have also been the subject of debate and some criticism in the media. Individuals or organisations, in any one of the countries in which these patents have issued, could take legal action to seek their amendment, revocation or invalidation, something which has happened previously, on several occasions in various jurisdictions, though we have prevailed in all such cases. Furthermore, any time that we initiate legal action against parties that infringe our patents we face a risk that the infringer will defend itself through a counterclaim of patent invalidity or other such claims. Subsequent legal action could potentially overturn, invalidate or limit the scope of our patents.

We rely heavily upon patents and proprietary technology that may fail to protect our business.

We rely upon our portfolio of patent rights, patent applications and exclusive licenses to patents and patent applications relating to genetic technologies. We expect to aggressively patent and protect our proprietary technologies. However, we cannot be certain that any additional patents will be issued to us because of our domestic or foreign patent applications or that any of our patents will withstand challenges by others. Patents issued to, or licensed by us may be infringed or third parties may independently develop the same or similar technologies. Similarly, our patents may not provide us with meaningful protection from competitors, including those who may pursue patents which may prevent, limit or interfere with our products or which may require licensing and the payment of significant fees or royalties by us to such third parties in order to enable us to conduct our business. We may sue or be sued by third parties regarding our patents and other intellectual property rights. These suits are often costly and would divert valuable funds, time and technical resources from our operations and cause a distraction to management.

We also rely upon unpatented proprietary technologies and databases. Although we require employees, consultants and collaborators to sign confidentiality agreements, we may not be able to adequately protect our rights in such unpatented proprietary technologies and databases, which could have a material adverse effect on our business. For example, others may independently develop substantially equivalent proprietary information or techniques or otherwise gain access to our proprietary technologies or disclose our technologies to our competitors.

We may face difficulties in certain jurisdictions in protecting our intellectual property rights, which may diminish the value of our intellectual property rights in those jurisdictions.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the United States and the European Union, and many companies have encountered significant difficulties in protecting and defending such rights in such other jurisdictions. If we or our collaboration partners encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights for our business in such jurisdictions, the value of those rights may be diminished and we may face additional competition from others in those jurisdictions. In addition, many countries limit the enforceability of patents against governments agencies or government contractors. In those countries, the patent owner may have limited remedies, which could materially diminish the value of such patent.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Our operations may be adversely affected by the effects of extreme weather conditions or other interruptions in the timely transportation of specimens.

We may be required to transport specimens from the U.S. or other distant locations to our laboratory located in Melbourne, Australia. Our operations may be adversely impacted by extreme weather conditions or other interruptions such as the COVID pandemic in the timely transportation of such specimens or otherwise to provide our services, from time to time. The occurrence of any such event and/or a disruption to our operations as a result may harm our reputation and adversely impact our results of operations.

Our CIT Platform will expose us to various risks.

Our Consumer Initiated Testing platform (CIT), allows consumers to directly request any of our tests online with a practitioner involved in the process via telemedicine, will be subject to various risks, including but not limited to:

- The risk of failure to protect personal medical information;
- The risk of breach of cyber security for the platform; and
- The risk that the platform will fail to perform as expected.

Our ability to conduct telehealth services in a particular U.S. state or non-U.S. jurisdiction is dependent upon the applicable laws governing remote healthcare, the practice of medicine and healthcare delivery in general in such location which are subject to changing political, regulatory and other influences. Some state medical boards have established new rules or interpreted existing rules in a manner that limits or restricts the practice of telemedicine. The extent to which a U.S. state or non-U.S. jurisdiction considers particular actions or relationships to constitute practicing medicine is subject to change and to evolving interpretations by (in the case of U.S. states) medical boards and state attorneys general, among others, and (in the case of non-U.S. jurisdictions) the relevant regulatory and legal authorities, each with broad discretion. Accordingly, we must monitor our compliance with law in every jurisdiction in which we operate, on an ongoing basis, and we cannot provide assurance that our activities and arrangements, if challenged, will be found to be in compliance with the law. If a successful legal challenge or an adverse change in the relevant laws were to occur, and we were unable to adapt our business model accordingly, our operations in the affected jurisdictions would be disrupted, which could have a material adverse effect on our business, financial condition and results of operations.

Discontinuation or recalls of existing testing products or our customers using new technologies to perform their own tests could adversely affect our business.

Discontinuation or recalls of existing testing products or our customers using new technologies to perform their own tests could adversely affect the Company's business. Manufacturers may discontinue or recall reagents, test kits or instruments used by us to perform laboratory testing. Such discontinuations or recalls could adversely affect our costs, testing volume and revenue. In addition, advances in technology may lead to the development of more cost-effective technologies such as point-of-care testing equipment that can be operated by physicians or other healthcare providers in their offices or by patients themselves without requiring the services of freestanding clinical laboratories. Development of such technology and its use by our customers could reduce the demand for our laboratory testing services and the utilisation of certain tests offered by us and negatively impact our revenues.

Even if we are able to successfully transition our current lab facilities into a COVID-19 testing facility, there can be no assurances that we will generate revenue from COVID-19 testing.

The Company has not had any material conversations or entered into any agreements with a third party regarding the performance of COVID-19 testing and there is no guarantee that we will ever enter into any such agreements. As a result, despite our potential ability to conduct COVID-19 testing, there can be no assurances that we will be able to commercialise such ability to generate any revenue.

We may not be able to produce a PRS test that successfully allows for the assessment of risk in fully vaccinated populations

In response to the global COVID-19 pandemic, we have completed the development of our COVID-19 risk test, which we believe may allow for the assessment of risk of an individual contracting a serious disease as a result of the contracting the COVID-19 virus (see "Recent Developments"). We may be unable to produce a test that successfully allows for the assessment of risk in a in fully vaccinated populations. If the outbreak is effectively contained or the risk of infection is diminished or eliminated before we can successfully develop and manufacture a PRS test, we may be unable to successfully generate revenue from the development of the PRS test. Our business could be negatively impacted by our allocation of significant resources to a global health threat that is unpredictable and could rapidly dissipate or against which our PRS test, if developed, may not be deemed useful or effective enough by the market.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Because the PRS test may not be able to obtain necessary regulatory clearance, we may not generate any revenue.

All of our existing products are subject to regulation in Australia by CLIA, the U.S. by the FDA and/or other domestic and international governmental, public health agencies, regulatory bodies or non-governmental organisations. The process of obtaining required approvals or clearances for a potential new product varies according to the nature of and uses for a specific product. These processes can involve lengthy and detailed laboratory testing, human clinical trials, sampling activities, and other costly, time-consuming procedures. The submission of an application to a regulatory authority does not guarantee that the authority will grant an approval or clearance for the product. Each authority may impose its own requirements and can delay or refuse to grant approval or clearance, even though a product has been approved in another country. The time taken to obtain approval or clearance varies depending on the nature of the application and may result in the passage of a significant period of time from the date of submission of the application. Delays in the approval or clearance processes increase the risk that we will not succeed in introducing or selling the subject products, and we may be required to abandon the PRS after devoting substantial time and resources to its development.

If our PRS test receives necessary CLIA and FDA approvals, it will be subject to continuing governmental regulations and additional foreign regulations.

If the FDA determines that enforcement discretion is not appropriate or that LDTs are generally subject to FDA regulation and that premarket review, including clearance or approval, is required for our PRS tests or any of our future tests, diagnostic test kits that we may develop, or other products that would be classified as medical devices, the process of obtaining regulatory clearances or approvals to market a medical device can be costly and time consuming, and we may not be able to obtain these clearances or approvals on a timely basis, if at all. In particular, the FDA permits commercial distribution of a new medical device only after the device has received clearance under Section 510(k) of the Federal Food, Drug and Cosmetic Act, or is the subject of an approved premarket approval application, or PMA unless the device is specifically exempt from those requirements. The FDA will clear marketing of a lower risk medical device through the 510(k) process if the manufacturer demonstrates that the new product is substantially equivalent to other 510(k)-cleared products. High risk devices deemed to pose the greatest risk, such as life-sustaining, life-supporting, or implantable devices, or devices not deemed substantially equivalent to a previously cleared device, require the approval of a PMA. The PMA process is more costly, lengthy and uncertain than the 510(k)-clearance process. A PMA application must be supported by extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing and labeling data, to demonstrate to the FDA's satisfaction the safety and efficacy of the device for its intended use. Our currently commercialised products have not received FDA clearance or approval, as they are marketed under the FDA's enforcement discretion for LDTs. Even if regulatory clearance or approval of a product is required and granted, such clearance or approval may be subject to limitations on the intended uses for which the product may be marketed and reduce our potential to successfully commercialise the product and generate revenue from the product. If the FDA determines that our promotional materials, labeling, training or other marketing or educational activities constitute promotion of an unapproved use, it could request that we cease or modify our training or promotional materials or subject us to regulatory enforcement actions.

We are also subject to other federal, state, and foreign regulation concerning the manufacture and sale of our products. Our failure to comply with U.S. federal, state and foreign governmental regulations could lead to the issuance of warning letters or untitled letters, the imposition of injunctions, suspensions or loss of regulatory clearance or approvals, product recalls, termination of distribution, product seizures or civil penalties. In the most extreme cases, criminal sanctions or closure of our manufacturing facility are possible, any of which could adversely affect our business, operating results and prospects.

The FDA and similar foreign governmental authorities have the authority to require the recall of regulated products in the event of material deficiencies or defects in design or manufacture. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. The FDA requires that certain classifications of recalls be reported to FDA within 10 working days after the recall is initiated. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA. We may initiate voluntary recalls involving our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement action for failing to report the recalls when they were conducted.

We may be subject to liability for our current products or for our planned COVID-19 testing and our insurance may not be sufficient to cover damages.

Our current business and potential COVID-19 testing exposes us to potential liability risks that are inherent in the testing, manufacturing, marketing and sale of molecular risk assessment and predictive tests. The use of our products and product candidates, whether for clinical trials or commercial sale, may expose us to professional and product liability claims and possible adverse publicity. We may be subject to claims resulting from incorrect results of analysis of genetic variation or other screening tests performed using our products or from any future COVID-19 testing. Litigation of such claims could be costly. Further, if a court were to require us to pay damages to a plaintiff, the amount of such damages could be significant and severely damage our financial condition. Although we have public and product liability insurance coverage under broad form liability and professional indemnity policies, the level or breadth of our coverage may not be adequate to fully cover any potential liability claims. In addition, we may not be able to obtain additional liability coverage in the future at an acceptable cost. A successful claim or series of claims brought against us in excess of our insurance coverage and the effect of professional and/or product liability litigation upon the reputation and marketability of our technology and products, together with the diversion of the attention of key personnel, could negatively affect our business.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Declining general economic or business conditions, including as a result of the recent COVID-19 outbreak, may have a negative impact on our business.

Continuing concerns over economic and business prospects in the United States and other countries have contributed to increased volatility and diminished expectations for the global economy. These factors, coupled with the prospect of decreased business and consumer confidence and increased unemployment resulting from the recent COVID-19 outbreak, may precipitate an economic slowdown and recession. If the economic climate deteriorates, our business, including our access to patient samples and the addressable market for diagnostic tests that we may successfully develop, as well as the financial condition of our suppliers and our third-party payors, could be adversely affected, resulting in a negative impact on our business, financial condition, results of operations and cash flows.

The COVID-19 pandemic is having a negative impact on global markets and business activity, which has had an effect on the operations of the Company, including but not limited to, that sales of our products have been impacted not only by the inability for consumers to visit their practitioners but also the difficulty our sales team is having in arranging face to face meetings with practitioners. Our sales team has found it very difficult to reach practitioners to build on the sales momentum created prior to the pandemic,. Additionally, in response to the COVID-19 pandemic, the Company has done the following:

- Moved forward with its Consumer Initiated Testing platform (CIT), as previously announced on April 1, which allows for consumers to directly request any of the Company’s tests online with a practitioner involved in the process via telemedicine. The platform is live, which we believe it will ensure that sales will be able to recommence in the event a lockdown is maintained and it opens up another significant sales channel.
- We have also launched the Polygenic Risk Score (or PRS) test for COVID-19, which will allow for the assessment of risk of an individual contracting a serious disease as a result of the contracting the COVID-19 virus. The proposed test will be designed using the same strategies used to build our existing GeneType for breast and colorectal cancer tests. Our objective will be to produce a test that can predict “disease severity” using either genetic information alone (PRS) or a combination of genetic and clinical information. Biobank data will be interrogated to discover any informative genetic and phenotypic associations.

These new COVID-19 related activities will provide some revenue opportunities for us in the short term and will assist in the development of additional tests the Company is currently working on. We have not made significant progress to date that would lead to orders or requests to increase capacity and there is no guarantee we will ever receive orders or requests.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Risks Related to our Securities

Our ADSs may be delisted from the NASDAQ Capital Market.

In 2019, we were subject to NASDAQ delisting proceedings as a result of our failure to maintain the bid price of the ADS above the minimum \$1.00 per share requirement and because our reported stockholders' equity was less than the minimum specified amount of \$2,500,000 as of December 31, 2018. We regained compliance with NASDAQ's Listing Rules with respect to our bid price as a result of the adjustment to the ratio of the ADSs that took effect on August 15, 2019, and we regained compliance with the minimum stockholders' equity requirement by raising gross proceeds of approximately \$3,043,000 in a rights offering completed on October 29, 2019. On November 6, 2019, we received a letter from NASDAQ notifying us that we had regained compliance with the equity rule (the "Compliance Letter").

On March 13, 2020, we received a determination letter (the "Letter") from NASDAQ indicating that we did not comply with the stockholders' equity rule. The Letter indicates that Listing Rule 5815(d)(4)(B) does not permit an issuer that is deficient in stockholders' equity to present a plan of compliance to the NASDAQ Staff if such issuer has failed to comply with that provision within one year of a Hearing Panel (the "Panel") determination of compliance. The Letter states that since we are out of compliance with the equity rule within one year of the Compliance Letter, the Staff cannot allow us to submit a plan of compliance. We requested an appeal hearing with the Panel to review the delisting determination. Upon NASDAQ's receipt of the hearing request by the Company, NASDAQ stayed the suspension of our securities and the filing of the Form 25-NSE pending the Panel's decision. An oral hearing took place on April 30, 2020 and in a letter dated May 12, 2020, the Panel granted the Company the full 180 day extension until September 9, 2020, to publicly disclose full compliance with the minimum shareholder equity requirement under NASDAQ rules. Subsequent to this, the Company has regained compliance with NASDAQ Listing Rule 5550(b)(1) as of August 25, 2020 (refer to sequence of events below).

On April 2, 2020, we closed a registered direct offering of 1,028,574 ADSs, at a purchase price of \$1.75 per ADS (the "First April Offering"). H.C. Wainwright & Co., LLC acted as the placement agent for this offering. We intend to use the net proceeds from this offering to support the introduction and distribution of our new products in the United States, for general product research and development, including the development of polygenic risk tests with TGen in the United States, for implementation of our consumer initiated testing platform, and for working capital. The Company issued 40,114,200 warrants to H.C. Wainwright & Co on April 3, 2020, exercisable at US\$0.00365 each, expiring in 5 years from issue date. The warrants are exercisable for fully paid ordinary shares.

On April 17, 2020, we announced that we have developed a detailed implementation plan to enable a temporary transition of our genetic testing laboratory to a high-throughput COVID-19 testing laboratory, should it be required by government agencies to assist with demand (we have not received any such requests to date and there is no guarantee that we will ever receive such requests). Initial work to identify laboratory workflows, instrument modification, laboratory compliance for biologics and contaminated materials handling has commenced. Secure supply chain of test reagents has been confirmed. We believe we are prepared to commence testing within 21 days of receiving a request to assist with demand, if any.

On April 22, 2020, we closed a registered direct offering of 722,502 ADSs at a purchase price of \$2.00 per ADS (the "Second April Offering," and together with the First April Offering, the "April Offerings"). H.C. Wainwright & Co., LLC acted as the placement agent for this offering. We intend to use the net proceeds of this offering to support the introduction and distribution of our new products in the United States, for general product research and development, including the development of polygenic risk tests with TGen in the United States, for implementation of our consumer initiated testing platform and preparation for potential COVID-19 testing as well as for working capital. The Company issued 28,177,578 warrants to H.C. Wainwright & Co on April 22, 2020, exercisable at US\$0.00417 each, expiring in 5 years from issue date. The warrants are exercisable for fully paid ordinary shares.

On May 26, 2020, we completed a capital raise by offering of (i) 3,500,000 American Depositary Shares ("ADSs"), for a purchase price of United States Dollars (US\$) US\$2.00 per ADS (each representing six hundred (600) of the Company's ordinary shares) and (ii) 500,000 pre-funded warrants to purchase one ADS (the "Pre-Funded Warrants") for a purchase price of US\$1.9999 per Pre-Funded Warrant. H.C. Wainwright & Co., LLC acted as the placement agent for this offering. In connection with such offering, the Company agreed to issue 156,000,000 warrants exercisable at US\$0.004166 each, expiring in 5 years from issue date, to H.C. Wainwright & Co.

On July 21, 2020, we closed a registered direct offering of 1,025,000 American Depositary Shares (ADSs), each representing six hundred (600) of the Company's ordinary shares, at a purchase price of United States Dollars (US\$) US\$5.00 per ADS - or in Australian dollars \$0.012 per ordinary share. The gross proceeds for this offering were approximately US\$5.1 million. Against the offering, the Company agreed to issue 39,975,000 warrants exercisable at US\$0.0104 each, expiring in 5 years from issue date, to H.C. Wainwright & Co which would form part of cost of raising capital.

As of August 25, 2020, the Company has regained compliance with the equity requirement of NASDAQ Listing Rule 5550(b)(1), as required by the Hearings Panel decision dated May 12, 2020.

On January 25, 2021, we closed a registered direct offering of 1,250,000 American Depositary Shares (ADSs), each representing six hundred (600) of the Company's ordinary shares, at a purchase price of United States Dollars (US\$) US\$5.25 per ADS - or in Australian dollars \$0.01125 per ordinary share. The gross proceeds for this offering was approximately US\$6.56 million. Against the offering, the Company agreed to issue 48,750,000 warrants exercisable at US\$0.010938 each, expiring in 5 years from issue date, to H.C. Wainwright & Co which would form part of cost of raising capital. The said warrants are subject to shareholder approval.

However, there can be no assurance that we will be successful in these in maintaining net assets compliance and our securities will remain listed on the NASDAQ Capital Market. The delisting of our ADSs by NASDAQ would have material negative impacts on the liquidity of our securities and our ability to raise future capital.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Our stock price is volatile and can fluctuate significantly based on events not in our control and general industry conditions. As a result, the value of your investment may decline significantly.

The biotechnology sector can be particularly vulnerable to abrupt changes in investor sentiment. Stock prices of companies in the biotechnology industry, including ours, can swing dramatically, with little relationship to operating performance. Our stock price may be affected by a number of factors including, but not limited to:

- product development events;
- the outcome of litigation;
- decisions relating to intellectual property rights;
- the entrance of competitive products or technologies into our markets;
- new medical discoveries;
- the establishment of strategic partnerships and alliances;
- changes in reimbursement policies or other practices related to the pharmaceutical industry; or
- other industry and market changes or trends.

Since our listing on the Australian Securities Exchange in August 2000, the price of our Ordinary Shares has ranged from a low of A\$0.006 to a high of A\$0.88 per share. Further fluctuations are likely to occur due to events which are not within our control and general market conditions affecting the biotechnology sector or the stock market generally.

In addition, low trading volume may increase the volatility of the price of our ADSs. A thin trading market could cause the price of our ADSs to fluctuate significantly more than the stock market as a whole. For example, trades involving a relatively small number of our ADSs may have a greater impact on the trading price for our ADSs than would be the case if the trading volume were higher.

The fact that we do not expect to pay cash dividends may lead to decreased prices for our stock.

We have never declared or paid a cash dividend on our Ordinary Shares and we do not anticipate doing so in the foreseeable future. We intend to retain future cash earnings, if any, for reinvestment in the development and expansion of our business. Whether we pay cash dividends in the future will be at the discretion of our Board of Directors and may be dependent on our financial condition, results of operations, capital requirements and any other factors our Board of Directors decides is relevant. As a result, an investor may only recognise an economic gain on an investment in our stock from an appreciation in the price of our stock, which is uncertain and unpredictable. There is no guarantee that our Ordinary Shares will appreciate in value or even maintain the price at which an investor purchased the Ordinary Shares.

You may have difficulty in effecting service of legal process and enforcing judgments against us and our management.

We are a public company limited by shares, registered and operating under the Australian *Corporations Act 2001*. All of our directors and officers named in this Annual Report reside outside the U.S. Substantially all, or a substantial portion of, the assets of those persons are also located outside the U.S. As a result, it may not be possible to affect service on such persons in the U.S. or to enforce, in foreign courts, judgments against such persons obtained in U.S. courts and predicated on the civil liability provisions of the federal securities laws of the U.S. Furthermore, substantially all of our directly owned assets are located outside the U.S., and, as such, any judgment obtained in the U.S. against us may not be collectible within the U.S. There is doubt as to the enforceability in the Commonwealth of Australia, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon federal or state securities laws of the U.S., especially in the case of enforcement of judgments of U.S. courts where the defendant has not been properly served in Australia.

Item 3. Key Information (cont.)

Item 3.D Risk Factors (cont.)

Because we are not required to provide you with the same information as an issuer of securities based in the United States, you may not be afforded the same protection or information you would have if you had invested in a public corporation based in the United States.

We are exempt from certain provisions of the Securities Exchange Act of 1934, as amended, commonly referred to as the Exchange Act, that are applicable to U.S. public companies, including (i) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q and current reports on Form 8-K; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorisations in respect of a security registered under the Exchange Act; and (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time. The exempt provisions would be available to you if you had invested in a U.S. corporation.

However, in line with the Australian Securities Exchange regulations, we disclose our reviewed financial results on a semi-annual basis (under International Standard on Review Engagements) and our audited financial results on an annual basis (under International Standards on Auditing). The information, which may have an effect on our stock price on the Australian Securities Exchange, will be disclosed to the Australian Securities Exchange and also the Securities Exchange Commission. Other relevant information pertaining to our Company will also be disclosed in line with the Australian Securities Exchange regulations and information dissemination requirements for listed companies. We provide our semi-annual results and other material information that we make public in Australia in the U.S. under the cover of an SEC Form 6-K. Nevertheless, you may not be afforded the same protection or information, which would be made available to you, were you investing in a United States public corporation because the requirements of a Form 10-Q and Form 8-K are not applicable to us.

A lack of significant liquidity for our ADSs may negatively affect your ability to resell our securities.

Our ADSs have traded on the NASDAQ Capital Market since June 30, 2010. An active trading market for the ADSs, however, may not be maintained in the future. If an active trading market is not maintained, the liquidity and trading prices of the ADSs could be negatively affected.

In certain circumstances, holders of ADSs may have limited rights relative to holders of Ordinary Shares.

The rights of holders of ADSs with respect to the voting of Ordinary Shares and the right to receive certain distributions may be limited in certain respects by the deposit agreement entered into by us and The Bank of New York Mellon. For example, although ADS holders are entitled under the deposit agreement, subject to any applicable provisions of Australian law and of our Constitution, to instruct the depositary as to the exercise of the voting rights pertaining to the Ordinary Shares represented by the American Depositary Shares, and the depositary has agreed that it will try, as far as practical, to vote the Ordinary Shares so represented in accordance with such instructions, ADS holders may not receive notices sent by the depositary in time to ensure that the depositary will vote the Ordinary Shares. This means that, from a practical point of view, the holders of ADSs may not be able to exercise their right to vote. In addition, under the deposit agreement, the depositary has the right to restrict distributions to holders of the ADSs in the event that it is unlawful or impractical to make such distributions. We have no obligation to take any action to permit distributions to holders of our American Depositary Receipts, or ADSs. As a result, holders of ADSs may not receive distributions made by us.

There is a substantial risk that we are a passive foreign investment company, or PFIC, which subjects U.S. investors to adverse tax rules.

Holders of our ADSs who are U.S. residents face income tax risks. There is a substantial risk that we are a passive foreign investment company, commonly referred to as a PFIC. Our treatment as a PFIC could result in a reduction in the after-tax return to the holders of our ADSs. For U.S. federal income tax purposes, we are classified as a PFIC for any taxable year in which either (i) 75% or more of our gross income is passive income, or (ii) at least 50% of the average value of all of our assets for the taxable year produce or are held for the production of passive income. For this purpose, cash is considered to be an asset that produces passive income. As a result of our substantial cash position in relation to our other assets, we believe that we have been a PFIC in our most recent taxable years and will continue to be a PFIC in the current tax year. Highly complex rules apply to U.S. holders owning ADSs. Accordingly, you are urged to consult your tax advisors regarding the application of such rules. United States residents should carefully read “Item 10.E. Additional Information—Taxation, United States Federal Income Tax Consequences” in this Annual Report, for a more complete discussion of the U.S. federal income tax risks related to owning and disposing of our ADSs.

Item 4. Information on the Company

Item 4.A History and Development of the Company

Originally incorporated under the laws of Western Australia on January 5, 1987, as Concord Mining N.L. the Company operated as a mining company. On August 13, 1991, the Company changed its name to Consolidated Victorian Gold Mines N.L. On December 2, 1991, the Company changed its name to Consolidated Victorian Mines N.L. On March 15, 1995, the Company changed its name to Duketon Goldfields N.L.

On October 15, 1999, the Company’s corporate status was changed from a No Liability Company to a company limited by shares. On August 29, 2000, following the acquisition of Swiss company GeneType AG, the Company changed its name to Genetic Technologies Limited, which is its current name. At that time, the mining activities were phased out to focus on becoming a biotechnology company, following which its stock exchange listing was duly transferred from the mining board of the ASX to the industrial board and its shares were thereafter classified under the industry Company “Health and Biotechnology”, completing its transformation from a mining company into a biotechnology company. The Company’s current activities in biotechnology primarily concentrate on one clearly defined area of activity which is covered under Item 4.B “Business Overview”.

In October 2009, a new strategic direction was established to focus efforts in creating a portfolio of tests that would be aimed at assisting medical clinicians with cancer management. This would comprise tests that were created by the Company and in-licensed from third parties which would then be marketed by us in the Asia-Pacific region.

On April 14, 2010, the Company announced that it had acquired certain assets from Perlegen Sciences, Inc. in California, with the main asset being the BREVA Gen™ breast cancer risk assessment test (“BREVA Gen™”). In addition to the BREVA Gen™ test, the Company also acquired a suite of patents valid to 2022 which augment and extend its current non-coding patent portfolio. On June 28, 2010, the Company incorporated a wholly owned subsidiary named Phenogen Sciences Inc. in the State of Delaware which commenced selling the BREVA Gen™ test in the U.S. marketplace in June 2011. In October 2014, the Company released its next generation breast cancer risk assessment test BREVA Gen*plus*.

On November 19, 2014, the Company completed the sale of its Heritage Australian Genetics business to Specialist Diagnostic Services Ltd (SDS), the wholly owned pathology subsidiary of Primary Health Care Ltd.

In November 2016, the Company executed an exclusive worldwide license agreement with The University of Melbourne, for the development and commercialisation of a novel colorectal cancer (CRC) risk assessment test, providing the Company with an opportunity to enhance its pipeline of risk assessment products. Additionally, in June 2017, the Company executed an investigator-initiated Research Agreement with The Ohio State University, reflecting the growing awareness of the Company’s expertise in SNP-based risk assessment.

During 2018, the Company executed a further collaborative research and services agreement with The University of Melbourne, with the research designed to broaden the applicability of BREVA Gen*plus*, enabling its use by women with extended family history of breast cancer as well as increase the range of factors analysed in assessing breast cancer.

In May 2019, the Company announced the development of two new cancer risk assessment tests branded as “GeneType for Colorectal Cancer” and “GeneType for Breast Cancer.” The new breast cancer test provides substantial improvement over its legacy breast cancer test BREVA Gen*plus*, by incorporating multiple additional clinical risk factors. This test will provide healthcare providers and their patients with a 5-year and lifetime risk assessment of the patient developing breast cancer. The colorectal cancer test will provide healthcare providers and their patients a 5-year, 10-year, and lifetime risk assessment of the patient developing colorectal cancer.

In June 2020, the Company received US Patent No: US10,683,549, Methods for assessing risk of developing breast cancer. The Company is the first company in the world to successfully commercialise a polygenic risk test for breast cancer. The granted patent covers the Company’s proprietary panels of single nucleotide polymorphisms (SNPs) and the combination of clinical and phenotypic risk models to create the most comprehensive risk assessment tool on the market: GeneType for Breast Cancer.

The Company hired and trained a new internal sales employee to educate doctors on the Company’s polygenic risk score (PRS) tests and introduce them to preventative health strategies. The Company had a very positive response from doctors. Initial test results showed 10 per cent of subjects were high risk and 41 per cent were moderate risk. The Company believes that these results will help create personalised strategies specifically designed for the patient risk profile. We think early indications show the tests lead to better screening compliance and to the development of personalised screening solutions. This confirms the Company’s objective of focusing on preventative health rather than ‘after the fact’ medicine. However, there is no guarantee that the PRS tests will generate any substantial income for the Company in the near future or at all.

At the same time, the Company continued to develop other risk assessment tests across a range of diseases including:

- Cardiovascular disease
- Type 2 diabetes
- Prostate cancer
- Melanoma

Item 4. Information on the Company (cont.)

Item 4.A History and Development of the Company (cont.)

COVID-19 Related Testing

The Company developed a detailed implementation plan to allow a temporary transition of the Company's genetic testing laboratory to a high-throughput COVID-19 test center, should government agencies need it to assist with demand. The Company has begun the initial work to identify laboratory workflows, instrument modification, and laboratory compliance for biologics and contaminated materials handling. The Company has also confirmed a secure supply chain of test reagents.

The Company has developed a polygenic risk score (PRS) test for COVID-19, which may enable an assessment of the risk of people developing a serious disease should they contract the virus. The test aims to predict disease severity using a combination of genetic and clinical information.

- Working prototype developed based on about 3,000 patients
- Options for clinical risk model currently under evaluation
- Discussions continue with several international biobanks and clinical laboratories to source an independent cross-validation dataset.

The Company has built strong relationships with international biobanks and health studies, including UK Biobank. They allow us to secure additional, current COVID-19 patient data to continuously develop, refine, and validate the COVID-19 risk test.

The Company has ordered its first single nucleotide polymorphism (SNP) array panel from US-based Thermo Fisher Scientific Inc., a world leader in genetic testing and the Company's manufacturing partner for GeneType products.

The SNP array panel is a key reagent the Company needs to process the polygenic risk test portion of the COVID-19 risk test. The test aims to categorise subjects as being at high, average, or low risk of developing life-threatening conditions due to COVID-19.

The Company has also confirmed capacity to scale up production for a global rollout of the COVID-19 risk test (reagent and SNP array panel) with major manufacturers, including Thermo Fisher Scientific. The product uses technical components that healthcare manufacturers already produce for other genetic-based tests. This will support the Company's plans to accelerate production to meet expected global demand.

We estimate that the Company's Australian facilities can produce up to 250,000 tests a year. The scale-up of manufacturing will require global distribution partnerships if the COVID-19 risk test is widely adopted. In anticipation of high demand, the Company expects to make its data pack for the test available to global laboratories. Direct and indirect costs to date are approximately A\$375,000.

Discussions have taken place with Centres for Medicare and Medicaid Services (CMS) and National Association of Testing Authorities, Australia (NATA) for regulatory approval for the Company's COVID-19 risk severity test in the U.S. and Australia.

- The Company plans to submit a complete technical package to the Centres for Medicare and Medicaid Services (CMS) for review and approval. Clinical Laboratory Improvement Amendments (CLIA) turn-around time for approval is expected to be approximately 45 days from submission;
- Submission of the technical file to include scientific literature, algorithm validation, laboratory network validation, and laboratory procedural documentation; and
- NATA to provide an assessment after an internal review of the final independent data set for test validation.

The test should give risk stratification information which may help personal and population management in two ways, to:

- Guide quarantine measures on a personal, local, and national scale; and
- Prioritise vaccination

The Company has filed a provisional patent application for its COVID-19 risk test with IP Australia, an agency of Department of Industry, Innovation and Science (Intellectual Property Australia) (2020901739 - Methods of assessing risk of developing a severe response to Coronavirus infection). The provisional patent covers the specific single nucleotide polymorphism (SNP) algorithm the Company designed to calculate a PRS and the testing model that combines PRS and the clinical risk factors that together constitute the COVID-19 risk test.

The Company executed an acquisition agreement ("Acquisition Agreement") on July 19th, 2021 to acquire the direct-to-consumer eCommerce business and distribution rights associated with General Genetics Corporation and its associated brands trading as EasyDNA, from BelHealth Investment Fund LP. The Acquisition Agreement provides for the acquisition of all brands, websites and reseller agreements associated with EasyDNA. This includes over 70 websites in 40 countries and six brand identities. Under the terms of the Acquisition Agreement, the Company will acquire 100% of EasyDNA's brands and assets within the General Genetics Corporation business for a purchase price of US\$4 million, comprising cash consideration of US\$2.5 million and US\$1.5 million worth of GTG securities in the nature of ADRs.

Item 4. Information on the Company (cont.)

Item 4.A History and Development of the Company (cont.)

Corporate Information

The Company’s registered office, headquarters and laboratory is located at 60-66 Hanover Street, Fitzroy, Victoria, 3065, Australia and its telephone number is +61 3 8412 7000. The office of its U.S. subsidiary, Phenogen Sciences Inc., is located at 1300 Baxter Street, Suite 157, Charlotte, North Carolina, 28204 U.S.A. The telephone number for the Phenogen Sciences Inc. office is (704) 926 5700. The Company’s website address is www.gtglabs.com. The information in its website is not incorporated by reference into this Annual Report and should not be considered as part of this Annual Report.

The Company’s Australian Company Number (ACN) is 009 212 328. The Company’s Australian Business Number (ABN) is 17 009 212 328. The Company operates pursuant to its constitution, the Australian *Corporations Act 2001*, the Listing Rules of the Australian Securities Exchange, the Marketplace Rules of The NASDAQ Stock Market, and where applicable, local, state and federal legislation in the countries in which the Company operates.

Item 4.B Business Overview Description of Business

Founded in 1989, Genetic Technologies listed its Ordinary Shares on the ASX (GTG) in 2000 and its ADSs on NASDAQ’s Capital Market (GENE) in 2005. Genetic Technologies is a molecular diagnostics company that offers predictive testing and assessment tools to help physicians proactively manage women’s health. The Company’s legacy product, *BREVAGenplus*, was a clinically validated risk assessment test for non-hereditary breast cancer and was first in its class. *BREVAGenplus* improved upon the predictive power of the first generation *BREVAGen™* test and was designed to facilitate better informed decisions about breast cancer screening and preventive treatment plans. *BREVAGenplus* expanded the application of *BREVAGen™* from Caucasian women to include African Americans and Hispanics and was directed towards women aged 35 years or above who have not had breast cancer and have one or more risk factors for developing breast cancer.

The Company successfully launched the first generation *BREVAGen™* test across the U.S. via its U.S. subsidiary Phenogen Sciences Inc., and believes the addition of *BREVAGenplus*, launched in October 2014, significantly expanded the applicable market. The Company marketed *BREVAGenplus* to healthcare professionals in comprehensive breast health care and imaging centers, as well as to obstetricians/gynecologists (OBGYNs) and breast cancer risk assessment specialists (such as breast surgeons).

In May 2019, the Company announced that it had developed two new cancer risk assessment tests branded as ‘GeneType for Colorectal Cancer’ and ‘GeneType for Breast Cancer’. The new breast cancer test provides substantial improvement over the Company’s legacy breast cancer test *BREVAGenplus*, by incorporating multiple additional clinical risk factors. This test will provide healthcare providers and their patients with a 5-year and lifetime risk assessment of the patient developing breast cancer. The colorectal cancer test will provide healthcare providers and their patients a 5-year, 10-year, and lifetime risk assessment of the patient developing colorectal cancer.

In June 2020, the Company received US Patent No: US 10,683,549, Methods for assessing risk of developing breast cancer. The Company is the first company in the world to successfully commercialise a polygenic risk test for breast cancer. The granted patent covers the Company’s proprietary panels of single nucleotide polymorphisms (SNPs) and the combination of clinical and phenotypic risk models to create the most comprehensive risk assessment tool on the market: GeneType for Breast Cancer.

At the same time, the Company continued to develop other risk assessment tests across a range of diseases, including:

- Cardiovascular disease
- Type 2 diabetes
- Prostate cancer
- Melanoma

The Company’s Genetic Testing Business

Following the acquisition of Genetype AG in 1999 and the subsequent renaming to Genetic Technologies Limited, the Company focused on establishing a genetic testing business, which over the following decade saw it become the largest provider of paternity and related testing services in Australia. The Company’s service testing laboratory in Melbourne became the leading non-Government genetic testing service provider in Australia. The genetic testing services of the Company expanded to include at certain times:

- *Medical testing*
- *Animal Testing*
- *Forensic Testing*
- *Plant Testing*

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

The Company's Genetic Testing Business (cont.)

The acquisition of GeneType AG also provided the Company with ownership rights to a potentially significant portfolio of issued patents. During the intervening years, this portfolio has since been expanded by both organic growth and the acquisition of intellectual property assets from third parties. The patent portfolio is constantly reviewed to ensure that the Company maintains potentially important patents but at the same time keep costs to a minimum by no longer pursuing less commercially attractive and relevant intellectual property.

A strategic alliance with Myriad Genetics Inc. delivered to the Company exclusive rights in Australia and New Zealand to perform DNA testing for susceptibility to a range of cancers. In April 2003, the Company established its cancer susceptibility testing facility within its Australian laboratory. In June 2003, this facility was granted provisional accreditation by the National Association of Testing Authorities, Australia ("NATA").

In November 2003, the Company joined the world-wide genetic testing network GENDIA as the sole reference laboratory for the network in Australia and New Zealand. GENDIA consists of more than 50 laboratories from around the world, each contributing expertise in their respective disciplines to create a network capable of providing more than 2,000 different genetic tests. This provided the Company with the ability to offer comprehensive testing services to its customer base in the Asia-Pacific region as well as increasing its exposure to other markets.

In April 2010 the Company purchased various assets from Perlegen Sciences, Inc. of Mountain View, California, which included a breast cancer non-familial risk assessment test, BREVAGen™. The Company then began validating the test in our Australian laboratory and initiated the process for obtaining CLIA certification which would enable the Company to undertake the testing of samples received from the U.S. market. By July 2010, a new U.S. subsidiary named Phenogen Sciences Inc. had been incorporated by the Company in Delaware to market and distribute the BREVAGen™ test across the United States.

In October 2014, the Company announced the U.S. release of BREVAGen*plus*, an easy-to-use predictive risk test for the millions of women at risk of developing sporadic, or non-hereditary, breast cancer, representing a marked enhancement in accuracy and broader patient applicability, over its first generation BREVAGen™ product. The Company also made a pivotal change of sales and marketing emphasis toward large comprehensive breast treatment and imaging centers, which are more complex entities with a longer sales cycle, but higher potential.

GeneType for Breast Cancer; a *State-of-the-Art* Breast Cancer Risk Assessment Test designed to enable a more personalised breast cancer risk assessment in a greater number of women

The identification, in 2007, of a number of single nucleotide polymorphisms (SNPs), each with an associated small relative risk of breast cancer, led to the development of the first commercially available genetic risk test for sporadic breast cancer, BREVAGen™. The Company launched the product in the U.S. in June 2011. In October 2014, the Company released its next generation breast cancer risk assessment test, BREVAGen*plus*. This new version of the test incorporated a 10-fold expanded panel of genetic markers (SNPs), known to be associated with the development of sporadic breast cancer, providing an increase in predictive power relative to its first-generation predecessor test. In addition, the new test was clinically validated in a broader population of women including, African American and Hispanic women. This increased the applicable market beyond the Caucasian only indication of the first-generation test, and simplified the marketing process in medical clinics and breast health centers in the U.S.

The expanded panel of SNPs incorporated into our breast cancer tests were identified from multiple large-scale genome-wide association studies and subsequently tested in case-control studies utilising specific Caucasian, African American and Hispanic patient samples.

BREVAGen*plus* was a first-in-class, clinically validated, predictive risk test for sporadic breast cancer which examined a woman's clinical risk factors, combined with seventy-seven scientifically validated genetic biomarkers (SNPs), to allow for more personalised breast cancer risk assessment and risk management.

In May 2019, the Company announced the development of its next generation breast cancer risk assessment test, 'GeneType for Breast Cancer'. The new breast cancer test provides substantial improvement over its legacy breast cancer test BREVAGen*plus* by incorporating multiple additional clinical risk factors. This test will provide healthcare providers and their patients with a 5-year and lifetime risk assessment of the patient developing breast cancer.

Germline genetic testing for mutations in BRCA1 and BRCA2 allows for the identification of individuals at significantly increased risk for breast and other cancers. However, such mutations are relatively rare in the general population and account for less than 10% of all breast cancer cases. The remaining 90% of non-familial or sporadic breast cancer have to be defined by other genetic/clinical markers common to the population at large and this is where the Company has focused its attention.

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

The newly developed ‘GeneType for Breast Cancer’ test is aimed at risk detection of non-BRCA related sporadic breast cancer (that is, for those women who do not have an identified family history of breast cancer). Importantly, this means that the Company’s new test covers 95% of women.

In June 2020, the Company received the approval for its U.S. patent, patent number US 10,683,549, “Methods for Assessing Risk of Developing Breast Cancer.” The granted patent covers the Company’s proprietary panels of single nucleotide polymorphisms (SNPs) and the combination of clinical and phenotypic risk models to create the most comprehensive risk assessment tool on the market: GeneType for Breast Cancer.

GeneType for Colorectal; a *State-of-the-Art* Risk Assessment Test for Colorectal Cancer.

Next generation risk assessments combine multiple clinical and genetic risk factors to better stratify individuals at increased risk of developing disease. ‘GeneType for Colorectal Cancer’ incorporates the most impactful risk factors in order to define an individual’s risk of developing colorectal cancer, so the healthcare provider can make screening and preventative care recommendations that are tailored to their patient’s personalised risk.

Colorectal cancer is the third most commonly diagnosed cancer in the U.S., yet 1 in 3 adults are not receiving the appropriate colorectal cancer screening for their age. In addition, rates of colorectal cancer among 20-49-year olds is steadily increasing. Identifying patients who are most at risk for colorectal cancer can lead to enhanced screening protocols and better outcomes. Most individuals diagnosed with colorectal cancer do not have a significant family history of the disease. ‘GeneType for Colorectal Cancer’ evaluates the genometric risk of developing colorectal cancer for men and women over age 30 who do not have a known pathogenic gene variant.

In sporadic colorectal cancer, no single gene mutation is causal of disease. Rather, common DNA variations or SNPs, each contribute a small but measurable risk of developing disease. ‘GeneType for Colorectal Cancer’ analyses a patient’s DNA for more than 40 SNPs that have been clinically validated in their association with colorectal cancer. By combining the effects of all of these SNPs into a single polygenic risk score (PRS), ‘GeneType for Colorectal Cancer’ will provide a superior risk stratification over standard risk assessments that incorporate only clinical factors.

‘GeneType for Colorectal Cancer’ is clinically validated for men and women of 30 years of age or older and for individuals of Caucasian descent. The Company intend to provide updates as it continuously improves its tests and add fully validated models for additional ethnicities.

Government Regulations

CLIA AND FDA Regulations

In April 2011, the Company obtained certification of its Australian laboratory under the U.S. Clinical Laboratories Improvements Amendments of 1988 (“CLIA”), as regulated by the Centers for Medicare and Medicaid in Baltimore, Maryland. This certification enables the Company to accept and test samples from U.S. residents, and was the culmination of preparations required for the U.S. launch of the Company’s BREVAGen™ test which occurred in June 2011.

In July 2013, the Company was inspected by a representative of the New York State Department of Health, Clinical Laboratory Evaluation Program (“CLEP”). The Company’s laboratory received an inspection result with no deficiencies reported and, on August 30, 2013, the Company announced that it had received its Clinical Laboratory Permit (CLEP) from the New York State Department of Health. This permit, which allows the Company to offer its risk assessment tests to residents of New York State, completed the final out-of-state licensure allowing the Company to provide testing services to all 50 U.S. states.

From its headquarters in Melbourne, Victoria, the Company’s laboratory holds a number of accreditations including:

- The CLIA license required for all laboratories offering testing the U.S.;
- The CLEP license, an additional certification required to offer tests in New York State; and
- A Medical Device Establishment License (MDEL) required for Canada.

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

Physicians who order clinical tests for their patients have historically represented the primary source of its testing volume. Fees invoiced to patients and third parties are based on its fee schedule, which may be subject to limitations imposed by third-party payers. The clinical laboratory industry is highly regulated and subject to significant and changing Federal and state laws and regulations. These laws and regulations affect key aspects of the Company's business, including licensure and operations, billing and payment for laboratory services, sales and marketing interactions with ordering physicians, security and confidentiality of health information, and environmental and occupational safety. Oversight by government officials includes regular inspections and audits. The Company seek to and believe that it conducts business in compliance with all applicable laws and regulations.

CLIA, extends Federal licensing requirements to all clinical laboratories (regardless of the location, size or type of laboratory), including those operated by physicians in their offices, based on the complexity of the tests they perform. CLIA also establishes a stringent proficiency testing program for laboratories and includes substantial sanctions, such as suspension, revocation or limitation of a laboratory's CLIA certificate (which is necessary to conduct business), and significant fines and/or criminal penalties.

The tests on samples provided through the Company's products are processed at its laboratory in Melbourne, Australia. The Company's laboratory completed its first CLIA inspection under CLIA guidelines and received its certificate of compliance effective November 17, 2011. A re-certification from CMS i.e. paper survey, was performed in November 2013 and another on-site re-certification followed up in February 2016. Paper surveys were conducted in November 2017 and December 2019. Furthermore, the Company's laboratory completed its first CLEP inspection under the NYS DOH CLEP guidelines and received its certificate of compliance effective August 30, 2013. Since the initial survey, the laboratory has been successful in submitting documents via the NYS eCLEP Health Commerce System for each subsequent year to date. Although no firm date has been provided, the laboratory is expecting an on-site visit in the near future.

The Company believes that it is in compliance with all applicable federal and state laboratory requirements. Under CLIA, the Company remain subject to state and local laboratory regulations. CLIA provides that a state may adopt laboratory regulations that are more stringent than those under federal law, and some states require additional personnel qualifications, quality control, record maintenance and other requirements.

Following a successful Q3 CLIA audit, the Company renewed its status as a fully NATA and CLIA –accredited laboratory. It places the Company in a unique position to service both the Australian and US markets subject to regulatory approvals.

Although the U.S. Food and Drug Administration ("FDA") has consistently claimed that it has the authority to regulate laboratory-developed tests ("LDTs") that are developed, validated and performed only by a CLIA certified laboratory, it has historically exercised enforcement discretion in not otherwise regulating most LDTs and has not required laboratories that furnish LDTs to comply with the agency's requirements for medical devices (e.g., establishment registration, device listing, quality systems regulations, premarket clearance or premarket approval, and post-market controls). More recently, the FDA has indicated that it will apply a risk-based approach to determine the regulatory pathway for all in-vitro diagnostics, which includes LDTs, as it does with all medical devices. Accordingly, the regulatory pathway for the Company's LDTs will depend on the level of risk to patients, based on the intended use of the LDT and the controls necessary to provide a reasonable assurance of the LDTs safety and effectiveness. The two primary types of marketing pathways for medical devices are clearance of a premarket notification under Section 510(k) of the Federal Food, Drug, and Cosmetic Act, or 510(k), and approval of a premarket approval application, or PMA.

HIPAA and other privacy laws

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), established comprehensive federal standards for the privacy and security of health information. The HIPAA standards apply to three types of organisations: health plans, healthcare clearing houses, and healthcare providers that conduct certain healthcare transactions electronically ("Covered Entities"). Title II of HIPAA, the Administrative Simplification Act, contains provisions that address the privacy of health data, the security of health data, the standardisation of identifying numbers used in the healthcare system and the standardisation of certain healthcare transactions. The privacy regulations protect medical records and other protected health information by limiting their use and release, giving patients the right to access their medical records and limiting most disclosures of health information to the minimum amount necessary to accomplish an intended purpose. The HIPAA security standards require the adoption of administrative, physical, and technical safeguards and the adoption of written security policies and procedures.

On February 17, 2009, Congress enacted Subtitle D of the Health Information Technology for Economic and Clinical Health Act, or HITECH, provisions of the American Recovery and Reinvestment Act of 2009. HITECH expanded and strengthened HIPAA, created new targets for enforcement, imposed new penalties for noncompliance and established new breach notification requirements for Covered Entities. Regulations implementing major provisions of HITECH were finalised on January 25, 2013, through publication of the HIPAA Omnibus Rule (the "Omnibus Rule").

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

Under HITECH’s breach notification requirements, Covered Entities must report breaches of protected health information that has not been encrypted or otherwise secured in accordance with guidance from the Secretary of the U.S. Department of Health and Human Services (the “Secretary”). Required breach notices must be made as soon as is reasonably practicable, but no later than 60 days following discovery of the breach. Reports must be made to affected individuals and to the Secretary and, in some cases depending on the size of the breach; they must be reported through local and national media. Breach reports can lead to investigation, enforcement and civil litigation, including class action lawsuits.

In addition to the federal privacy and security regulations, there are a number of state laws regarding the privacy and security of health information and personal data that are applicable to clinical laboratories. Many states have also implemented genetic testing and privacy laws imposing specific patient consent requirements and protecting test results by strictly limiting the disclosure of those results. State requirements are particularly stringent regarding predictive genetic tests, due to the risk of genetic discrimination against healthy patients identified through testing as being at a high risk for disease. The Company believes that it has taken the steps required to comply with health information privacy and security statutes and regulations, including genetic testing and genetic information privacy laws in all jurisdictions, both state and federal. However, these laws constantly change, and the Company may not be able to maintain compliance in all jurisdictions where it does business. Failure to maintain compliance, or changes in state or federal laws regarding privacy or security could result in civil and/or criminal penalties, significant reputational damage and could have a material adverse effect on the Company’s business.

Environmental and Safety Laws and Regulations

The Company is subject to laws and regulations related to the protection of the environment, the health and safety of employees and the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. For example, the U.S. Occupational Safety and Health Administration (“OSHA”) has established extensive requirements relating specifically to workplace safety for healthcare employers in the U.S. This includes requirements to develop and implement multi-faceted programs to protect workers from exposure to blood-borne pathogens, including preventing or minimising any exposure through needle stick injuries. For purposes of transportation, some biological materials and laboratory supplies are classified as hazardous materials and are subject to regulation by one or more of the following agencies: the U.S. Department of Transportation, the U.S. Public Health Service, the U.S. Postal Service and the International Air Transport Association. The Company generally use third- party vendors to dispose of regulated medical waste, hazardous waste and radioactive materials and contractually require them to comply with applicable laws and regulations.

The Company’s operations are also subject to environmental regulations under Australian State legislation. In particular, the Company is subject to the requirements of the *Environment Protection Act 1993*. A license has been obtained under this Act to produce listed waste.

Transparency Laws and Regulations

A federal law known as the Physician Payments Sunshine Act (the “Sunshine Act”) requires medical device manufacturers to track and report to the federal government certain payments and other transfers of value made to physicians and teaching hospitals and ownership or investment interests held by physicians and their immediate family members. There are also state “sunshine” laws that require manufacturers to provide reports to state governments on pricing and marketing information. Several states have enacted legislation requiring medical device manufacturers to, among other things, establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales and marketing activities, and such laws may also prohibit or limit certain other sales and marketing practices. These laws may adversely affect our sales, marketing, and other activities by imposing administrative and compliance burdens on us. If the Company fail to track and report as required by these laws or to otherwise comply with these laws, it could be subject to the penalty provisions of the pertinent state and federal authorities.

Product Distribution

Despite significant resource allocation and efforts by a dedicated sales team, sales of BREVAGen^{plus} were insufficient to defray the costs of the sales team. By late 2017, management decided that its sales strategy was not working and disbanded much of the sales infrastructure in the U.S. and transitioned to an ecommerce-based solution that allowed consumers to initiate testing online. Management then designed a “pivot plan” in an effort to reposition the Company, refine and improve products and reload with a newly developed approach to market.

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

With COVID-19 social distancing impacting on the Company’s ability to fully engage with physicians, the Company introduced a consumer-initiated testing (CIT) platform. This sales pipeline deviates from a traditional sales approach that targets clinicians. Instead it allows patients to request a test directly, with clinician oversight of the testing process through an independent provider network and telemedicine.

The Company presented its latest technology and world-leading tests at the 2020 JP Morgan Healthcare Conference in January. The presentation coincided with the successful launch of the Company’s new tests and the introduction of the Company’s new management to the U.S. market.

The Company is finalising verification of the diabetes test in its Australian laboratory. The Company has completed its marketing collateral, and plan to launch once more normal conditions return post COVID-19.

Reimbursement and Clinical Studies

Prior to April 2017, the Company’s payment model relied on a traditional reimbursement system by Preferred Provider Organisations (“PPOs”) and other third-party payers, which required credentialing its products with those payers. With effect from April 1, 2017, the Company transitioned to a direct patient self-pay program. Converting to a direct pay relationship with patients was aimed at providing economic and process certainty to the transaction for the healthcare provider and the patient. The change eliminated reimbursement issues from PPO and other third-party payors, including low levels of reimbursement, prolonged payment time, patient confusion around eligibility and financial responsibility and poor coverage.

This shift also has reduced the Company’s reliance on clinical utility studies that had been designed as a means to achieve reimbursement coverage through the private insurers. The Company recognised however that scientific papers are an essential marketing tool, and that scientific and clinical data are key drivers to help strengthen our commercial position. The Company intends to explore opportunities to engage in further research collaborations to support clinical utility. Physicians and the major breast health centers seek multiple points of confirmation that the medical device works as intended and leads to a meaningful improvement in women’s health. Therefore, the more papers that are published regarding the Company’s genetic tests, profiling product performance characteristics including clinical validity and utility, the more likely physicians will be to use the tests.

The Company had previously conducted multiple scientific studies to develop and validate the first generation BREVA Gen™ test and also created two health economic models to demonstrate potential cost savings and health benefits associated with the BREVA Gen™ test. Importantly, the research undertaken and published based on the original version of the Company’s test remains applicable to its new GeneType for Breast Cancer and GeneType for Colorectal Cancer tests.

Research & Development Projects

During the year ended June 30, 2021, the Company supported the following research and development programs, details of which are provided below:

- COVID Severity Risk Test (GeneType for COVID Severity)
- Breast Cancer Risk Assessment Test (GeneType for Breast Cancer)
- Colorectal Cancer Risk Assessment Test (GeneType for Colorectal Cancer)
- Research collaboration with Translational Genomics Research Institute (“TGen”)
- Research Agreement executed with Memorial Sloan Kettering New York Cambridge University
- Research collaboration with The Ohio State University
- Expanded range of other cancer and disease target predictive risk assessment tests

In previous years, other projects, which have since been terminated or otherwise commercialised, have also been supported by the Company. The Company is constantly seeking new opportunities and plans to focus more on research and development activities in the future. In addition, the Company plans on having its science and management team engage with the world’s leading scientific experts working on predictive genetic testing and its role within world health systems. Historically, some projects have arisen from new inventions made by the Company while some have been made by others who have approached the Company seeking collaboration and support for their activities.

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

Collaboration with The University of Melbourne

On November 29, 2016, the Company announced the signing of an exclusive worldwide license agreement with The University of Melbourne for the development and commercialisation of a novel colorectal cancer (CRC) risk assessment test. The core technology behind this test was developed by a research team at the University's Centre for Epidemiology and Biostatistics, with results from preliminary modelling studies first published online in *Future Oncology* on 1 February 2016, in a Paper entitled "Quantifying the utility of single nucleotide polymorphisms to guide colorectal cancer screening," 2016 Feb: 12(4), 503-13. This simulated case-control study of 1 million patients indicated that a panel of 45 known susceptibility SNPs can stratify the population into clinically useful CRC risk categories. In practice, the technology could be used to identify people at high risk for CRC who should be subjected to intensive screening, ultimately reducing the risk of occurrence and death from the disease. Those identified as low risk of CRC can be spared expensive and invasive screening, thereby preventing adverse events and unjustified expenses.

A scientific validation study supporting this work has been completed, and a report of the research program progress has been delivered to the Company. Whilst the terms of the Agreement are confidential, these events represent an important first milestone in the development of a new test as the Company seeks to diversify its product pipeline and become a key player in the SNP-based cancer risk assessment landscape.

TGen Collaboration

In September 2019, the Company signed a three-year collaboration agreement with Translational Genomics Research Institute (TGen). The agreement includes cooperation in the design feasibility analysis of clinical research studies. The analysis is designed to support the Company's polygenic risk tests, by specifically identifying clinical applications or workflows, which would directly benefit by the addition of a polygenic risk test. For example, some of the Company's patients may be ineligible for routine screening based on their age, but if identified as having an elevated risk by the Company's polygenic tests, they may become eligible for such screening. The studies are designed to identify areas of such need to enable successful implementation of the Company's polygenic tests in the clinical arena. TGen is an Arizona-based world leading non-profit biomedical research institute dedicated to conducting ground-breaking genetic research. TGen is affiliated with Duarte, a world-renowned independent research and treatment center for cancer, diabetes, and other life-threatening diseases.

The collaboration with TGen will focus on a clinical utility as the first stage, working with TGen's extensive network of cancer center clinicians. The wide-ranging collaboration will cover distribution channels, reimbursement strategy, further research, and potential for the establishment of a new laboratory facility. The Company and TGen plan to develop a commercialisation strategy and infrastructure for a suite of polygenic risk tests for the U.S. market, and set up the necessary fund-raising diseases.

Research Collaboration Memorial Sloan Kettering New York Cambridge University

In early 2019, the Company's U.S. subsidiary entered into a Research Agreement with Memorial Sloan Kettering Cancer Center of New York and the University of Cambridge. This collaborative research study is to be led by Mark Robson, MD, Chief of the Breast Medicine Service at Sloan Kettering. The study is intended to assess whether the provision of individual risk information informed by a polygenic risk score reduces decisional conflict among BRCA mutation carriers considering preventive surgery.

The Company believes this collaboration will benefit its engagement and collaboration with high profile cancer genetics researchers who are at the forefront of risk assessment research, and by providing us with data that may potentially be beneficial in developing additional risk assessment products.

Research Collaboration with The Ohio State University

On June 15, 2017 the Company executed a Clinical Study Agreement with The Ohio State University, Technology Commercialisation Office and Division of Human Genetics. This is an "investigator-initiated" study in which the Company was approached to be the collaborating partner, reflecting the growing awareness of the Company's expertise in SNP-based risk assessment.

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

Under this Agreement, the Company will supply novel SNP-based genotyping for a clinical research study, through its CLIA laboratory facility, on a fee for service basis. The Company will be responsible for the development and validation of the new assay, although the fundamental technology is similar to the BREVAGen^{plus} test and will fit synergistically into the Company's existing laboratory infrastructure and processes. Importantly, if the first phase of the study is successful, several other major genetics centers in the U.S. have expressed an interest in joining the study.

This collaborative study provides two tangible benefits for the Company:

(i) engagement and collaboration with high profile cancer genetics researchers in the U.S. who are at the forefront of risk assessment research; and

(ii) the resulting data can be used to inform the design of future pipeline products

Whilst sample collection by the University has been slower than expected during the current year, the Company remains committed to delivering a high standard of service as envisaged under the terms of the agreement.

Collaboration with Shivom

The Company entered into an agreement with Shivom in March 2018. Shivom is a biotechnology data and analysis company that optimises the way DNA is shared, secured and analysed. Under the agreement, Shivom would provide genetic population data for the development of an Indian market polygenic predictive diabetes test to be developed by the Company, as well as future genetic tests it develops, and its CLIA laboratory facilities would be used to develop a regulatory approval strategy for the distribution of completed products. To date, the parties have not commenced development activities under this agreement.

Competition

The medical diagnostics and biotechnology industries are subject to intense competition. As more information regarding cancer genomics and personalised medicine becomes available to the public, the Company anticipates that more products aimed at identifying cancer risk will be developed and that these may compete with its products. However, the use of Single Nucleotide Polymorphisms (SNPs), for disease risk prediction is still a relatively new field of medicine.

Until recently, there have been no active direct competitors marketing an assay similar to that of the Company's breast cancer risk assessment products in the sporadic breast cancer risk assessment space. However, in March 2019, Genomics PLC announced that it was developing polygenic risk tests for several common diseases including breast cancer. In addition, Myriad Genetic Laboratories Inc. announced in December 2017 that it will market a new breast cancer risk-prediction tool, which the Company believes will compete with its GeneType for Breast Cancer test. Similarly, Ambry Genetics Corporation sells a precision risk tool that provides lifetime breast cancer risk information. Other organisations such as 23andMe and Color Genomics in the U.S. have also over the past few years developed SNP based risk tests that whilst not currently direct competitors to the Company's products, are attracting significant consumer interest.

In recent years, a number of other organisations, including deCODE (Iceland), 23andMe, Intergenetics, and Navigenics (subsequently acquired by Life Technologies — now ThermoFisher) have attempted to commercialise SNP-based genetic tests, to both physicians and consumers, to assess sporadic breast cancer risk in relevant patient populations. But either due to a lack of adequate and compelling scientific validation, and/or sufficient commercial impetus and capability, these efforts have led to lackluster market adoption, resulting in either the dissolution of these businesses or a marked change in their strategy. New entrants that the Company are aware of that are in early stages of product development include Counsyl Inc. and Invitae Corporation in the U.S.

There are also a number of academic centers and affiliated research and development bodies, in the U.S. and in Europe, that are reportedly exploring the validity and clinical viability of SNP-based commercial tests in the clinical setting, but it is unclear to what extent these entities currently represent a direct or indirect potential competitive liability to the Company. A number of established, mature laboratory services companies, such as Ambry Genetics, and Laboratory Corporation of America, among others, have the demonstrable product development, marketing skill and resources to enter into this market for sporadic breast cancer risk assessment. Many of these larger potential competitors have already established name and brand recognition and more extensive collaborative relationships, but again, it is unclear to what extent these potential competitive threats could manifest in the near-to-long term.

Item 4. Information on the Company (cont.)

Item 4.B Business Overview (cont.)

Australian Disclosure Requirements

Business Strategies and Prospects for Future Years

The Company’s competitive position in the genetic testing area is based upon, amongst other things, its ability to:

- continue to strengthen and maintain scientific credibility through the process of obtaining scientific validation through clinical trials supported by peer-reviewed publication in medical journals;
- create and maintain scientifically advanced technology and offer proprietary products and services;
- continue to strengthen and improve the messaging regarding the importance and value that the Company’s cancer risk assessment tests provide to patients and physicians;
- diversify the Company’s product offerings in disease types other than breast and colorectal cancer;
- obtain and maintain patent or other protection for the Company’s products and services;
- obtain and maintain required government approvals and other accreditations on a timely basis; and
- successfully market the Company’s products and services.

If the Company is not successful in meeting these goals, its business could be adversely affected. Similarly, the Company’s competitors may succeed in developing technologies, products or services that are more effective than any that it is developing or that would render the Company’s technology and services obsolete, noncompetitive or uneconomical.

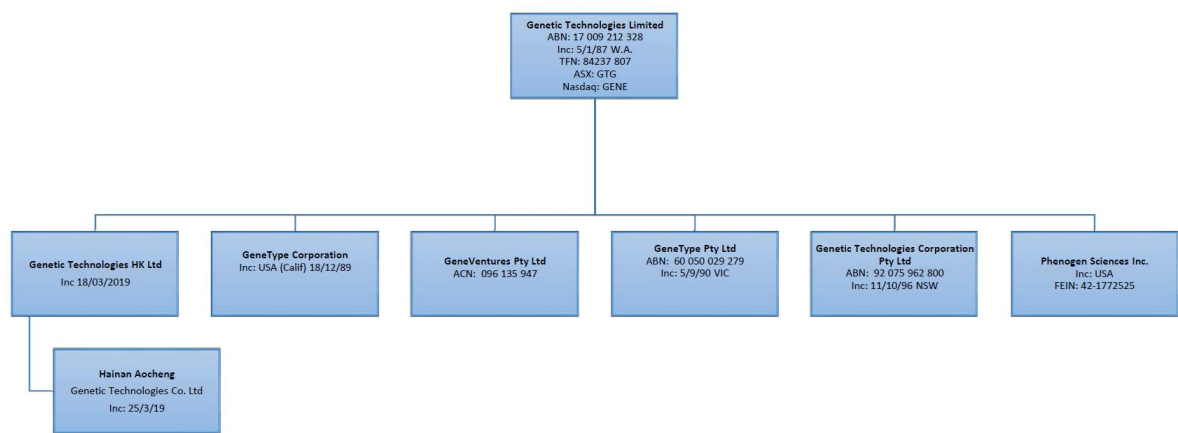
Dividends

No dividends were paid during the course of the fiscal year ended June 30, 2021. There are no dividends or distributions recommended or declared for payment to members, but not yet paid, during the year.

Item 4. Information on the Company (cont.)

Item 4.C Corporate Structure

The diagram below shows the Company’s corporate structure as of the date of this Annual Report. All of the Company’s subsidiaries in the chart below are wholly owned.



Item 4.D Property, Plant and Equipment

As at date of this Report, the Company has executed two leases in respect of premises occupied by the Company.

Fitzroy, Victoria

The Company rents offices and laboratory premises located at 60-66 Hanover Street, Fitzroy, Victoria, Australia (an inner suburb of Melbourne) from Crude Pty. Ltd. In June 2020, the three-year lease was extended by 6 months and is now due to expire on February 28, 2022. The total rental charge in respect of the year ended June 30, 2021 was approximately A\$358,020.

Item 4. Information on the Company (cont.)

Item 4.D Property, Plant and Equipment (cont.)

Charlotte, North Carolina

Phenogen Sciences Inc., the Company's U.S. subsidiary, rents office premises located at 1300 Baxter Street, Suite 157, Charlotte, North Carolina, U.S. from Midtown Area Partners LLC. The original lease expired on October 31, 2017. It was then followed by a month-to-month lease. A lease agreement was signed on July 10, 2020 for a three-year term, commencing on August 1, 2020 and expiring July 31, 2023. The total rental expense towards the premise for the year ended June 30, 2021 was A\$23,800.

Item 5. Operating and Financial Review and Prospects

The following discussion and analysis should be read in conjunction with Item 3.A "Selected Financial Data" and the Company's financial statements, the notes to the financial statements and other financial information appearing elsewhere in this Annual Report. In addition to historical information, the following discussion and other parts of this Annual Report contain forward-looking statements that reflect the Company's plans, estimates, intentions, expectations and beliefs. The Company's actual results could differ materially from those discussed in the forward-looking statements. See the "Risk Factors" section of Item 3 and other forward-looking statements in this Annual Report for a discussion of some, but not all, factors that could cause or contribute to such differences.

Item 5.A Operating Results

Overview

Founded in 1989, Genetic Technologies is an established Australian-based molecular diagnostics company that offers predictive genetic testing and risk assessment tools. During the year ended June 30, 2015, the Company divested its interest in other genetic testing services, which up until then, together with licensing of non-coding technology, had provided the main source of income to fund operations, to concentrate on the principal activity of the provision of molecular risk assessment tests for cancer.

The Company's revenues during its years ended June 30, 2021, 2020 and 2019 were generated principally by sales of its BREVAGen^{plus} breast cancer risk assessment test. However, during 2017, management determined that sales of this product were insufficient to defray the costs of the sales team. By late 2017, management decided that its sales strategy was not working and disbanded much of the sales infrastructure in the U.S. and transitioned to an ecommerce-based sales solution. Management then designed a "pivot plan" in an effort to reposition the Company and refine and improve products and reload with a newly developed approach to market. To that end, the Company has introduced its 'GeneType for Colorectal Cancer' and 'GeneType for Breast Cancer' genetic tests to healthcare providers through a global network of distribution partners.

With COVID-19 social distancing impacting on the Company's ability to fully engage with physicians, the Company has brought forward its plans to introduce a consumer-initiated testing (CIT) platform. This sales pipeline deviates from a traditional sales approach that targets clinicians. Instead, it allows patients to request a test directly, with clinician oversight of the testing process through an independent provider network and telemedicine. The Company has started negotiations with its preferred independent provider network which will oversee patient ordering of the CIT pipeline. The Company has entered into binding agreements and has launched its CIT platforms in the second half of 2021.

Since inception up to June 30, 2021, the Company has incurred A\$143,075,218 in accumulated losses. The Company's losses have resulted principally from costs incurred in research and development, general and administrative and sales and marketing costs associated with its operations. Further losses are anticipated as the Company continues to invest in new genetic testing product research and development, and explore optimal distribution methodologies to commercialise its product offering. Refer to the Financial Statements section in Item 18.

Fiscal year

As an Australian company, the Company's fiscal, or financial, year ends on June 30 each year. The Company produces audited consolidated accounts at the end of June each year and furnish half-yearly accounts for the periods ending on December 31 each year, both of which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Item 5. Operating and Financial Review and Prospects (cont.)

Item 5.A Operating Results (cont.)

Critical Accounting Policies

The accounting policies which are applicable to the Company are set out in Notes 2 of the attached financial statements.

Comparison of the year ended June 30, 2021 to the year ended June 30, 2020

Revenues from operations

During the 2021 financial year, the Company's consolidated gross revenues from continuing operations, excluding other revenue, increased by A\$110,690 from A\$9,864 to A\$120,554 when compared to previous year. The increase in revenue resulted from the three-year co-exclusive license agreement with Infinity Biologyx (IBX) announced on March 3, 2021 for the production, distribution, sales and marketing of GTG's COVID-19 Risk Test in the US with the product launched at the end of May 2021.

Cost of sales

The Company's cost of sales from continuing operations increased by A\$109,516 (44%) from A\$251,511 in the previous financial year to A\$361,027 in the current financial year. Direct materials utilised for GeneType for Breast Cancer and GeneType for Colorectal Cancer, increased by A\$33,418 (40%) from A\$82,516 to A\$115,934 due to an increased number of revenue free sample tests conducted during the year. Depreciation expense attributable to the laboratory testing equipment increased by \$37,188 (88%) due to the purchase of new equipment in anticipation of process improvements. There was an increase in inventories written-off by A\$35,606 to A\$54,523 in the current financial year when compared to A\$18,917 in the previous financial year.

The Australian and US segments contributed A\$351,971 and A\$9,056 respectively of the total cost of sales in the current year. The Australian segment incurred the majority of the costs since the Company operates its testing activities through its own laboratory in Australia.

Selling and marketing expenses

Selling and marketing expenses increased by A\$482,556 (76%) from A\$637,295 to A\$1,119,851 when compared to the previous year. Major movements during the year related to personnel costs which increased by A\$200,921 (53%) to A\$576,753 in the current financial year from A\$375,832 in the previous financial year. The Company hired and trained a new internal sales force to educate doctors on our Polygenic Risk Score (or "PRS") tests and introduced them to preventative health strategies. Additionally, other marketing costs increased to A\$310,960 in the current financial year against A\$27,750 in the prior year as the Company launched the Australian-based CIT platform. This platform will enable the sale of tests to be initiated directly by consumers in Australia and the US for both the GeneType for Breast Cancer and Colorectal Cancer tests.

General and administrative expenses

General and administrative expenses increased by A\$99,762 (2%) to A\$4,158,319 during the financial year when compared to A\$4,058,557 in the previous financial year. The increase is mainly related to employee expenses which increased by \$525,784 that, along with Performance Rights issued to the Directors, resulted in an increase in stock compensation expense of \$729,018. The increase is offset by the reduction in various administration costs such as bank revaluation (\$539,223), legal fees (\$368,707), accounting fees (\$120,890), SEC filing costs (\$110,179) and share registry expenses (\$107,475).

Laboratory, research and development costs

Laboratory, research and development costs increased by A\$631,805 (26%) from A\$2,477,578 to A\$3,109,383 when compared to the previous year. Laboratory, research and development costs increased as the Company continued development, and accelerated commercialisation of its pipeline of the new PRS tests for a range of human disease types. Also under development are a suite of gene-panel tests for a range of hereditary cancers. The research and development activities cover the following diseases: Breast cancer, Colorectal cancer, Prostate cancer, Ovarian cancer, Melanoma, Type-2-diabetes, Coronary artery disease, Atrial fibrillation, COVID severity.

Finance costs

Finance costs decreased by A\$774 (5%) from A\$14,823 to A\$14,049 when compared to previous year. Finance costs incurred in 2021 and 2020 were primarily bank charges.

Non-operating income

Other income mainly consists of research and development tax incentive income received from the Australian Taxation Office. Research and development tax incentive income (or "R&D tax credit") has increased by 33% from A\$750,000 to A\$997,908 when compared to the previous year. The R&D tax credit is recognised on an accruals basis when realisable. The higher R&D tax credit is due to the increasing expenses on the R&D activities. The Company also received A\$287,883 in Government grants income for COVID-19 relief which included A\$157,500 in respect of the Jobkeeper allowance. Other income also includes A\$100,000 received in respect of the Export Market Development Grant

Other gains/losses

- No impairment expense was recognised in the current year ended June 30, 2021 (2020: Nil).

Item 5. Operating and Financial Review and Prospects (cont.)

Item 5.A Operating Results (cont.)

Comparison of the year ended June 30, 2020 to the year ended June 30, 2019

Revenues from operations

During the 2020 financial year, the Company's consolidated gross revenues from continuing operations, excluding other revenue, decreased by A\$15,580 (61%) from A\$25,444 to A\$9,864 when compared to previous year. The decrease in revenues was due to sales for the GeneType for Breast Cancer and GeneType for Colorectal cancer which commenced in January 2020 being impacted by the COVID-19 pandemic. This has had an effect on the operations of the Company, including but not limited to impacting sales of the Company's products through consumers' inability to visit their practitioners and also by the difficulty its sales team is having in arranging face to face meetings with practitioners. The Company's sales team has found it very difficult to reach practitioners to build on the sales momentum created prior to the pandemic, with the launch into the Australian market being halted after less than 60 days of operations thus, sales have effectively ceased for the short term.

Cost of sales

The Company's cost of sales from continuing operations decreased by A\$24,756 (9%) from A\$276,267 in the previous financial year to A\$251,511 in the current financial year. BREVAGen^{plus} direct materials utilised increased by A\$26,521 (47%) from A\$55,995 to A\$82,516 because of the increase in number of revenue free sample tests conducted along with the limited revenue generating tests during the year. Depreciation expense attributable to the laboratory testing equipment decreased by \$12,992 (23%) whilst direct labor costs increased by A\$3,989 because of a continued streamlining of the laboratory team to match the increase in number of tests (revenue generating and non-revenue generating). There was a decrease in inventories written-off by A\$42,274 to A\$18,917 in the current financial year when compared to A\$61,191 in the previous financial year. The Australian segment of the cost of sales contributed A\$243,506 and whereas the US segment contributed A\$8,005 of the total cost of sales in the current year. The Australian segment had incurred majority of the costs since the Company operates its testing activities through its own laboratory in Australia.

Selling and marketing expenses

Selling and marketing expenses increased by A\$61,218 (11%) from A\$576,077 to A\$637,295 when compared to previous year. Major movements during the year related to personnel costs which increased by A\$20,505 (6%) to A\$375,832 in the current financial year from A\$355,327 in the previous financial year as we still maintained the minimum sales activities with our customers. Additionally, other marketing costs increased to A\$27,750 (100%) in the current financial year against nil in the prior year, in addition to the general insurance costs allocated to selling and marketing category of expenses which increased by A\$22,291 (164%) to A\$35,861 in the current financial year when compared to A\$13,570 in the previous financial year. These costs increased due to the commencement of new products or kits in the financial year. There were other small expenses within the category during the financial period which had a net impact on the overall movement value when compared to prior year expense.

General and administrative expenses

General and administrative expenses (excluding net foreign currency losses) increased by A\$228,359 (6%) to A\$4,058,557 during the financial year when compared to A\$3,830,198 in the previous financial year. There was an increase in accounting costs by A\$506,872 (565%) to A\$596,510 in the current financial year when compared to A\$89,638 in the previous financial year which is due to support provided by outsourced accounting teams for ad-hoc services and out of scope activities hired by the Company, increase in the legal fees by A\$97,893 (27%) from A\$356,750 to A\$454,643 in the current year when compared to prior year and an increase in consulting fees by A\$442,450 (329%) to A\$577,058 in the current financial year when compared to A\$134,608 in the previous financial year. The Company's conscious effort to reduce administration costs resulted a decrease in employee expenses which reduced by A\$942,410 (76%) to A\$300,339 in the current financial year when compared to A\$1,242,749 in the previous financial year, decrease in stock compensation expense by A\$341,393 (104%) to A\$(14,441) in the current financial year when compared to A\$228,626 in the previous financial year due to the net impact of reversal of performance rights held by prior directors and the usual expense of share based payment.

Laboratory, research and development costs

Laboratory, research and development costs increased by A\$116,816 (5%) from A\$2,360,762 to A\$2,477,578 when compared to previous year. Laboratory, research and development costs increased as the Company started to develop a polygenic risk score (PRS) test for COVID-19. The Company is also continuing research and development activities on the following genetic tests:

- Cardiovascular disease
- Type 2 diabetes
- Prostate cancer
- Melanoma

Finance costs

Finance costs decreased by A\$5,208 (26%) from A\$20,031 to A\$14,823 when compared to previous year. Finance costs incurred in 2020 and 2019 were primarily bank charges.

Non-operating income

Other income mainly consists of research and development tax incentive income received from Australian Taxation Office. Research and development tax incentive income has decreased by 12% from A\$856,707 to A\$750,000 when compared to previous year. The research tax credit is recognised on an accrual basis when realisable. The lower research and development tax credit is due to completion of the development of GeneType for Breast Cancer and GeneType for Colorectal Cancer.

Other gains/losses

- No impairment expense was recognised in the current year ended June 30, 2020 (2019: A\$500,000).

Item 5. Operating and Financial Review and Prospects (cont.)

Item 5.A Operating Results (cont.)

Australian Disclosure Requirements

Significant Changes in the State of Affairs

There have been no significant changes within the state of affairs during the year ended June 2021 except as noted in the “Important Corporate Developments” section included in Item 4.A.

Likely Developments and Expected Results of Operations

The Company executed an acquisition agreement (“Acquisition Agreement”) on July 19th, 2021 to acquire the direct-to-consumer eCommerce business and distribution rights associated with General Genetics Corporation and its associated brands trading as EasyDNA, from BelHealth Investment Fund LP. The Acquisition Agreement provides for the acquisition of all brands, websites and reseller agreements associated with EasyDNA. This includes over 70 websites in 40 countries and six brand identities. Under the terms of the Acquisition Agreement, the Company will acquire 100% of EasyDNA’s brands and assets within the General Genetics Corporation business for a purchase price of US\$4 million, comprising cash consideration of US\$2.5 million and US\$1.5 million worth of GTG securities in the nature of ADRs.

Environmental Regulations

Our operations are not subject to any significant environmental regulations under either Commonwealth of Australia or State/Territory legislation. We consider that adequate systems are in place to manage our obligations and are not aware of any breach of environmental requirements pertaining to us.

Item 5.B Liquidity and Capital Resources

Summary

Since inception, the Company’s operations have been financed primarily from capital contributions by our stockholders, proceeds from our licensing activities and revenues from operations, grants, and interest earned on the Company’s cash and cash equivalents.

Currently the Company’s overall cash position depends on completion of its research and development activities, overall market acceptance of and revenue generated by its new genetic testing products. The Company’s cash and cash equivalents were A\$20,902,282 as of June 30, 2021.

During the year ended June 30, 2021, 2020 and 2019 the Company incurred total comprehensive losses of A\$7,115,087, A\$6,327,950 and A\$6,401,936.

During the year ended June 30, 2021, 2020 and 2019 the Company’s net cash flows used in continuing operations were A\$6,295,929, A\$5,712,098 and A\$6,073,182.

The additional capital raised during the financial year puts the Company in its best financial position for more than 2 years. The Company can expand and bring its comprehensive suite of risk assessment tests to market across both Australia and the US. The Company can also expand and upgrade the laboratory to incorporate next generation sequencing and high-density SNP arrays. These will allow for the first time-risk assessments for 100 per cent of a person’s genomic risk, including monogenic, polygenic, clinical risk factors, and family history.

Going Concern. The longer-term viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent on the satisfactory completion of planned equity raisings which are not guaranteed.

The Company expects to continue to incur losses and cash outflows for the foreseeable future as it continues to invest resources in expanding the research and development activities in support of the distribution of existing and new products. Following successful capital raises in the last six months of the financial year, the Company has A\$20,902,282 cash and cash equivalents as at June 30, 2021. In the Director’s opinion this will underpin the Company’s funding requirements for approximately two years. As a result, the financial statements have been prepared on a going concern basis.

Operating Activities. The Company’s net cash used in operating activities was A\$6,295,929, A\$5,712,098 and A\$6,073,182 for the years ended June 30, 2021, 2020 and 2019, respectively. Cash used in operating activities for each period consisted primarily of losses incurred in operations reduced by non-cash items such as impairment expenses, depreciation and amortisation expenses, share based payments expenses, foreign exchange movements and unrealised profits and losses relating to investments. In approximate order of magnitude, cash outflows typically consist of staff-related costs, marketing expenses, service testing expenses, general and administrative expenses, legal/patent fees and research and development costs.

Item 5. Operating and Financial Review and Prospects (cont.)

Item 5.B Liquidity and Capital Resources (cont.)

Investing Activities. The Company’s net cash from/(used in) investing activities was A\$(748,706), A\$64,787 and A\$(524,460) for the years ended June 30, 2021, 2020 and 2019, respectively. During the year ended June 30, 2021 the Company spent A\$748,706 towards purchase of computer equipment, furniture and fittings. Apart from the purchase of plant and equipment of A\$748,706 in 2021, A\$38,100 in 2020 and A\$50,309 in 2019, the Company had no other significant capital expenditures for the years ended June 30, 2021, 2020 and 2019.

Financing Activities. The Company’s net cash from/(used in) financing activities was A\$13,689,996, A\$18,360,346 and A\$3,126,162 for the years ended June 30, 2021, 2020 and 2019, respectively. During the year ended June 30, 2021, the Company generated cash flows of A\$15,897,629 from the issue of Ordinary Shares less costs associated with the transactions of A\$1,956,691. For the year ended June 30, 2020, the Company generated cash flows of A\$21,793,678 from the issue of Ordinary Shares less costs associated with the transactions of A\$3,215,174. For the year ended June 30, 2019, the Company generated cash flows of A\$3,557,509 from the issue of Ordinary Shares less costs associated with the transactions of A\$431,347.

Leases

We are obligated under two leases that were in place at June 30, 2021. These leases relate to the premises occupied by the Company in Fitzroy, Victoria, Australia and by its U.S. subsidiary, Phenogen Sciences Inc., in Charlotte, North Carolina, U.S.A. The total rental charge in respect of the year ended June 30, 2021 was A\$358,020 and A\$23,800, respectively.

The future minimum lease payments in respect of the two leases that were in place and had remaining non-cancellable lease terms as of June 30, 2021 were A\$205,831.

Item 5.C Research and Development, Patents and Licenses, etc.

Our principal business is biotechnology, with a historical emphasis on genomics and genetics, the licensing of our non- coding patents, reduction to practice of our fetal cell patents and expansion of the related service testing business. Research and development expenditure as below is reflective of the intense focus by the scientific and laboratory team to develop and market a suite of world-leading predictive genetic tests.

The following table details historic R&D expenditure by project.

	2021	2020	2019
	A\$	A\$	A\$
BREVAGen ^{plus}	—	—	228,643
Colorectal Cancer Risk Assessment Test	—	—	14,286
Ohio State University	—	—	—
Other general R&D	—	—	67,774
Polygenic Risk Testing	986,622	380,667	—
Total R&D expense	986,622	380,667	310,703
Other expenditure	7,776,007	7,044,274	7,160,114
Total expenditure	8,762,629	7,424,941	7,470,817
R&D as a % of total expenditure	11.26%	5.13%	4.17%

Item 5.D Trend Information

See Item 5.A. “Operating Results” and Item 5.B. “Liquidity and Capital Resources” above.

Item 5. Operating and Financial Review and Prospects (cont.)

Item 5E. Off-balance sheet arrangements

We are not a party to any material off-balance sheet arrangements. In addition, we have no unconsolidated special purpose financing or partnership entities that are likely to create any material contingent obligations.

Item 5F. Information about contractual obligations

The Company has no contractual obligations or commercial commitments as of June 30, 2021, other than those disclosed in the financial statements.

As at June 30, 2020, the Company had a commitment to purchase laboratory equipment, which was used to expand the range of tests.

	2021 A\$	2020 A\$
Property, plant and equipment	—	466,560

Item 6. Directors, Senior Management and Employees

(Start of the Remuneration Report for **Australian Disclosure Requirements**)

The Genetic Technologies Limited Board of Directors (“the Board”) presents the 2020/2021 Remuneration Report, which has been prepared in accordance with the relevant Corporations Act 2001 (“Corporations Act”) and accounting standards requirements. The remuneration report sets out remuneration information for our company’s key management personnel (“KMP”) as defined in the International Accounting Standards 24 ‘Related Party Disclosures’ and the Australian Corporations Act 2001 for the financial year ended June 30, 2021. The remuneration report has been audited as required by s308 (3C) of the Corporations Act.

Item 6.A Directors and Senior Management

The Directors of the Company as of the date of this Annual Report are:

Mr. Peter Rubinstein, BEc. LLB (*Independent Non-Executive and Chairman*)

Mr. Rubinstein was appointed to the Board on January 31, 2018 and appointed as Chairman in April 2020. He has over 20 years’ experience in early stage technology commercialisation through to public listings on the ASX. He is a lawyer, having worked at one of the large national firms prior to moving in house at Montech, the commercial arm of Monash University.

Mr. Rubinstein has had significant exposure to the creation, launch and management of a diverse range of technology companies including in biotech, digital payments and renewable energy. Mr. Rubinstein is also a Director of DigitalX Limited (ASX: DCC). Mr. Rubinstein has not held any other public company directorships in the last three years.

Dr. Jerzy (George) Muchnicki, MBBS (*Executive Director and Chief Medical Officer*)

Dr. Muchnicki was appointed to the Board on January 31, 2018 and acted as Interim Chief Executive Officer from September 2019 till the appointment of Mr. Simon Morriss to the role. Dr. Muchnicki is a medical graduate from Monash University having held positions in private practice for some 25 years, including a 12 month period as director for student health at The University of Melbourne. For the past 14 years he has been mostly involved in commercialisation and funding R&D in the biotechnology sector from gene silencing to regenerative medicine.

Dr. Muchnicki has been in his current role as Chief Medical Officer since February 2021, where he is focusing on the integration of inherited with sporadic disease risk to create new predictive platforms which address 100% genetic risk screening for common complex disease.

Dr. Muchnicki brings with him strong clinical medical skills, including interests in software development, blockchain and sustainable building materials. He is a co-founder of Speed Panel Systems Pty Ltd a world leader in fire rated and acoustic wall solutions. He is also the co-founder of CandleBets, a software development company that is creating blockchain enabled, novel instruments for the financial industry.

Dr. Lindsay Wakefield, MBBS (*Independent Non-Executive*)

Dr. Wakefield was appointed to the Board in 2014. He launched Safetech Pty Ltd in 1985 and over the next 35 years Safetech has grown to become the largest supplier in the Australian material handling and lifting equipment market, designing and manufacturing a wide range of industrial products. In 1993, he left medicine to become the fulltime CEO of Safetech. In 2019 Safetech was named Victorian Manufacturer of the Year. It is Australia’s largest manufacturer and supplier of dock equipment, vehicle lifts, freight hoists and custom lifting solutions. Safetech employs approximately 140 people. Dr. Wakefield has been a biotech investor for 30 years and his role at GTG combines his medical and business experience.

Mr. Nicholas Burrows, B.Com. FAICD, FCA, FGIA, FTIA, F Fin (*Independent Non-Executive*)

Mr. Burrows was appointed to the Board on September 2, 2019. He is a contemporary independent Non-Executive Director across the listed, government and private sectors with significant expertise in corporate governance, and strategic, commercial, financial and risk management oversight. Mr. Burrows is currently a Non-Executive Director of TasWater, Australian Seafood Industries Pty Ltd, PFG Group Pty Ltd and a number of large private companies and is a past Non-Executive Director of Clean Seas Seafood Limited, Metro Tasmania Pty Ltd and TasTafe. Former public company directorship held by Mr. Burrows in the last three years: Clean Seas Seafood Limited (ASX:CSS).

Mr. Burrows also provides board, governance, audit and risk advisory services to entities within the IT, tourism and hospitality, debt recovery, agribusiness, forestry, and Local/State Government sectors. Mr. Burrows was Chief Financial Officer and Company Secretary of Tassal Group Limited for 21 years from 1988 to 2009 and accordingly brings to the Board strong independent c-suite commercial experience and the benefits of an extensive and contemporary senior executive ASX200 listed entity background. Mr. Burrows is a respective Fellow of the Australian Institute of Company Directors, Institute of Chartered Accountants Australia, Governance Institute of Australia Ltd, The Tax Institute and the Financial Services Institute of Australasia and is also a Chartered Accountant. Mr. Burrows also served as National President of the Governance Institute of Australia in 2002 and served on their National Board for 6 years.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.A Directors and Senior Management (cont.)

Senior Management

The Company has a professional team of qualified and experienced personnel, including a number of research and development scientists and technicians. The Company currently has 18 full-time-equivalent employees in addition to the three Non-Executive Directors listed above.

Mr. Simon Morriss, GAICD (*Chief Executive Officer*)

Mr. Morriss was appointed as Chief Executive Officer on February 1, 2021 and brings over 20 years' experience within the Pharmaceutical, Healthcare and FMCG industries having held senior executive positions at Sanofi and Blackmores. He brings a wealth of experience in managing teams and successfully executing across sales, marketing and brand building.

Additionally, Mr. Morriss has been critical in leading commercialisation across these industries and understands the unique pressures and opportunities. He has led companies through strategic adaptation to execution and will be driving Genetic Technologies commercialisation strategy and continue to drive innovation across the business.

Mr. Mike Tonroe, BSc, FCA, MAICD (*Company Secretary/Chief Financial Officer*)

Mr. Tonroe was appointed as the Chief Financial Officer on June 15, 2021 and as Company Secretary on August 2, 2021. Mr. Tonroe has over 25 years' experience in overseeing the finance function at both management and board-level positions for private and listed companies in Australia, UK, US and Canada. He also has extensive experience in the biotech space across both the financial and company secretary roles. Prior to his most recent role as Chief Financial Officer and Company Secretary at dual-listed Opthea Limited (ASX: OPT), Mr. Tonroe was Chief Financial Officer and Company Secretary at the Australian Synchrotron in Melbourne. Mr. Tonroe also has extensive accounting expertise having worked for both Deloitte and KPMG in the UK and Hong Kong.

Mr. Tonroe is a fellow of the Institute of Chartered Accountants in England and Wales, a member of the Australian Institute of Company Directors and holds a Bachelor of Science from Buckingham University, UK.

Mr. Justyn Stedwell B.Com, Grad Dip Acctg, Grad Dip Corp. Governance (*Company Secretary*)

Mr. Stedwell was appointed as the Company Secretary on July 15, 2019. Mr. Stedwell is a professional Company Secretary consultant with over 12 years' experience acting as a Company Secretary of ASX listed companies across a wide range of industries. Mr. Stedwell resigned on August 2, 2021.

Mr. Stanley Sack (Chief Operating Officer)

On May 18, 2020, the Company appointed Mr. Stanley Sack who provides consulting in the capacity of Chief Operating Officer. Mr. Sack has spent 15 years in large, listed entities in executive positions managing large business divisions. He has worked with a high net worth family managing all their operating businesses and private equity activities. Mr. Sack built an Allied Health Business in the aged care and community care space which became the biggest Mobile Allied Health Business in Australia, and was recently sold to a large medical insurance company.

During the reporting period, the Company had transactions valued at A\$157,609 (2020: A\$38,500) with Mr. Stanley Sack's entity Cobben Investments Pty Ltd towards provision of consulting services in relation to provision of duties related to Chief Operating Officer of the Company.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.A Directors and Senior Management (cont.)

Dr. Richard Allman, PhD (*Chief Scientific Officer*)

Dr. Allman joined the Company in 2004 and was appointed as Chief Scientific Officer in December 2012. He has over 20 years of scientific and research experience in both the academic arena in the UK and the commercial sector in Australia. He has wide experience in research leadership, innovation management, and intellectual property strategy, covering oncology, diagnostics, and product development. Prior to entering the biotech sector, Dr. Allman’s academic career encompassed oncology research, drug development, and assay design.

Item 6.B Compensation

Elements of compensation

The board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the Company’s strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

Element	Purpose	Performance metrics
Fixed annual remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil
Short-Term Incentive (STI)	Reward for in-year performance and retention	Company and individual performance goals
Long-Term Incentive (LTI)	Alignment to long-term shareholder value	Share price, capital raised, company and individual performance goals

(i) Fixed annual remuneration (FR)

Objective

The Remuneration Committee oversees the setting of fixed remuneration on an annual basis. The process consists of a review of Company, divisional and individual performance, relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The members of the Committee have access to external advice independent of Management.

Structure

Fixed remuneration consists of some or all of the following components:

- base salary;
- non-monetary benefits which can include a motor vehicle allowance, health insurance etc.; and
- superannuation benefits, which includes employer contributions,

With the exception of the employer contributions to superannuation, Executives are given some flexibility to decide the composition of their total fixed remuneration and the allocation between cash and other benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost for the Company.

Fixed remuneration is reviewed annually with reference to individual performance, market benchmarks for individual roles and the overall financial performance of the Company. Any changes to the fixed remuneration of Executives are first approved by the Remuneration Committee.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

All employee remuneration is evaluated on a regular basis using a set of variables and taking into account the addition of the statutory superannuation contribution. An assessment of existing base salaries is made annually using comparisons against independent market data which provides information on salaries and other benefits paid for comparable roles within the biotech and pharmaceutical industries, using third party salary survey data. Annual performance reviews with each employee are based on a rating system which is used to assess his or her eligibility for salary increases. Other qualitative factors, including the specialised knowledge and experience of the individual and the difficulty of replacing that person, are also taken into account when considering salary adjustments.

Remuneration Committee membership

As at the date of this Report, the composition of the committee is as follows:

- Dr. Lindsay Wakefield – Chairman of the Committee
- Mr. Nicholas Burrows (Member)
- Mr. Peter Rubinstein (Member)

(ii) Short-Term Incentives (STI)

Short Term Incentive (STI) is an annual plan that applies to Executives and other senior employees that is based on the performance of both the Company and the individual during a given financial year. STI ranges vary depending on the role, responsibilities and deliverables achieved by each individual. Actual STI payments granted to the relevant employee will depend on the extent to which the pre-agreed specific targets are met within a financial year. Specific targets are quantifiable with the agreed method of measurement defined at the beginning of the financial year. The ongoing performance of the Executive or senior employee is evaluated regularly during the performance cycle.

Company objectives, and their relative weighting, vary depending on the position and responsibility of the respective individual, but in respect of the year ended June 30, 2021 include, amongst other things, the achievement of:

- achieving targets for cost reduction or efficiency gains;
- contributing to business growth and expansion; and
- performance or the delivery of results which exceed agreed targets.

These measures are chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long term value. Personal and operating objectives vary according to the role and responsibility of the Executive and include objectives such as service delivery to customers, project delivery, compliance outcomes, intellectual property management and various staff management and leadership objectives.

Achievement of an individual's targets or objectives is documented and assessed by both the individual and his or her direct manager. The individual will participate in an annual performance review and must provide evidence of the objectives that he or she has delivered during the period under review. Each objective is then rated on an achievement scale. Depending on the aggregate of the ratings, the individual may be eligible to receive an STI payment.

STI payments, if any, are generally paid in August or September of each year subject to the completion of the performance review process and the receipt of a satisfactory rating. The Board conducts this process in the case of the CEO. During the financial year ended June 30, 2021, no Short-Term Incentive payments were made to either Executives or other senior employees.

(iii) Long-Term Incentives (LTI)

The objective of the Company's LTI arrangements is to reward Executives and senior employees in a manner that aligns their remuneration with the creation of shareholder wealth. As such, significant LTI grants are generally only made to Executives who are able to influence the generation of shareholder wealth and have an impact on the Company's long-term profitability. There are no specific performance hurdles, apart from certain vesting provisions, in respect of the LTI grants made to Executives. Options with a vesting period also serve as a retention tool and may reduce the likelihood of high performing Executives and senior employees being targeted by other companies.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Long Term Incentive (LTI) grants to Executives and senior employees are delivered in the form of options over unissued ordinary shares in the Company which are granted under the terms and conditions of the Company’s Employee Option Plan. Selected Executives who contribute significantly to the long-term profitability of the Company are invited to participate in the Employee Option Plan. The remuneration value of these grants varies and is determined with reference to the nature of the individual’s role, as well as his or her individual potential and specific performance.

In cases where an Executive ceases employment prior to the vesting of his or her options, the options are forfeited after a prescribed period if they have not been exercised. The prescribed period ranges from two to six months, depending on the circumstances under which they left the Company, e.g. resignation, retirement, termination or death. In the event of a change of control of the Company, the performance period end date will be brought forward to the date of the change of control and awards will vest over this shortened period.

Link between remuneration and performance

Statutory performance indicators

The Company aims to align executive remuneration to the Company’s strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Company’s financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Loss for the year attributable to owners (\$)	7,077,619	6,294,775	6,425,604	5,463,872	8,403,826
Basic earnings per share (cents)	(0.1)	(0.1)	(0.2)	(0.2)	(0.4)
Share price at year end (\$)	0.009	0.005	0.006	0.010	0.007

The Company’s earnings have remained negative since inception due to the nature of the business. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company. The Company continues to focus on the research and development of its intellectual property portfolio with the objective of achieving key development and commercial milestones in order to add further shareholder value.

Remuneration expenses

Details of the nature and amount of each major element of the compensation of each director of the Company and each of the named officers of the Company and its subsidiaries, for services in all capacities during the financial year ended June 30, 2021 are listed below. All figures are stated in Australian dollars (A\$).

<u>Name and title of Non-Executive Directors</u>	<u>Year</u>	<u>Short-term benefits</u>		<u>Post-employment</u>	<u>Other</u>	<u>Share-</u>	<u>Totals</u>
		<u>Salary/fees</u>	<u>Other*</u>	<u>Superannuation**</u>	<u>long-term benefits</u>	<u>based payments</u>	
		<u>A\$</u>	<u>A\$</u>	<u>A\$</u>	<u>***</u>	<u>Equity</u>	<u>A\$</u>
Dr. Lindsay Wakefield	2021	67,462	—	6,409	—	43,137	117,008
Mr. Peter Rubinstein	2021	154,769	—	9,003	—	229,259	393,031
Mr. Nicholas Burrows	2021	67,462	—	6,409	—	33,512	107,383
Executives Directors							
Dr. Jerzy Muchnicki	2021	240,020	11,359	22,802	1,359	232,467	508,007
Management							
Dr. Richard Allman	2021	216,434	(37,021)	20,561	3,231	28,187	231,392
Mr. Mike Tonroe ⁽⁶⁾	2021	12,692	—	1,206	—	—	13,898
Mr. Simon Morriss ⁽⁵⁾	2021	133,181	43,750	12,652	—	79,727	269,311
Mr. Stanley Sack ⁽⁴⁾	2021	143,281	—	—	—	4,622	147,903
Totals	<u>2021</u>	<u>1,035,302</u>	<u>18,088</u>	<u>79,042</u>	<u>4,589</u>	<u>650,911</u>	<u>1,787,933</u>

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Notes pertaining to changes during the year:

On June 15, 2021, Mr. Phillip Hains resigned as CFO. During the year ended June 30, 2021, Mr. Phillip Hains did not earn any remuneration apart from the provision of advice on the capacity as the CFO, accounting and other finance related activities through his firm, The CFO Solution. During the reporting period, the total service fees of A\$225,171 (2020: A\$527,724) were paid.

During the financial year ended June 30, 2020, the Board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein’s associate entity, ValueAdmin.com Pty Ltd, and amounted to A\$60,000 for the year ended June 30, 2021.

Details of the nature and amount of each major element of the compensation of each director of the Company and each of the named officers of the Company and its subsidiaries, for services in all capacities during the financial year ended June 30, 2020 are listed below. All figures are stated in Australian dollars (A\$).

Name and title of		Short-term benefits		Post-employment	Other long-term benefits	Share-based payments	Totals
		Salary/fees	Other	Superannuation*	**	Equity***	
Non-Executive Directors	Year	A\$	A\$	A\$	A\$	A\$	A\$
Dr. Lindsay Wakefield	2020	66,295	—	6,298	—	9,625	82,218
Mr. Peter Rubinstein	2020	106,946	—	6,835	—	12,833	126,614
Mr. Xue Lee ⁽¹⁾	2020	1,570	—	149	—	(5,616)	(3,897)
Mr. Nicholas Burrows ⁽²⁾	2020	53,775	—	5,109	—	—	58,884
Executives Directors							
Dr. Paul Kasian ⁽³⁾	2020	62,789	—	5,923	—	(76,368)	(7,656)
Dr. Jerzy Muchnicki	2020	139,824	—	13,283	—	16,042	169,149
Management							
Dr. Richard Allman	2020	168,600	360	16,017	3,231	10,986	199,194
Mr. Stanley Sack ⁽⁴⁾	2020	38,500	—	—	—	—	38,500
Totals	2020	638,299	360	53,614	3,231	(32,498)	663,006

Mr. Phillip Hains was appointed on July 15, 2019 as the Company’s Chief Financial Officer. During the year ended June 30, 2020, he did not earn any remuneration apart from the provision of advice on the capacity as the CFO, accounting and other finance related activities through his firm, The CFO Solution. During the reporting period, total service fees of A\$527,724 (2019: A\$45,459) were paid.

During the financial year ended June 30, 2020, the board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein’s associate entity, ValueAdmin.com Pty Ltd, and amounted to A\$35,000 which remains payable and is included as part of the cash salary and fees above as at June 30, 2020.

During the financial year ended June 30, 2020, the board members sacrificed 20% of their fees for a certain period in order to support the staff costs during the COVID-19 cutback on working hours. Due to this there is a variance between the above disclosed and the contractual arrangement disclosures.

⁽¹⁾ Mr. Lee resigned as a Non-Executive Director on July 9, 2019.
⁽²⁾ Mr. Burrows was appointed as Non-Executive Director on September 2, 2019.
⁽³⁾ Dr. Kasian resigned on September 24, 2019.
⁽⁴⁾ Mr. Sack was appointed as Chief Operating Officer on May 18, 2020.
⁽⁵⁾ Mr. Morriss was appointed as Chief Executive Officer on February 1, 2021.
⁽⁶⁾ Mr. Tonroe was appointed as Chief Financial Officer on June 15, 2021.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Contractual agreements with the directors and other key management personnel

Name: Dr. Jerzy Muchnicki
Position: Executive Director and Chief Medical Officer
Fixed remuneration: \$219,000 (inclusive of superannuation)

Name: Mr. Peter Rubinstein
Position: Non-Executive Director and Chairman
Fixed remuneration: \$103,772 (inclusive of superannuation)
Consulting fee: \$60,000 (excluding GST)

Name: Dr. Lindsay Wakefield
Position: Non-Executive Director
Fixed remuneration: \$73,871 (inclusive of superannuation)

Name: Mr. Nicholas Burrows
Position: Non-Executive Director
Fixed remuneration: \$73,871 (inclusive of superannuation)

Name: Mr. Simon Morriss
Position: Chief Executive Officer
Fixed remuneration: \$350,000 (inclusive of superannuation)

Name: Mr. Mike Tonroe
Position: Chief Financial Officer
Fixed remuneration: \$300,000 (inclusive of superannuation)

Name: Mr. Stanley Sack
Position: Chief Operating Officer
Fixed remuneration: \$13,125 (plus GST) per month

Name: Dr. Richard Allman
Position: Chief Scientific Officer
Fixed remuneration: \$184,617 (inclusive of superannuation)

Key Terms and Conditions:

The key provisions contained in the agreements of the directors of the Company include the following:

- The Company does not have a set tenure for directors, and under the Corporations Act and the Constitution, the directorship can cease under prescribed circumstances (example, bankruptcy, conviction of an offence). In addition, the director may resign by providing notice in writing at any time.
- No form of remuneration linked to short term incentives has been issued to any of the directors.
- The following are the key provisions contained in the agreements of the other Key Management Personnel:

Mr. Simon Morriss (appointed February 1, 2021)

- Genetic Technologies or Mr. Morriss may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Morriss shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 24 months after the employment ends. Mr. Morriss is also prevented from soliciting Genetic Technologies employees’ customers or suppliers to cease employment or conducting business with the Company.
- Mr. Morriss’ CEO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

Mr. Mike Tonroe (appointed June 15, 2021)

- Genetic Technologies or Mr. Tonroe may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Tonroe shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 24 months after the employment ends. Mr. Tonroe is also prevented from soliciting Genetic Technologies employees’ customers or suppliers to cease employment or conducting business with the Company.
- Mr. Tonroe’s CFO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

Mr. Stanley Sack

- Stanley Sack, under his consulting agreement with the Company has an agreed fixed remuneration of \$13,125 (plus GST) per month work consisting of three days per week.
- Towards termination, the agreement states that the Company or Consultant may terminate the agreement at any time upon the giving of 30 Days prior written notice to the other party. The Company and/or the Consultant can propose an adjusted level of ongoing consulting services and the parties agree to consider such adjustment in good faith and replace this Agreement with a Replacement Agreement on the newly agreed terms.
- Due to the agreement being consulting in nature the Company shall not be required to make contributions for employment insurance, superannuation, workers’ compensation or similar premiums, employer health tax and other similar levies on behalf of any of the Consultant’s personnel.

Dr. Richard Allman

- Towards termination, the agreement states that the Company or the employee may terminate at any time by providing a 30 day notice to the other party or the agreement will be terminated on the expiration of that notice.
- On termination of this agreement the Company will pay the employee the salary package due up to and including the date of termination.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Referencing the previous two tables:

- * Other includes movement in Annual Leave component
- ** Post-employment benefits as per Corporations Regulation 2M.3.03 (1) Item 7
- *** Other long-term benefits as per Corporations Regulation 2M.3.03 (1) Item 8
- **** Equity settled share-based payments as per Corporations Regulation 2M.3.03 (1) Item 11

The details of those Executives nominated as Key Management Personnel under section 300A of the *Corporations Act 2001* have been disclosed in this Report. No other employees of the Company meet the definition of “Key Management Personnel” as defined in *IAS 24 Related Party Disclosures*, or “senior manager” as defined in the *Corporations Act*

Executive officers are those officers who were involved during the year in the strategic direction, general management or control of the business at a company or operating division level. The remuneration paid to Executives is set with reference to prevailing market levels and comprises a fixed salary, various short-term incentives (which are linked to agreed key performance indicators), and an option component. Options are granted to Executives in line with their respective levels of experience and responsibility.

Options exercised, granted, and forfeited as part of remuneration during the year ended 30 June 2021

Details of the options held by the Executives nominated as Key Management Personnel during the year ended June 30, 2021 are set out below. As at June 30, 2021, there was one executive and fourteen employees who held options that had been granted under the Company’s respective option plans.

On December 21, 2020, the Company issued 5,000,000 options to Executives and 7,850,000 to other employees, under an employee incentive scheme (2020: Nil). The options have an exercise price of A\$0.008 (0.8 cents) per option and expire on December 1, 2023. The Company also issued various unlisted options to underwriters and sub-underwriters as a part of capital raising costs.

The following options previously granted as equity compensation benefits to KMP were forfeited during the year;

Name of KMP	Options Lapsed	Options forfeited	Exercise price	Fair value per option	Final vesting date
Dr. Richard Allman ⁽¹⁾	2,925,000	—	\$ 0.010	\$ 0.0112	31 Mar 2021
Dr. Richard Allman ⁽¹⁾	1,100,000	—	\$ 0.010	\$ 0.0094	31 Mar 2021
Dr. Richard Allman ⁽¹⁾	975,000	—	\$ 0.010	\$ 0.0065	31 Mar 2021
Total	5,000,000	—			

⁽¹⁾ The options held by Dr. Richard Allman lapsed as they were not exercised by the final exercise date.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Option holdings of Key Management Personnel 30 June 2021

Options	Balance at start of the year	Granted as remuneration	Granted as part of cost of capital	Exercised	Other Changes⁽¹⁾	Balance at end of the year	Vested and exercisable
Dr. Lindsay Wakefield	—	—	—	—	—	—	—
Mr. Peter Rubinstein ⁽³⁾	125,000,000	—	—	—	—	125,000,000	125,000,000
Dr. Jerzy Muchnicki ⁽²⁾	125,000,000	—	—	—	—	125,000,000	125,000,000
Dr. Richard Allman	15,000,000	5,000,000	—	—	(5,000,000)	15,000,000	15,000,000
Mr. Stanley Sack	—	—	—	—	—	—	—
Mr. Mike Tonroe (appointed on June 15, 2021)	—	—	—	—	—	—	—
Mr. Phillip Hains	—	—	—	—	—	—	—
Total	265,000,000	5,000,000	—	—	(5,000,000)	265,000,000	265,000,000

Notes

⁽¹⁾ Other changes incorporates changes resulting from the expiration/forfeiture of options.

⁽²⁾ Dr. Jerzy Muchnicki currently holds 125,000,000 unlisted options issued as the sub-underwriter during the capital raise process in October 2019. Hence, the unlisted options have been accounted for as part of transactions costs to equity and are not issued as a part of his remuneration.

⁽³⁾ Mr. Peter Rubinstein currently holds 125,000,000 unlisted options issued as the sub-underwriter during the capital raise process in October 2019. Hence, the unlisted options have been accounted for as part of transactions costs to equity and are not issued as a part of his remuneration.

Options

The Company introduced a Staff Share Plan on November 30, 2001. On November 19, 2008, the shareholders of the Company approved the introduction of a new Employee Option Plan. Collectively, these Plans establish the eligibility of our employees and those of any subsidiaries, and of consultants and independent contractors to a participating company who are declared by the Board to be eligible, to participate. Broadly speaking, the respective Plans permits us, at the discretion of the Board, to issue traditional options (with an exercise price). The Plans conform to the IFSA Executive Share and Option Scheme Guidelines and, where participation is to be made available to staff who reside outside Australia, there may have to be modifications to the terms of grant to meet or better comply with local laws or practice.

As of June 30, 2021, there was 1 executive and 14 employees who held options that had been granted under the Company's respective option plans. Options issued under the Plan carry no rights to dividends and no voting rights.

As of the date of this Annual Report, there was a total of 27,850,000 unlisted employee options outstanding.

Options granted under the Employee Option Plan carry no rights to dividends and no voting rights and generally have an expiry date of nearly five years from the date of grant.

During the year ended June 30, 2021, the Company recorded a share-based payments expense in respect of the options granted of A\$91,853.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Unlisted Performance Rights

During the year ended June 30, 2021, the Company also issued 188,937,500 long term unlisted Performance Rights as incentives to the Key Management Personnel which were approved by the shareholders on December 10, 2020.

The following are the details of the unlisted performance rights:

- 25,000,000 Class A Performance Rights with an exercise price of \$ nil each. Vesting per resolution passed at 2020 Annual General Meeting (AGM) and per the terms and conditions as set out below. Class A performance rights granted during the year ended June 30, 2021 expire on December 21, 2023.
- 50,000,000 Class B Performance Rights with an exercise price of \$ nil each. Vesting per resolution passed at 2020 Annual General Meeting (AGM) and per the terms and conditions as set out below. Class B performance rights granted during the year ended June 30, 2021 expire on December 21, 2023.
- 50,000,000 Class C Performance Rights with an exercise price of \$ nil each. Vesting per resolution passed at 2020 Annual General Meeting (AGM) and per the terms and conditions as set out below. Class C performance rights granted during the year ended June 30, 2021 expire on December 21, 2023.
- 60,000,000 Class D Performance Rights with an exercise price of \$ nil each. Vesting per resolution passed by the Board of Directors and per the terms and conditions as set out below. Class D performance rights granted during the year ended June 30, 2021 expire on February 4, 2024.
- 3,937,500 Class E Performance Rights with an exercise price of \$ nil each. Vesting per resolution passed by the Board of Directors and per the terms and conditions as set out below. Class A performance rights granted during the year ended June 30, 2021 expire on March 10, 2023.

Based on the independent valuation of the performance rights, the Company agrees that the total value of the performance rights to be issued to each director (depending on the share price at issue) is as follows:

Valuation of Class A Performance Rights granted during the year ended June 30, 2021

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights	Expense accounted for during the year
Dr. Lindsay Wakefield	5,000,000	0.6702	A\$ 33,512	A\$ 33,512
Mr. Nicholas Burrows	5,000,000	0.6702	A\$ 33,512	A\$ 33,512
Dr. Jerzy Muchnicki	7,500,000	0.6702	A\$ 50,268	A\$ 50,268
Mr. Peter Rubinstein	7,500,000	0.6702	A\$ 50,268	A\$ 50,268
Total	25,000,000		A\$ 167,560	A\$ 167,560

Valuation of Class B Performance Rights granted during the year ended June 30, 2021

	Number of Performance Rights issued	Valuation per Class B (cents)	Total fair value of Class B Performance Rights	Expense accounted for during the year
Dr. Jerzy Muchnicki	25,000,000	0.6646	A\$ 166,157.50	A\$ 166,157.50
Mr. Peter Rubinstein	25,000,000	0.6646	A\$ 166,157.50	A\$ 166,157.50
Total	50,000,000		A\$ 332,315	A\$ 332,315

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Valuation of Class C Performance Rights granted during the year ended June 30, 2021

	Number of Performance Rights issued	Valuation per Class C (cents)	Total fair value of Class C Performance Rights	Expense accounted for during the year
Dr. Jerzy Muchnicki	25,000,000	0.6702	A\$ 167,541	A\$ —
Mr. Peter Rubinstein	25,000,000	0.6702	A\$ 167,541	A\$ —
Total	50,000,000		A\$ 335,082	A\$ —

Valuation of Class D Performance Rights granted during the year ended June 30, 2021

	Number of Performance Rights issued	Valuation per Class D (cents)	Total fair value of Class D Performance Rights	Expense accounted for during the year
Mr. Simon Morriss	60,000,000	0.9567	A\$ 574,037	A\$ 79,727

Valuation of Class E Performance Rights granted during the year ended June 30, 2021

	Number of Performance Rights issued	Valuation per Class E (cents)	Total fair value of Class E Performance Rights	Expense accounted for during the year
Mr. Stanley Sack	3,937,500	0.9000	A\$ 35,438	A\$ 4,622

Performance hurdles

The Class A Performance Rights vest and are exercisable upon the Share price reaching \$0.012 or greater for more than 10-day consecutive ASX trading days.

The Class B Performance Rights vest and are exercisable upon the Share price reaching \$0.014 or greater for more than 10-day consecutive ASX trading days and sales commence on the Consumer Initiated Testing (CIT) platform in either Australia or the United States of America.

The Class C Performance Rights vest and are exercisable upon a minimum of 4,000 tests being processed in any 12 month period or the market cap of GTG reaching \$100 million or above and being sustained for more than 10 consecutive ASX trading days, whichever happens sooner.

The Class D Performance Rights vest and are exercisable upon the Share price reaching \$0.016 or greater for more than 15-day consecutive ASX trading days.

The Class E Performance Rights vest and are exercisable upon the first commercial sale of the Company’s COVID-19 risk test with IBX (Infinity BioLogix).

The Key Management Personnel, being the recipients of the Performance Rights, must remain engaged by the Company at the time of satisfaction of the performance hurdle in order for the relevant Performance Right to vest.

The Performance Rights are not currently quoted on the ASX and as such have no ready market value. The Performance Rights each grant the holder a right of grant of one ordinary Share in the Company upon vesting of the Performance Rights for nil consideration. Accordingly, the Performance Rights may have a present value at the date of their grant. Various factors impact upon the value of Performance Rights including:

- the period outstanding before the expiry date of the Performance Rights;
- the underlying price or value of the securities into which they may be converted;

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

- the proportion of the issued capital as expanded consequent upon conversion of the Performance Rights into Shares (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest); and
- the value of the shares into which the Performance Rights may be converted.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model valuation formula and the Monte Carlo simulation).

The Company has commissioned an independent valuation of the Performance Rights. The independent valuer has applied the Monte Carlo simulation in providing the valuation of the Performance Rights.

Inherent in the application of the Monte Carlo simulation are a number of inputs, some of which must be assumed. The data relied upon in applying the Monte Carlo simulation was:

- a) exercise price being 0.0 cents per Performance Right for all classes;
- b) VWAP hurdle (10 days consecutive share price hurdle) equaling A\$0.012 for Class A and A\$0.014 for Class B, and (15 days consecutive share price hurdle) equaling \$0.016 for Class D Performance Rights;
- c) sales and market cap hurdles as listed above for Class C and Class E Performance Rights;
- d) the continuously compounded risk free rate being 0.111% for all classes of Performance Rights (based on a 3 year Australian Government yield as at December 21, 2020);
- e) the expected option life of 2 years for Class E Performance Rights and 3 years for all other classes of Performance Rights; and
- f) a volatility measure of 158.23%.

During the year ended June 30, 2019, the Company also issued 76,250,000 long term unlisted performance rights as incentives to the Directors which were approved by the shareholders on November 29, 2018.

The following are the details of the unlisted performance rights:

- 26,250,000 Class A Performance rights with an exercise price of \$ nil each. Vesting per resolution passed at 2018 Annual General Meeting (AGM) and per the terms and conditions as set out below.
- 25,000,000 Class B Performance rights with an exercise price of \$ nil each. Vesting per resolution passed at 2018 Annual General Meeting (AGM) and per the terms and conditions as set below.
- 25,000,000 Class C Performance rights with an exercise price of \$ nil each. Vesting per resolution passed at 2018 Annual General Meeting (AGM) and per the terms and conditions as set out below.

During the year ended June 30, 2020, 3,750,000 Performance Rights previously issued to Mr. Xue Lee in the year ended June 30, 2019 were forfeited. Additionally, 57,500,000 Performance Rights previously issued to Dr. Paul Kasian in the year ended June 30, 2019 were forfeited in the year ended June 30, 2020.

Based on the independent valuation of the performance rights, the Company agrees that the total value of the outstanding performance rights issued to each director (depending on the share price at issue) is as follows:

Valuation of Class A Performance Rights granted prior to the year ended June 30, 2021

Performance rights vested during the year

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights	Expense accounted for during the year
Dr. Lindsay Wakefield	3,750,000	0.77	A\$ 28,875	A\$ 9,625
Dr. Jerzy Muchnicki	6,250,000	0.77	A\$ 48,125	A\$ 16,042
Mr. Peter Rubinstein	5,000,000	0.77	A\$ 38,500	A\$ 12,833
Total	15,000,000		A\$ 115,500	A\$ 38,500

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

The following is the reconciliation of Performance Rights for the year ended June 30, 2021 held by Key Management Personnel:

Performance Rights	Balance at start of the year	Granted as remuneration	Exercised	Other Changes ¹	Balance at the end of year
Dr. Lindsay Wakefield	3,750,000	5,000,000	—	—	8,750,000
Mr. Peter Rubinstein	5,000,000	57,500,000	—	—	62,500,000
Mr. Nicholas Burrows	—	5,000,000	—	—	5,000,000
Dr. Jerzy Muchnicki	6,250,000	57,500,000	—	—	63,750,000
Dr. Richard Allman	—	—	—	—	—
Mr. Stanley Sack	—	3,937,500	—	—	3,937,500
Mr. Mike Tonroe	—	—	—	—	—
Mr. Simon Morriss	—	60,000,000	—	—	60,000,000
Mr. Phillip Hains	—	—	—	—	—
Total	15,000,000	188,937,500	—	—	203,937,500

Notes

^{1.} Other changes incorporates changes resulting from the expiration/forfeiture of options.

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Performance rights included in the balance at start of the year

Performance hurdles

The Class A Performance Rights vest and are exercisable upon the Share price reaching \$0.02 or greater for more than 10-day consecutive ASX trading days.

The Directors, being the recipients of the Performance Rights, must remain engaged by the Company at the time of satisfaction of the performance hurdle in order for the relevant Performance Right to vest.

The unlisted Performance Rights granted and outstanding as of June 30, 2021 under the Plans are as follows:

	2019	Fair Value	Expiration Date
Director			
Mr. Peter Rubinstein (Class A)	5,000,000	A\$ 38,500	11-Dec-2021
Dr. Jerzy Muchnicki (Class A)	6,250,000	A\$ 48,125	11-Dec-2021
Mr. Lindsay Wakefield (Class A)	3,750,000	A\$ 28,875	11-Dec-2021
Balance at the end of the financial year	15,000,000	A\$ 115,500	

The Company has accounted for these Performance Rights in accordance with its accounting policy for share-based payment transactions and has not recorded any reversal of associated expense in the current year (2020: A\$43,484).

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

The Performance Rights are not currently quoted on the ASX and as such have no ready market value. The Performance Rights each grant the holder a right of grant of one ordinary Share in the Company upon vesting of the Performance Rights for nil consideration. Accordingly, the Performance Rights may have a present value at the date of their grant. Various factors impact upon the value of Performance Rights including:

- the period outstanding before the expiry date of the Performance Rights;
- the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon conversion of the Performance Rights into Shares (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest); and
- the value of the shares into which the Performance Rights may be converted.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model valuation formula and the Monte Carlo simulation).

The Company has commissioned an independent valuation of the Performance Rights. The independent valuer has applied the Monte Carlo simulation in providing the valuation of the Performance Rights.

Inherent in the application of the Monte Carlo simulation are a number of inputs, some of which must be assumed. The data relied upon in applying the Monte Carlo simulation was:

- a) exercise price being 0.0 cents per Performance Right for all classes;
- b) VWAP hurdle (10 days consecutive share price hurdle) equaling A\$0.02 for Class A Performance Rights;
- c) the continuously compounded risk-free rate being 2.02% for all classes of Performance Rights (calculated with reference to the RBA quoted Commonwealth Government bonds as at October 8, 2018 of similar duration to that of the expected life of each class of Performance Right);
- d) the expected option life of 2.8 years for all classes of Performance Rights; and
- e) a volatility measure of 80%.

This share-based payment expense is included within general and administrative costs in the statement of comprehensive income/ (loss). The following is additional information relating to the options granted under the respective Plans and as of June 30, 2021:

Range of exercise prices	Number of options	Options outstanding		Options exercisable	
		Weighted average exercise price	Remaining weighted average contractual life (years)	Number of options	Weighted average exercise price
\$0.008 - \$0.01	27,850,000	\$ 0.009	1.39	27,850,000	\$ 0.009

Range of exercise prices	Number of options	Performance rights outstanding		Performance rights exercisable	
		Weighted average exercise price	Remaining Weighted average contractual life (years)	Number of Perf. rights	Weighted average exercise price
\$0.00 - \$0.00	203,937,500	\$ 0.000	2.33	203,937,500	\$ 0.00

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.B Compensation (cont.)

Australian Disclosure Requirements ordinary shares of Genetic Technologies Limited under option at the date of this Directors' report are as follows:

Ordinary Shares	Balance at start of the year ¹	Granted as remuneration	Received on exercised options	Other Changes ²	Balance at the end of year ³
Dr. Lindsay Wakefield	9,418,104	—	—	—	9,418,104
Mr. Peter Rubinstein	308,132,009	—	—	—	308,132,009
Mr. Nicholas Burrows	1,670,000	—	—	—	1,670,000
Dr. Jerzy Muchnicki	263,085,885	—	—	—	263,085,885
Dr. Richard Allman	—	—	—	—	—
Mr. Stanley Sack	—	—	—	—	—
Mr. Mike Tonroe	—	—	—	—	—
Mr. Simon Morriss	—	—	—	—	—
Mr. Phillip Hains	—	—	—	—	—
Total	582,305,998	—	—	—	582,305,998

¹. Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

². Other changes incorporates changes resulting from the acquisition or disposal of shares or in relation to rights issues.

³. For former KMP, the balance is as at the date they cease being KMP.

Indemnification and Insurance with respect to Directors

We are obligated pursuant to an indemnity agreement, to indemnify the current Directors and executive officers and former Directors against all liabilities to third parties that may arise from their position as Directors or officers of the Company and our controlled entities, except where to do so would be prohibited by law. In addition, the Company does currently carry insurance in respect of Directors' and officers' liabilities for current and former Directors, Company Secretary and executive officers or employees under certain circumstances as specified in the insurance policy.

(End of the Remuneration Report for Australian Disclosure Requirements)

Other Australian Disclosure Requirements

Auditor's Independence Declaration

There were no former partners or directors of Grant Thornton Audit Pty Ltd, the Company's auditor, who were or were at any time during the financial year an officer of the Company.

A copy of the auditor's independence declaration under Section 307C of the Corporations Act in relation to the audit for the year ended June 30, 2021 is included in Exhibit 15.4 of this annual report on Form 20-F.

Directors' resolution

The components of our directors' report are incorporated in various places within this annual report on the Form 20-F. A table charting these components is included within 'Exhibit 15.3 Appendix 4E'.

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

/s/ Peter Rubinstein

Director
Melbourne
August 31, 2021

Item 6.C Board Practices

The Board of Directors

Under the Company's Constitution, its Board of Directors is required to comprise at least three Directors. As of the date of this Annual Report, our Board comprised four Directors.

The role of the Board includes:

- Reviewing and making recommendations in remuneration packages and policies applicable to directors, senior executives and consultants.
- Nomination of external auditors and reviewing the adequacy of external audit arrangements.
- Establishing the overall internal control framework over financial reporting, quality and integrity of personnel and investment appraisal. In establishing an appropriate framework, the board recognised that no cost-effective internal control systems will preclude all errors and irregularities.
- Establishing and maintaining appropriate ethical standards in dealings with business associates, suppliers, advisers and regulators, competitors, the community and other employees.
- Identifying areas of significant business risk and implementing corrective action as soon as practicable after a risk is identified.

(f) Nominating audit and remuneration committee members.

The Board meets to discuss business regularly throughout the year, with additional meetings being held when circumstances warrant. Included in the table below are details of the meetings of the Board and the sub-committees of the Board that were held during the 2021 financial year.

	Directors' meetings		Audit Committee meetings		Remuneration Committee meetings	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Dr. Lindsay Wakefield	10	10	10	10	3	3
Dr. Jerzy Muchnicki	10	10	9	10	2	1
Mr. Peter Rubinstein	10	10	10	10	3	3
Mr. Nicholas Burrows	10	10	10	10	3	3

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.C Board Practices (cont.)

Committees of the Board

The Board has established an Audit Committee which operates under a specific Charter approved by the Board. It is the Board’s responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the Audit Committee. The Audit Committee also provides the Board with assurance regarding the reliability of financial information for inclusion in the financial reports. As at date of this report, all of the members of the Audit Committee are independent Non-Executive Directors.

The Remuneration Committee is, amongst other things, responsible for determining and reviewing remuneration arrangements for the Directors, the Chief Executive Officer and the Senior Leadership Team. The Chairman of the Committee is an independent non-executive director.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration paid to Directors and Executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality Board and senior leadership team.

Committee membership

As at the date of this Report, the composition of these two Sub-Committees are:

Audit Committee:	Mr. Nicholas Burrows — Chairman of the Committee Mr. Peter Rubinstein Dr. Lindsay Wakefield
Remuneration Committee:	Dr. Lindsay Wakefield — Chairman of the Committee Mr. Peter Rubinstein Mr. Nicholas Burrows

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.C Board Practices (cont.)

Compliance with NASDAQ Rules

NASDAQ listing rules require that the Company disclose the home country practices that we will follow in lieu of compliance with NASDAQ corporate governance rules. The following describes the home country practices and the related NASDAQ rule:

Majority of Independent Directors: The Company follows home country practice rather than NASDAQ’s requirement in Marketplace Rule 4350(c) (1) that the majority of the Board of each issuer be comprised of independent directors as defined in Marketplace Rule 4200. As of the date of this Annual Report, with there were three independent Directors namely Mr. Nick Burrows, Mr. Peter Rubinstein and Dr. Lindsay Wakefield which led to our Board of Directors being comprised of a majority of independent directors.

Compensation of Officers: The Company follows home country practice rather than NASDAQ’s requirement in Marketplace Rule 4350(c) (3) that chief executive compensation be determined or recommended to the Board by the majority of independent directors or a compensation committee of independent directors. Similarly, compensation of other officers is not determined or recommended to the Board by a majority of the independent directors or a compensation committee comprised solely of independent directors. These decisions are made by the Company’s remuneration committee.

Nomination: The Company follow home country practice rather than NASDAQ’s requirement in Marketplace Rule 4350(c)(4) that director nominees be selected or recommended by a majority of the independent directors or by a nominations committee comprised of independent directors. These decisions are made by the Company’s full Board which is comprised of a majority of independent directors which constitute Mr. Nick Burrows, Mr. Peter Rubinstein and Dr. Lindsay Wakefield.

The ASX does not have a requirement that each listed issuer have a nominations committee or otherwise follow the procedures embodied in NASDAQ’s Marketplace Rule. Furthermore, no law, rule or regulation of the ASIC has such a requirement nor does the applicable corporate law legislation. Accordingly, selections or recommendations of director nominees by a committee that is not comprised of a majority of directors that are not independent is not prohibited by the laws of Australia.

Quorum: The Company follows home country practice rather than NASDAQ’s requirement in Marketplace Rule 4350(f) that each issuer provides for a quorum of at least 33 1/3 percent of the outstanding shares of the issuer’s ordinary stock (voting stock). Pursuant to the Company’s Constitution it is currently required to have a quorum for a general meeting of three persons. The practice followed by the Company is not prohibited by Australian law.

Shareholder Approval for Capital Issuance: The Company has elected to follow certain home country practices in lieu of NASDAQ Marketplace Rule 5635. For example, the Company is entitled to an annual 15% of capital placement capacity under ASX Listing Rule 7.1 without shareholder approval. If this amount of annual entitlement is aggregated with an additional placement of Ordinary Shares, including through the grant of options over Ordinary Shares, that exceeds 20% of the outstanding share capital, only the excess over the 15% annual allowance requires shareholder approval under Australian law. Such home country practice is not prohibited by the laws of Australia.

Item 6.D Employees

As of the date of this Annual Report, the Company comprising the Company and its subsidiaries, employed 18 full-time equivalent employees. The number of full-time equivalent employees as of the end of each respective financial year ended June 30 are as follows:

2021	18
2020	13
2019	13

Item 6. Directors, Senior Management and Employees (cont.)

Item 6.E Share Ownership

The relevant interest of the directors in the share capital of the Company as notified by them to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001* as of the date of this Annual Report is as follows:

Director	Ordinary shares	Percentage of Capital held
Dr. Lindsay Wakefield	9,418,104	0.10%
Dr. Jerzy Muchnicki	263,085,885	2.85%
Mr. Peter Rubinstein	308,132,009	3.34%
Mr. Nicholas Burrows	1,670,000	0.02%

Item 7. Major Shareholders and Related Party Transactions

Item 7.A Major Shareholders

As at the date of this Annual Report, no shareholders hold a beneficial ownership of 5% or more of our voting securities.

The number of Ordinary Shares on issue in Genetic Technologies as of the date of this Annual Report was 9,226,090,143. The number of holders of Ordinary Shares in Genetic Technologies as of the date of this Annual Report was approximately 4,724 (July 22, 2021).

The Company is not aware of any direct or indirect ownership or control of it by another corporation(s), by any foreign government or by any other natural or legal person(s) severally or jointly. Principal shareholders do not enjoy any special or different voting rights from those to which other holders of Ordinary Shares are entitled. The Company does not know of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

Record Holders

As of July 22, 2021, there were 4,724 holders of record of our ordinary shares, of which 40 record holders, holding approximately 0.85% of our ordinary shares, had registered addresses in the United States. These numbers are not representative of the number of beneficial holders of our shares nor are they representative of where such beneficial holders reside, since many of these ordinary shares were held of record by brokers or other nominees. The majority of trading by our U.S. investors is done by means of ADSs that are held of record by HSBC Custody Nominees (Australia) Ltd., which held 74.49% of our ordinary shares as of such date.

Item 7.B Related Party Transactions

During the year ended June 30, 2021, the only transactions between entities within the Company and other related parties occurred, are as listed below. Except where noted, all amounts were charged on similar to market terms and at commercial rates.

Transactions within the Company and with other related parties

During the year ended June 30, 2021, other than compensation paid to directors and other members of key management personnel, see “Item 6.B Compensation”, the only transactions between entities within the Company and other related parties are as listed below. Except where noted, all amounts were charged on similar to market terms and at commercial rates.

Item 7. Major Shareholders and Related Party Transactions (Cont.)

Item 7.B Related Party Transactions (Cont.)

Blockchain Global Limited

As announced by the Company on February 15, 2018, a non-binding terms sheet with Blockchain Global Limited (BCG) was entered to provide a framework for continuing discussions between the two companies, with the proposed transaction being subject to shareholder approval (by non-associated Shareholders); and as announced by the Company on August 2, 2018, a framework agreement with BCG was entered formalising the non-binding terms sheet and providing a framework for a strategic alliance between the Company and BCG, with the agreement became binding on November 29, 2018 upon receiving the requisite shareholder approval. The agreement proposed the issue of 486 million shares to BCG in 3 tranches subject to the achievement of certain milestones. No shares have been issued under the framework agreements and no milestones have been achieved. Any rights to the 486 million milestone shares lapsed between December 27, 2019 and June 27, 2020.

The Company has accounted for these share issuances in accordance with its accounting policy for share-based payment transactions and has not recorded any associated expense in the current year given performance conditions have not been met and are not currently considering any Blockchain related projects.

A number of Directors of the Company presently or previously have had involvement with BCG. Mr. Xue Lee has a direct and indirect equity interest and was a CEO and managing director of BCG. Mr. Peter Rubinstein held a minority shareholding in the Company and was also a director in BCG. Dr. Jerzy Muchnicki has a direct and indirect interest in BCG. Dr. Paul Kasian was previously a director of BCG until July 2018.

Item 7. Major Shareholders and Related Party Transactions (Cont.)

Item 7.B Related Party Transactions (Cont.)

Performance Rights Issuance

After receiving requisite shareholder approval on November 29, 2018, the Company has issued 76,250,000 performance rights to Directors of the Company as follows:

- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Paul Kasian
- 3,750,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 6,250,000 Class A Performance Rights to Dr. Jerzy Muchnicki
- 5,000,000 Class A Performance Rights to Mr. Peter Rubinstein
- 3,750,000 Class A Performance Rights to Mr. Xue Lee

In the year ended June 30, 2020, all Performance Rights previously issued to Dr. Paul Kasian and Mr. Xue Lee were forfeited. After receiving another requisite shareholder approval on December 10, 2020, the Company issued additional 125,000,000 Performance Rights to Directors of the Company as follows:

- 5,000,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Jerzy Muchnicki
- 7,500,00 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Mr. Peter Rubinstein
- 5,000,000 Class A Performance Rights to Mr. Nicholas Burrows

During the year, the Board has approved for the following Performance Rights to be issued to the Chief Executive Officer and Chief Operating Officer:

- 60,000,000 Class D Performance Rights to Mr. Simon Morris
- 3,937,500 Class E Performance Rights to Mr. Stanley Sack

The Company has accounted for these Performance Rights in accordance with its accounting policy for share-based payment transactions and has recorded A\$622,725 of associated expense in the current reporting period.

Item 7. Major Shareholders and Related Party Transactions (Cont.)

Item 7.B Related Party Transactions (Cont.)

Blockshine Health Joint Venture

The Company, via its subsidiary Gene Ventures Pty Ltd, entered into a joint venture with Blockshine Technology Corporation (BTC). The joint venture company, called Blockshine Health, was to pursue and develop blockchain opportunities in the biomedical sector. Blockshine Health was to have full access to BTC’s technology (royalty free) as well as all of its opportunities in the biomedical sector. The Company invested \$250,000 into the joint venture in the year ended June 30, 2019 and held 49% equity stake. The Joint Venture agreement was subsequently cancelled and the investment of \$250,000 was impaired in the year ended June 30, 2019.

During the year ended June 30, 2020, the Company managed to transfer \$43,380 back to its account from Blockshine Health and as a result partially recovered its investment in Blockshine Health, its joint venture investment, which was previously fully impaired in the year ended June 30, 2019.

Genetic Technologies HK Limited and Aocheng Genetic Technologies Co. Ltd - Joint Venture

In August 2018, the Company announced a Heads of Agreement had been reached with Representatives of the Hainan Government - Hainan Ecological Smart City Company (“HESCG”), a Chinese industrial park development & operations company have formally invited Genetic Technologies Limited (“GTG”) to visit the Hainan Medical Pilot Zone to conduct a formal review and discuss opportunities for market entry into China via the Hainan Free Trade Zone initiative. The invitation was extended to GTG via Beijing Zishan Health Consultancy Limited (“Zishan”), demonstrating the potential for growth presented by the proposed Joint Venture between the parties (as announced to the market on August 14, 2018).

Item 7. Major Shareholders and Related Party Transactions (Cont.)

Item 7.B Related Party Transactions (Cont.)

Subsequently, the Company announced the official formation of Genetic Technologies HK Limited and Aocheng Genetic Technologies Co. Ltd in Hong Kong to the market on March 27, 2019.

The Company's previous Chairman, Dr. Paul Kasian was named in the formation Heads of Agreement document to be the Chairman of the Joint Venture entity. At June 30, 2021, Genetic Technologies HK Limited has 100% ownership of Hainan Aocheng Genetic Technologies Co. Limited. At this time, no Directors fees or emoluments have been paid to Dr. Kasian, nor have agreements regarding fees been reached.

Issuance of options to directors towards sub-underwriting the capital raise

As announced on October 4, 2019, the Company undertook an underwritten non-renounceable pro-rata entitlement offer at an Issue Price of 0.4 cents per new share.

On October 11, 2019, the Company updated the market to advise that the offer was from that time agreed to be underwritten by Lodge Corporate Pty Ltd and that two of the Company's directors (Mr. Peter Rubinstein and Dr. Jerzy Muchnicki), had agreed to sub-underwrite the offer. Both directors, in conjunction with the underwriter Lodge Corporate Pty Ltd, subsequently agreed amongst themselves to alter the respective sub-underwritten amounts, but the total to be sub-written between them (A\$2 million) remained same, as did the total underwritten amount (of A\$4 million).

Accordingly, the underwritten offer subsequently was sub-underwritten by Peter Rubinstein and Dr. Jerzy Muchnicki (each as up to A\$1 million) in conjunction with a consortium of non-associated wholesale investors (also as sub-underwriters) who in aggregate equate to the underwritten amount of A\$4 million, each in accordance with the terms of their separate sub-underwriting agreements with Lodge Corporate Pty Ltd (each a Sub-Underwriting Agreement).

Dr. Muchnicki and Mr. Rubinstein reflecting the amount of their sub-writing commitment were to be granted on the same terms as all options to be granted to the relevant sub-underwriters. The number of options issued to both directors was calculated as 1 Option for every 2 Shares being sub-underwritten and were issued a total of 125,000,000 unlisted options to each of the directors.

As announced on October 11, 2019, within the rights issue offer document, upon exercise each such option converts into 1 fully paid share on terms consistent with the ASX Listing Rules; with a 3-year expiry date from grant and with an exercise price per underwriter and sub-underwriter option equal to the lower of:

- A\$0.008; and
- The implicit price per share at which any raise done by Aegis capital within 3 months from the Company's shareholder meeting.

but in any event with a floor exercise price equal to A\$0.004.

Item 7. Major Shareholders and Related Party Transactions (Cont.)

Item 7.B Related Party Transactions (Cont.)

Lodge Corporate

Dr. Kasian was a director of corporate finance and corporate advisor from December 2017 to February 2019 with Lodge Corporate. During the year ended, the Company engaged in corporate advisory services with Lodge Corporate and had transactions worth A\$154,224 which also included A\$88,000 that related to 2% of the underwriting of the capital raise during the year ended June 30, 2020. Additionally, during the year, On March 6, 2020 the Company issued 5,000,000 options to Lodge Corporate Pty Ltd valued at A\$29,340 which were in relation to capital raising costs.

Mr. Phillip Hains (Former Chief Financial Officer)

On July 15, 2019, the Company announced that it had appointed Mr. Phillip Hains (MBA, CA) as the Chief Financial Officer who has over 30 years of extensive experience in roles with a portfolio of ASX and NASDAQ listed companies and provides CFO services through his firm The CFO Solution. Prior to this point the Company had a similar arrangement with The CFO Solution, where it would engage and provide services of overall CFO, accounting and other finance related activities.

During the reporting period, the Company had transactions valued at A\$224,971 (2020: A\$527,724) with The CFO Solution towards provision of overall CFO, accounting and other finance related activities.

Mr. Stanley Sack (Chief Operating Officer)

On May 18, 2020, the Company appointed Mr. Stanley Sack who provides consulting in the capacity of Chief Operating Officer. Mr. Sack has spent 15 years in large listed entities in executive positions managing large business divisions. He has worked with a high net worth family managing all their operating businesses and private equity activities. Mr. Sack built an Allied Health Business in the aged care and community care space which became the biggest Mobile Allied Health Business in Australia, and was recently sold to a large medical insurance company.

During the reporting period, the Company had transactions valued at A\$157,609 (2020: A\$38,500) with Mr. Stanley Sack's entity Cobben Investments Pty Ltd towards provision of consulting services in relation to provision of duties related to Chief Operating Officer of the Company.

Mr. Peter Rubinstein (Non-Executive Director and Chairman)

During the financial year ended June 30, 2020, the Board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive Director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein's associate entity ValueAdmin.com Pty Ltd and amounted to A\$60,000 (2020: A\$35,000) that is included as part of the cash salary and fees in the remuneration report as at June 30, 2021.

There were no transactions with parties related to Key Management Personnel during the year other than that disclosed above.

Item 7.C Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

Item 8.A Consolidated Statements and Other Financial Information

The information included in Item 18 of this Annual Report is referred to and referenced into this Item 8.A.

Item 8. Financial Information (Cont.)

Item 8.A Consolidated Statements and Other Financial Information (Cont.)

Legal Proceedings

We are not currently a party to any material legal proceedings. From time to time, we may be a party to litigation or subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a significant effect on our financial position or profitability. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Dividends

Until our businesses are profitable beyond our expected research and development needs, our Directors are unlikely to be able to recommend that any dividend be paid to our shareholders. Our Directors will not resolve a formal dividend policy until we generate profits. Our current intention is to reinvest our income in the continued development and expansion of our businesses.

Item 8.B Significant Changes to Financial Information

There have been no significant changes in the operation or financial condition of the Company since June 30, 2021.

Item 9. The Offer and Listing

Item 9.A Offer and Listing Details

The Company’s Ordinary Shares have been listed on the Australian Securities Exchange (the “ASX”) since July 1987 and trade there under the symbol GTG. The Company’s securities are also listed on NASDAQ’s Capital Market (under the ticker GENE) in the form of American Depositary Shares, each of which represents 600 Ordinary Shares.

Item 9.B Plan of Distribution

Not applicable.

Item 9.C Markets

See “Item 9.A Offer and Listing Details.”

Item 9.D Selling Shareholders

Not applicable.

Item 9.E Dilution

Not applicable.

Item 9.F Expenses of the Issue

Not applicable.

Item 10. Additional Information

Item 10.A Share Capital

Not applicable.

Item 10.B Our Constitution

Our registration number is 009 212 328. Our Constitution has been posted on the Company’s website and has been filed with the SEC.

Purposes and Objects

Our Constitution does not specify any purposes or objects of the Company.

The Powers of the Directors

Under the provisions of our Constitution our Directors may exercise all of the powers of our company, other than those that are required by our Constitution or the Corporations Act of Australia to be exercised at a general meeting of shareholders. A director may participate in a meeting and vote on a proposal, arrangement or contract in which he or she is materially interested, so long as the director’s interest is declared in accordance with the Corporations Act. The authority of our directors to enter into borrowing arrangements on our behalf is not limited, except in the same manner as any other transaction by us.

Rights Attached to Our Ordinary Shares

The concept of authorised share capital no longer exists in Australia and as a result, our authorised share capital is unlimited. All our outstanding Ordinary Shares are validly issued, fully paid and non-assessable. The rights attached to our Ordinary Shares are as follows:

Dividend rights. If our board of directors recommends a dividend, registered holders of our Ordinary Shares may declare a dividend by ordinary resolution in a general meeting. The dividend, however, cannot exceed the amount recommended by our board of directors. Our board of directors may declare an interim dividend.

Voting rights. Holders of Ordinary Shares have one vote for each Ordinary Share held on all matters submitted to a vote of shareholders. Such voting rights may be affected by the grant of any special voting rights to the holders of a class of shares with preferential rights that may be authorised in the future.

The quorum required for an ordinary meeting of shareholders consists of at least two shareholders represented in person or by proxy who hold or represent, in the aggregate, at least one third of the voting rights of the issued share capital. A meeting adjourned for lack of a quorum generally is adjourned to the same day in the following week at the same time and place or any time and place as the directors designate in a notice to the shareholders. At the reconvened meeting, the required quorum consists of any two members present in person or by proxy.

An ordinary resolution, such as a resolution for the declaration of dividends, requires approval by the holders of a majority of the voting rights represented at the meeting, in person, by proxy or by written ballot and voting thereon. Under our Constitution, a special resolution, such as amending our Constitution, approving any change in capitalisation, winding-up, authorisation of a class of shares with special rights, or other changes as specified in our Constitution, requires approval of a special majority, representing the holders of no less than 75% of the voting rights represented at the meeting in person, by proxy or by written ballot, and voting thereon.

Item 10. Additional Information (Cont.)

Item 10.B Our Constitution (Cont.)

Pursuant to our Constitution, our directors are elected at our annual general meeting of shareholders by a vote of the holders of a majority of the voting power represented and voting at such meeting.

Rights in our profits. Our shareholders have the right to share in our profits distributed as a dividend and any other permitted distribution.

Rights in the event of liquidation. In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of Ordinary Shares in proportion to the nominal value of their holdings. This right may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorised in the future.

Changing Rights Attached to Shares

According to our Constitution, in order to change the rights attached to any class of shares, unless otherwise provided by the terms of the class, such change must be adopted by a general meeting of the shareholders and by a separate general meeting of the holders of the affected class with a majority of 75% of the voting power participating in such meeting.

Annual and Extraordinary Meetings

Our Board of Directors must convene an annual meeting of shareholders at least once every calendar year, within five months of our last fiscal year-end balance sheet date. Notice of at least 28 days prior to the date of the meeting is required. An extraordinary meeting may be convened by the board of directors, it decides or upon a demand of any directors, or of one or more shareholders holding in the aggregate at least five percent of our issued capital. An extraordinary meeting must be called not more than 21 days after the request is made. The meeting must be held not later than two months after the request is given.

Limitations on the Rights to Own Securities in Our Company

Neither our Constitution nor the laws of the Commonwealth of Australia restrict in any way the ownership or voting of our shares. However, acquisitions and proposed acquisitions of securities in Australian companies may be subject to review and approval by the Australian Federal Treasurer under the Takeovers Act as described under Item 10.D below.

Changes in Our Capital

Pursuant to the Listing Rules of the ASX, without shareholder approval, we may not issue more than 25% of our outstanding Ordinary Shares in any twelve month period other than by a pro rata rights offering or a share purchase plan offer (of shares with a value at the issue price of up to A\$30,000 per shareholder to a maximum of 30% of our outstanding shares) in each case to the then existing shareholders.

Item 10.C Material Contracts

During the prior period, the Company entered into agreement with Lodge Corporate, Aegis Capital Corporation and H.C. Wainwright & Co, to act as the placement agent to the offering made through which on multiple occasions the Company managed to raise a total of A\$ 15,709,559 before costs of the transactions (2020: A\$21,793,678). Towards the cost of the transactions, the Company issued the following securities:

- 250,000,000 unlisted options issued on October 30, 2019, exercisable at A\$0.008 each and expiring on October 29, 2022, amounting to A\$817,666. Each option is exercisable for one fully paid ordinary share.
- 125,000,000 unlisted options issued on December 20, 2019, exercisable at A\$0.008 each and expiring on December 20, 2022, amounting to A\$528,027. Each option is exercisable for one fully paid ordinary share.
- 125,000,000 unlisted options issued on December 20, 2019, exercisable at A\$0.008 each and expiring on December 20, 2022, amounting to A\$528,027. Each option is exercisable for one fully paid ordinary share.
- 166,066,050 warrants issued at no cash consideration on July 16, 2019, exercisable at US\$0.00533 each and expiring on July 16, 2024, amounting to A\$890,113. The warrants are exercisable for fully paid ordinary shares.
- 5,000,000 unlisted options issued to Lodge Corporate on March 6, 2020, exercisable at A\$0.008 each and expiring on March 6, 2023, amounting to A\$29,340. Each option is exercisable for one fully paid ordinary share.
- 40,114,200 warrants issued to H.C. Wainwright & Co. LLC on April 3, 2020, exercisable at US\$0.00365 each and expiring on April 1, 2025, amounting to A\$175,137. The warrants are exercisable for fully paid ordinary shares.
- 28,177,578 warrants issued to H.C. Wainwright & Co. LLC on April 22, 2020, exercisable at US\$0.00417 each and expiring on April 19, 2025, amounting to A\$149,693. The warrants are exercisable for fully paid ordinary shares.
- 156,000,000 warrants issued to H.C. Wainwright & Co. LLC on December 21, 2020 exercisable at US\$0.004166 expiring on December 21, 2025, amounting to A\$1,462,442. The warrants are exercisable for fully paid ordinary shares.
- 39,975,000 warrants issued to H.C. Wainwright & Co. LLC on December 21, 2020, exercisable at US\$0.0104 expiring on December 21, 2025, amounting to A\$360,017. The warrants are exercisable for fully paid ordinary shares.
- 48,750,000 warrants to be issued to H.C. Wainwright & Co. LLC, subject to shareholder approval, exercisable at US\$0.00109375 expiring 5 years after date of issue, amounting to A\$476,297. The warrants are exercisable for fully paid ordinary shares.

On August 8, 2018, the Company executed an Equity Placement Facility with Kentgrove Capital Pty Ltd. Under the Facility, Kentgrove Capital may provide the Company with up to A\$20 million of equity capital in a series of individual placements of up to A\$1 million (or a higher amount by mutual agreement) until April 7, 2020. The Company raised A\$1.6 million during 2018 and 2019 and has approximately A\$400,000 of remaining availability thereunder. This agreement expired on April 7, 2020.

There were no other material contracts entered into during the two years preceding the date of this Annual Report which were outside the ordinary course of business.

Item 10. Additional Information (Cont.)

Item 10.D Exchange Controls

Under existing Australian legislation, the Reserve Bank of Australia does not inhibit the import and export of funds, and, generally, no permission is required to be given to the Company for the movement of funds in and out of Australia. However, payments to or from (or relating to) Iraq, its agencies or nationals, the government or a public authority of Libya, or certain Libyan undertakings, the authorities in the Federal Republic of Yugoslavia (Serbia and Montenegro) or their agencies, the Taliban (also referred to as the Islamic Emirate of Afghanistan), or the National Union for the Total Independence of Angola (also known as UNITA), its senior officials or the adult members of their immediate families, may not be made without the specific approval of the Reserve Bank of Australia.

Accordingly, at the present time, remittances of any dividends, interest or other payment by the Company to non-resident holders of our securities in the U.S. are not, subject to the above, restricted by exchange controls or other limitations.

Takeovers Act

There are no limitations, either under the laws of Australia or under the Company's Constitution, to the right of non-residents to hold or vote our Technologies Ordinary Shares other than the Commonwealth Foreign Acquisitions and Takeovers Act 1975 (the "Takeovers Act"). The Takeovers Act may affect the right of non-Australian residents, including U.S. residents, to hold Ordinary Shares but does not affect the right to vote, or any other rights associated with, any Ordinary Shares held in compliance with its provisions. Acquisitions of shares in Australian companies by foreign interests are subject to review and approval by the Treasurer of the Commonwealth of Australia under the Takeovers Act. The Takeovers Act applies to any acquisition of outstanding shares of an Australian company that exceeds, or results in a foreign person or persons controlling the voting power of more than a certain percentage of those shares. The thresholds are 15% where the shares are acquired by a foreign person, or Company of associated foreign persons, or 40% in aggregate in the case of foreign persons who are not associated. Any proposed acquisition that would result in an individual foreign person (with associates) holding more than 15% must be notified to the Treasurer in advance of the acquisition. There are statutory limitations in Australia on foreign ownership of certain businesses, such as banks and airlines, not relevant to the Company. However, there are no other statutory or regulatory provisions of Australian law or Australian Securities Exchange requirements that restrict foreign ownership or control of the Company.

Corporations Act 2001

As applied to the Company, the *Corporations Act 2001* (the "*Corporations Act 2001*") prohibits any legal person (including a corporation) from acquiring a relevant interest in Ordinary Shares if after the acquisition that person or any other person's voting power in the Company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

This prohibition is subject to a number of specific exceptions set out in section 611 of the *Corporations Act 2001* which must be strictly complied with to be applicable.

In general terms, a person is considered to have a "relevant interest" in a share in the Company if that person is the holder of that share, has the power to exercise, or control the exercise of, a right to vote attached to that share, or has the power to dispose of, or to control the exercise of a power to dispose of that share.

It does not matter how remote the relevant interest is or how it arises. The concepts of "power" and "control" are given wide and extended meanings in this context in order to deem certain persons to hold a relevant interest. For example, each person who has voting power above 20% in a company or a managed investment scheme which in turn holds shares in the Company is deemed to have a relevant interest in those shares. Certain situations (set out in section 609 of the *Corporations Act 2001*) which would otherwise constitute the holding of a relevant interest are excluded from the definition.

A person's voting power in the Company is that percentage of the total votes attached to Ordinary Shares in which that person and its associates (as defined in the *Corporations Act 2001*) holds a relevant interest.

Item 10. Additional Information (Cont.)

Item 10.E Taxation

This summary of material tax consequences is based on the tax laws of the United States (including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions) and on the Australian tax law and practice as in effect on the date hereof. In addition, this summary is based on the income tax convention between the United States and Australia (the “Treaty”). The foregoing laws and legal authorities as well as the Treaty are subject to change (or changes in interpretation), possibly with retroactive effect. Finally, this summary is based in part upon the representations of our ADR Depositary and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

The discussion does not address any aspects of U.S. taxation other than federal income taxation or any aspects of Australian taxation other than federal income taxation, stamp duty and goods and services tax. This discussion does not necessarily address all aspects of U.S. or Australian federal tax considerations that may be important to particular investors in light of their individual investment circumstances or investors subject to special tax regimes, like broker-dealers, insurance companies, banks or other financial institutions, tax-exempt organisations, regulated investment companies, real estate investment trusts or financial asset securitisation investment trusts, persons who actually or constructively own 10% or more of our ADRs or Ordinary Shares, persons who hold ADRs or Ordinary Shares as part of a straddle, hedge, conversion or constructive sale transaction or other integrated transaction, persons who have elected mark-to-market accounting, U.S. holders whose functional currency is not the U.S. dollar, U.S. expatriates, investors liable for the alternative minimum tax, partnerships and other pass-through entities, or persons who acquired their ADRs or Ordinary Shares through the exercise of options or similar derivative securities or otherwise as compensation.

Prospective investors are urged to consult their tax advisers regarding the U.S. and Australian federal, state and local tax consequences and any other tax consequences of owning and disposing of ADRs and shares.

Australian Tax Consequences

In this section, we discuss Australian tax considerations that apply to non-Australian tax residents who are residents of the United States with respect to the ownership and disposal by the absolute beneficial owners of ADRs. This summary does not discuss any foreign or state tax considerations, other than stamp duty.

Nature of ADRs for Australian Taxation Purposes

ADRs held by a U.S. holder will be treated for Australian taxation purposes as being held under a “bare trust” for that holder. Consequently, the underlying Ordinary Shares will be regarded as owned by the ADR holder for Australian income tax and capital gains tax purposes. Dividends paid on the underlying Ordinary Shares will also be treated as dividends paid to the ADR holder, as the person beneficially entitled to those dividends. Therefore, in the following analysis, we discuss the tax consequences to non-Australian resident holders of Ordinary Shares which, for Australian taxation purposes, will be the same as to U.S. holders of ADRs.

Taxation of Dividends

Australia operates a dividend imputation system under which dividends may be declared to be “franked” to the extent of tax paid on company profits. Fully franked dividends are not subject to dividend withholding tax. Dividends payable by our company to non-Australian resident stockholders will be subject to dividend withholding tax, to the extent the dividends are unfranked. Dividend withholding tax will be imposed at 30%, unless a stockholder is a resident of a country with which Australia has a double taxation agreement. Under the provisions of the Treaty, the Australian tax withheld on unfranked dividends paid by us to which a resident of the United States is beneficially entitled is generally limited to 15% if the U.S. resident holds less than 10% of the voting rights of our company, unless the shares are effectively connected to a permanent establishment or fixed base in Australia through which the stockholder carries on business or provides independent personal services, respectively. Where a U.S. corporate resident holds 10% or more of the voting rights of our company, the withholding tax rate is reduced to 5%.

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

Tax on Sales or other Dispositions of Shares - Capital Gains Tax

Non-Australian resident stockholders who hold their shares in us on capital account will not be subject to Australian capital gains tax on any gain made on a sale or other disposal of our shares, unless they hold 10% or more of our issued capital and the Company holds real property situated in Australia, the market value of which is 50% or more of the market value of the Company. The Australian Taxation Office maintains the view that the Treaty does not limit Australian capital gains tax. Australian capital gains tax applies to net capital gains charged at a taxpayer’s marginal tax rate but, for certain stockholders, a discount of the capital gain may apply if the shares have been held for 12 months or more. For individuals, this discount is 50%. For superannuation funds, the discount is 33%. There is no discount for a company that derives a net capital gain. Net capital gains are calculated after deducting capital losses, which may only be offset against such gains.

Tax on Sales or other Dispositions of Shares - Stockholders Holding Shares on Revenue Account

Some non-Australian resident stockholders may hold shares on revenue rather than on capital account, for example, share traders. These stockholders may have the gains made on the sale or other disposal of the shares included in their assessable income under the ordinary income provisions of the income tax law, if the gains are sourced in Australia. Non-Australian resident stockholders assessable under these ordinary income provisions in respect of gains made on shares held on revenue account would be assessed for those gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 32.5%. Some relief from the Australian income tax may be available to non-Australian resident stockholders under the Treaty, for example, because the stockholder derives business profits not through a permanent establishment in Australia. To the extent an amount would be included in a non-Australian resident stockholder’s assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount would generally be reduced, so that the stockholder would not be subject to double tax on any part of the income gain or capital gain.

Dual Residency

If a stockholder were a resident of both Australia and the United States under the respective domestic taxation laws of those countries, that stockholder may be subject to tax as an Australian resident. If, however, the stockholder is determined to be a U.S. resident for the purposes of the Treaty, the Australian tax would be subject to limitation by the Treaty. Stockholders should obtain specialist taxation advice in these circumstances.

Stamp Duty

Any transfer of shares through trading on the Australian Securities Exchange, whether by Australian residents or foreign residents, is not subject to stamp duty within Australia.

Australian Death Duty

Australia does not have estate or death duties. Further, no capital gains tax liability is realised upon the inheritance of a deceased person’s shares. However, the subsequent disposal of the shares by beneficiaries may give rise to a capital gains tax liability.

Goods and Services Tax

The issue or transfer of shares will not incur Australian goods and services tax and does not require a stockholder to register for Australian goods and services tax purposes.

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

United States Federal Income Taxation

As used below, a “U.S. holder” is a beneficial owner of an ADR that is, for U.S. federal income tax purposes, (i) a citizen or resident alien individual of the United States, (ii) a corporation (or an entity treated as a corporation) created or organised under the law of the United States, any State thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person. For purposes of this discussion, a “non-U.S. holder” is a beneficial owner of an ADR that is (i) a nonresident alien individual, (ii) a corporation (or an entity treated as a corporation) created or organised in or under the law of a country other than the United States or a political subdivision thereof or (iii) an estate or trust that is not a U.S. Holder. If a partnership (including for this purpose any entity treated as a partnership for U.S. federal tax purposes) is a beneficial owner of an ADR, the U.S. federal tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of an ADR that is a partnership and partners in that partnership should consult their own tax advisers regarding the U.S. federal income tax consequences of holding and disposing of ADRs. We have not sought a ruling from the Internal Revenue Service (“IRS”) or an opinion of counsel as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court.

GIVEN THE COMPLEXITY OF THE TAX LAWS AND BECAUSE THE TAX CONSEQUENCES TO ANY PARTICULAR INVESTOR MAY BE AFFECTED BY MATTERS NOT DISCUSSED HEREIN, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF ADRs, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL TAX LAWS.

Nature of ADRs for U.S. Federal Income Tax Purposes

In general, for U.S. federal income tax purposes, a holder of an ADR will be treated as the owner of the underlying shares. Accordingly, except as specifically noted below, the tax consequences discussed below with respect to ADRs will be the same as for shares in the Company, and exchanges of shares for ADRs, and ADRs for shares, generally will not be subject to U.S. federal income tax.

Taxation of Dividends

U.S. Holders. In general, subject to the passive foreign investment company rules discussed below, a distribution on an ADR will constitute a dividend for U.S. federal income tax purposes to the extent that it is made from our current or accumulated earnings and profits as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, it is generally treated as a non-taxable reduction of basis to the extent of the U.S. holder’s tax basis in the ADR on which it is paid, and to the extent it exceeds that basis it will be treated as capital gain. For purposes of this discussion, the term “dividend” means a distribution that constitutes a dividend for U.S. federal income tax purposes. The Company has not maintained and does not plan to maintain calculations of earnings and profits under U.S. federal income tax principles. Accordingly, it is unlikely that U.S. Holders will be able to establish that a distribution by the Company is in excess of its current and accumulated earnings and profits (as computed under U.S. federal income tax principles). Therefore, a U.S. Holder should expect that a distribution by the Company will generally be treated as taxable in its entirety as a dividend to U.S. Holders for U.S. federal income tax purposes even though the distribution may be treated in whole or in part as a non-taxable distribution for Australian tax purposes.

The gross amount of any dividend on an ADR (which will include the amount of any Australian taxes withheld) generally will be subject to U.S. federal income tax as foreign source dividend income, and will not be eligible for the corporate dividends received deduction. The amount of a dividend paid in Australian dollars will be its value in U.S. dollars based on the prevailing spot market exchange rate in effect on the day the U.S. holder receives the dividend or, in the case of a dividend received in respect of an ADR, on the date the Depositary receives it, whether or not the dividend is converted into U.S. dollars. A U.S. holder will have a tax basis in any distributed Australian dollars equal to its U.S. dollar amount on the date of receipt, and any gain or loss realised on a subsequent conversion or other disposition of Australian dollars generally will be treated as U.S. source ordinary income or loss. If dividends paid in Australian dollars are converted into U.S. dollars on the date they are received by a U.S. holder, the U.S. holder generally should not be required to recognise foreign currency gain or loss in respect of the dividend income

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

Subject to certain exceptions for short-term and hedged positions, a dividend that a non-corporate holder receives on an ADR will be subject to a maximum federal income tax rate of 20% if the dividend is a “qualified dividend”. A dividend on an ADR will be a qualified dividend if (i) either (a) the ADRs are readily tradable on an established market in the United States or (b) we are eligible for the benefits of a comprehensive income tax treaty with the United States that the Secretary of the Treasury determines is satisfactory for purposes of these rules and that includes an exchange of information program, and (ii) we were not, in the year prior to the year the dividend was paid, and are not, in the year the dividend is paid, a passive foreign investment company (“PFIC”). The ADRs are listed on the NASDAQ Capital Market, which should qualify them as readily tradable on an established securities market in the United States. In any event, the Treaty satisfies the requirements of clause (i) (b), and we are a resident of Australia entitled to the benefits of the Treaty. However, based on our audited financial statements and relevant market and shareholder data, we believe we were a PFIC for U.S. federal income tax purposes for our taxable years ended June 30, 2018 and June 30, 2020, and expect to be classified as a PFIC in the current taxable year. Given that the determination of PFIC status involves the application of complex tax rules, and that it is based on the nature of our income and assets from time to time, no assurances can be provided that we will or will not be considered a PFIC for any past or future taxable years. In addition, as described in the section below entitled “Passive Foreign Investment Company Rules,” if we were a PFIC in a year while a U.S. holder held an ADR, and if the U.S. holder has not made a qualified electing fund election effective for the first year the U.S. holder held the ADR, the Ordinary Share underlying the ADR remains an interest in a PFIC for all future years or until such an election is made. The IRS takes the position that such rule will apply for purposes of determining whether an ADR is an interest in a PFIC in the year a dividend is paid or in the prior year, even if we do not satisfy the tests to be a PFIC in either of those years. Even if dividends on the ADRs would otherwise be eligible for qualified dividend treatment, in order to qualify for the reduced qualified dividend tax rates, a non-corporate holder must hold the Ordinary Share on which a dividend is paid for more than 60 days during the 120-day period beginning 60 days before the ex-dividend date, disregarding for this purpose any period during which the non-corporate holder has an option to sell, is under a contractual obligation to sell or has made (and not closed) a short sale of substantially identical stock or securities, is the grantor of an option to buy substantially identical stock or securities or, pursuant to Treasury regulations, has diminished such holder’s risk of loss by holding one or more other positions with respect to substantially similar or related property. In addition, to qualify for the reduced qualified dividend tax rates, the non-corporate holder must not be obligated to make related payments with respect to positions in substantially similar or related property. Payments in lieu of dividends from short sales or other similar transactions will not qualify for the reduced qualified dividend tax rates.

A non-corporate holder that receives an extraordinary dividend eligible for the reduced qualified dividend rates must treat any loss on the sale of the stock as a long-term capital loss to the extent of the dividend. For purposes of determining the amount of a non-corporate holder’s deductible investment interest expense, a dividend is treated as investment income only if the non-corporate holder elects to treat the dividend as not eligible for the reduced qualified dividend tax rates. Special limitations on foreign tax credits with respect to dividends subject to the reduced qualified dividend tax rates apply to reflect the reduced rates of tax.

The U.S. Treasury has announced its intention to promulgate rules pursuant to which non-corporate holders of stock of non-U.S. corporations, and intermediaries through whom the stock is held, will be permitted to rely on certifications from issuers to establish that dividends are treated as qualified dividends. Because those procedures have not yet been issued, it is not clear whether we will be able to comply with them.

Non-corporate holders of Ordinary Shares are urged to consult their own tax advisers regarding the availability of the reduced qualified dividend tax rates with respect to dividends received on the ADRs in the light of their own particular circumstances.

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

Any Australian withholding tax imposed on dividends received with respect to the ADRs will be treated as a foreign income tax eligible for credit against a U.S. holder's U.S. federal income tax liability, subject to generally applicable limitations under U.S. federal income tax law. For purposes of computing those limitations separately under current law for specific categories of income, a dividend generally will constitute foreign source "passive category income" or, in the case of certain holders, "general category income." A U.S. holder will be denied a foreign tax credit with respect to Australian income tax withheld from dividends received with respect to the ADRs to the extent the U.S. holder has not held the ADRs for at least 16 days of the 30-day period beginning on the date which is 15 days before the ex-dividend date or to the extent the U.S. holder is under an obligation to make related payments with respect to substantially similar or related property. Any days during which a U.S. holder has substantially diminished its risk of loss on the ADRs are not counted toward meeting the 16-day holding period required by the statute. The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult with their own tax advisers to determine whether and to what extent they will be entitled to foreign tax credits as well as with respect to the determination of the foreign tax credit limitation. Alternatively, any Australian withholding tax may be taken as a deduction against taxable income, provided the U.S. holder takes a deduction and not a credit for all foreign income taxes paid or accrued in the same taxable year. In general, special rules will apply to the calculation of foreign tax credits in respect of dividend income that is subject to preferential rates of U.S. federal income tax.

Non-U.S. holders. A dividend paid to a non-U.S. holder of an ADR will not be subject to U.S. federal income tax unless the dividend is effectively connected with the conduct of trade or business by the non-U.S. holder within the United States (and is attributable to a permanent establishment or fixed base the non-U.S. holder maintains in the United States if an applicable income tax treaty so requires as a condition for the non-U.S. holder to be subject to U.S. taxation on a net income basis on income from the ADR). A non-U.S. holder generally will be subject to tax on an effectively connected dividend in the same manner as a U.S. holder. A corporate non-U.S. holder under certain circumstances may also be subject to an additional "branch profits tax," the rate of which may be reduced pursuant to an applicable income tax treaty.

Taxation of Capital Gains

U.S. Holders. Subject to the passive foreign investment company rules discussed below, on a sale or other taxable disposition of an ADR, a U.S. holder will recognise capital gain or loss in an amount equal to the difference between the U.S. holder's adjusted basis in the ADR and the amount realised on the sale or other disposition, each determined in U.S. dollars. Such capital gain or loss will be long-term capital gain or loss if at the time of the sale or other taxable disposition the ADR has been held for more than one year. In general, any adjusted net capital gain of an individual is subject to a maximum federal income tax rate of 20%. Capital gains recognised by corporate U.S. holders generally are subject to U.S. federal income tax at the same rate as ordinary income. The deductibility of capital losses is subject to limitations. Any gain a U.S. holder recognises generally will be U.S. source income for U.S. foreign tax credit purposes, and, subject to certain exceptions, any loss will generally be a U.S. source loss. If an Australian tax is paid on a sale or other disposition of an ADR, the amount realised will include the gross amount of the proceeds of that sale or disposition before deduction of the Australian tax.

The generally applicable limitations under U.S. federal income tax law on crediting foreign income taxes may preclude a U.S. holder from obtaining a foreign tax credit for any Australian tax paid on a sale or other disposition of an ADR. The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult with their own tax advisers regarding the application of such rules. Alternatively, any Australian tax paid on the sale or other disposition of an ADR may be taken as a deduction against taxable income, provided the U.S. holder takes a deduction and not a credit for all foreign income taxes paid or accrued in the same taxable year.

Non-U.S. Holders. A non-U.S. holder will not be subject to U.S. federal income tax on gain recognised on a sale or other disposition of an ADR unless (i) the gain is effectively connected with the conduct of trade or business by the non-U.S. holder within the United States (and is attributable to a permanent establishment or fixed base the non-U.S. holder maintains in the United States if an applicable income tax treaty so requires as a condition for the non-U.S. holder to be subject to U.S. taxation on a net income basis on income from the ADR), or (ii) in the case of a non-U.S. holder who is an individual, the holder is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions apply. Any effectively connected gain of a corporate non-U.S. holder may also be subject under certain circumstances to an additional "branch profits tax," the rate of which may be reduced pursuant to an applicable income tax treaty.

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

Passive Foreign Investment Company Rules

A special set of U.S. federal income tax rules applies to a foreign corporation that is a PFIC for U.S. federal income tax purposes. As noted above, based on our audited financial statements and relevant market and shareholder data, we believe that we were a PFIC for U.S. federal income tax purposes for our taxable years ended June 30, 2018 and June 30, 2020, and expect to be classified as a PFIC in our current taxable year. In addition, given that the determination of PFIC status involves the application of complex tax rules, and that it is based on the nature of our income and assets from time to time, no assurances can be provided that we will or will not be considered a PFIC for any past or future taxable years.

In general, a foreign corporation is a PFIC if at least 75% of its gross income for the taxable year is passive income or if at least 50% of its assets for the taxable year produce passive income or are held for the production of passive income. In general, passive income for this purpose means, with certain designated exceptions, dividends, interest, rents, royalties (other than certain rents and royalties derived in the active conduct of trade or business), annuities, net gains from dispositions of certain assets, net foreign currency gains, income equivalent to interest, income from notional principal contracts and payments in lieu of dividends. Passive assets are those assets that are held for production of passive income or do not produce income at all. Thus cash will be a passive asset. Interest, including interest on working capital, is treated as passive income for purposes of the income test. The determination of whether a foreign corporation is a PFIC is a factual determination made annually and is therefore subject to change. Subject to exceptions pursuant to certain elections that generally require the payment of tax, once stock in a foreign corporation is stock in a PFIC in the hands of a particular shareholder that is a United States person, it remains stock in a PFIC in the hands of that shareholder.

If we are treated as a PFIC, contrary to the tax consequences described in “U.S. Federal Income Tax Considerations—Taxation of Dividends” and “U.S. Federal Income Tax Considerations—Taxation of Capital Gains” above, a U.S. holder that does not make an election described in the succeeding two paragraphs would be subject to special rules with respect to (i) any gain realized on a sale or other disposition of an ADR (for purposes of these rules, a disposition of an ADR includes many transactions on which gain or loss is not realized under general U.S. federal income tax rules) and (ii) any “excess distribution” by the Company to the U.S. holder (generally, any distribution during a taxable year in which distributions to the U.S. holder on the ADR exceed 125% of the average annual taxable distributions (whether actual or constructive and whether or not out of earnings and profits) the U.S. holder received on the ADR during the preceding three taxable years or, if shorter, the U.S. holder’s holding period for the ADR). Under those rules, (i) the gain or excess distribution would be allocated ratably over the U.S. holder’s holding period for the ADR, (ii) the amount allocated to the taxable year in which the gain or excess distribution is realized would be taxable as ordinary income in its entirety and not as capital gain, would be ineligible for the reduced qualified dividend rates, and could not be offset by any deductions or losses, and (iii) the amount allocated to each prior year, with certain exceptions, would be subject to tax at the highest tax rate in effect for that year, and the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax attributable to each of those years. A U.S. holder who owns an ADR during any year we are a PFIC will generally have to file IRS Form 8621. A failure to file this return will suspend the statute of limitations with respect to any tax return, event, or period to which such report relates (potentially including with respect to items that do not relate to a U.S. Holder’s investment in the ADRs).

The special PFIC rules described above will not apply to a U.S. holder if the U.S. holder makes a timely election, which remains in effect, to treat the Company as a “qualified electing fund” (“QEF”) in the first taxable year in which the U.S. holder owns an ADR and the Company is a PFIC and if the Company complies with certain reporting requirements. Instead, a shareholder of a QEF generally is currently taxable on a pro rata share of the Company’s ordinary earnings and net capital gain as ordinary income and long-term capital gain, respectively. Neither that ordinary income nor any actual dividend from the Company would qualify for the 20% maximum tax rate on dividends described above if the Company is a PFIC in the taxable year the ordinary income is realized or the dividend is paid or in the preceding taxable year. We have not yet determined whether we would make the computations necessary to supply U.S. holders with the information needed to report income and gain pursuant to a QEF election. It is, therefore, possible that U.S. holders would not be able to make or retain a QEF election in any year we are a PFIC. Although a QEF election generally cannot be revoked, if a U.S. holder made a timely QEF election for the first taxable year it owned an ADR and the Company is a PFIC (or is treated as having done so pursuant to any of certain elections), the QEF election will not apply during any later taxable year in which the Company does not satisfy the tests to be a PFIC. If a QEF election is not made in that first taxable year, an election in a later year generally will require the payment of tax and interest.

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

In lieu of a QEF election, a U.S. holder of stock in a PFIC that is considered marketable stock could elect to mark the stock to market annually, recognising as ordinary income or loss each year an amount equal to the difference as of the close of the taxable year between the fair market value of the stock and the U.S. holder's adjusted basis in the stock. Losses would be allowed only to the extent of net mark-to-market gain previously included in income by the U.S. holder under the election for prior taxable years. A U.S. holder's adjusted basis in the ADRs will be adjusted to reflect the amounts included or deducted with respect to the mark-to-market election. If the mark-to-market election were made, the rules set forth in the second preceding paragraph would not apply for periods covered by the election. A mark-to-market election will not apply during any later taxable year in which the Company does not satisfy the tests to be a PFIC. In general, the ADRs will be marketable stock if the ADRs are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter on a national securities exchange that is registered with the SEC or on a designated national market system or on any exchange or market that the Treasury Department determines to have rules sufficient to ensure that the market price accurately represents the fair market value of the stock. Under current law, the mark-to-market election may be available to U.S. holders of ADRs because the ADRs are listed on the NASDAQ Capital Market, which constitutes a qualified exchange, although there can be no assurance that the ADRs will be "regularly traded" for purposes of the mark-to-market election or that the ADRs will continue to be listed on the NASDAQ Capital Market.

Given the complexities of the PFIC rules and their potentially adverse tax consequences, U.S. holders of ADRs are urged to consult their tax advisers about the PFIC rules, including the availability of, and consequences to them of making a QEF election or a mark-to-market election with respect to the Ordinary Shares in the event that the Company is classified as a PFIC for any taxable year.

Medicare Surtax on Net Investment Income

Non-corporate US Holders whose income exceeds certain thresholds generally will be subject to 3.8% surtax on their "Net Investment Income" (which generally includes, among other things, dividends on, and capital gain from the sale or other taxable disposition of, the ADRs). Absent an election to the contrary, if a QEF election is available and made, QEF inclusions will not be included in net investment income at the time a US Holder includes such amounts in income, but rather will be included at the time distributions are received or gains are recognised. Non-corporate US Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of the Common Shares, in particular the applicability of this surtax with respect to a non-corporate US Holder that makes a QEF or mark-to-market election in respect of their Common Shares.

Information Reporting and Backup Withholding

Dividends paid on, and proceeds from the sale or other disposition of, an ADR to a U.S. holder generally may be subject to information reporting requirements and may be subject to backup withholding unless the U.S. holder provides an accurate taxpayer identification number or otherwise establishes an exemption. The amount of any backup withholding collected from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle the U.S. holder to a refund, provided certain required information is furnished to the Internal Revenue Service. A non-U.S. holder generally will be exempt from these information reporting requirements and backup withholding tax but may be required to comply with certain certification and identification procedures in order to establish its eligibility for exemption.

Under U.S. federal income tax law and U.S. Treasury Regulations, certain categories of U.S. holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, all U.S. holders of PFIC stock are generally required to make annual return filings reporting their PFIC ownership and certain other information that the IRS may require. U.S. holders are urged to consult with their own tax advisors concerning such reporting requirements.

Reporting Obligations of Individual Owners of Foreign Financial Assets

Section 6038D of the Code generally requires U.S. individuals (and possibly certain entities that have U.S. individual owners) to file IRS Form 8938 if they hold certain "specified foreign financial assets," the aggregate value of which exceeds \$50,000. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-US. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity.

Item 10. Additional Information (Cont.)

Item 10.E Taxation (Cont.)

THE DISCUSSION ABOVE IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO AN INVESTMENT IN ADRs. HOLDERS AND POTENTIAL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS CONCERNING THE TAX CONSEQUENCES RELEVANT TO THEM IN THEIR PARTICULAR SITUATION.

Item 10.F Dividends and Paying Agents

No dividends have been paid by the Company or recommended by the directors since the end of the previous financial year.

Item 10.G Statement by Experts

Not applicable.

Item 10.H Documents on Display

The documents concerning the Company which are referred to in this Annual Report may be inspected at the offices of the Company at 60-66 Hanover Street, Fitzroy, Victoria 3065 Australia. As a “foreign private issuer” we are subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended, and, in accordance therewith, we are required to file reports, including annual reports on Form 20-F, and other information with the U.S. Securities and Exchange Commission in electronic form. Any filings we make electronically are available to the public over the Internet at the Commission’s website at <http://www.sec.gov>. We also maintain a website at www.gtglabs.com. Information on our website and websites linked to it do not constitute a part of this Annual Report.

Item 10.I Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Our market risk relates primarily to exposure to changes in foreign currency exchange rates and interest rates. Refer Note 28 of the attached financial statements for further analysis surrounding market risk.

Interest Rate Risk. As of June 30, 2021, we had A\$20,902,282 in cash and cash equivalents of which A\$12,959,979 was subject to interest rate risk. Interest income earned on the cash balances is affected by changes in the levels of market interest rates. We invest excess cash in interest-bearing, investment-grade securities and time deposits in high-quality institutions. We do not utilise derivative financial instruments, derivative commodity instruments, positions or transactions in any material matter.

Accordingly, we believe that, while the investment-grade securities and time-deposits we hold are subject to changes in financial standing of the issuer of such securities, the principal is not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive instruments. Since we hold cash and cash equivalents in Banks which are located outside Australia, we are subject to certain cross-border risks, though due to the size of the holdings these risks are not generally significant.

Item 11. Quantitative and Qualitative Disclosures about Market Risk (Cont.)

Foreign Currency Exchange Rate Risk. We operate in Australia with active operations in the U.S.A. and are accordingly subject to certain foreign currency exposure. This includes foreign-currency denominated receivables, payables, debt, and other balance sheet positions as well as future cash flows resulting from anticipated transactions including intra-company transactions. Historically, currency translation gains and losses have been reflected as adjustments to stockholders’ equity, while transaction gains and losses have been reflected as components of income and loss. Transaction gains and losses could be material depending upon changes in the exchange rates between the Australian dollar and the U.S. dollar. A significant amount of our current revenue is denominated in U.S. dollars which provides us with a limited natural hedge against exchange rate movements.

Item 12. Description of Securities Other Than Equity Securities

Item 12.A Debt Securities

Not applicable.

Item 12.B Warrants and Rights

Not applicable.

Item 12.C Other Securities

Not applicable

Item 12. Description of Securities Other Than Equity Securities (Cont.)

Item 12.D American Depositary Shares Fees and Charges Payable by ADS Holders

The table below summarises the fees and charges that a holder of our ADSs may have to pay, directly or indirectly, to our depositary, The Bank of New York Mellon, or BNYM, pursuant to the Deposit Agreement, which was filed as Exhibit 2.1 to our Registration Statement on Form F-6 filed with the SEC on January 14, 2002, and the types of services and the amount of the fees or charges paid for such services. The disclosure under this heading “Fees and Charges Payable by ADS Holders” is subject to and qualified in its entirety by reference to the full text of the Deposit Agreement. The holder of an ADS may have to pay the following fees and charges to BNYM in connection with ownership of the ADS:

Persons Depositing or Withdrawing Shares Must

Pay:	For:
• US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
• US\$0.02 (or less) per ADS	• Any cash distribution to you
• A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders
• US\$1.50 (or less) per ADR	• Transfers, combination and split-up of ADRs
• Expenses of the depositary	• Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) • Converting foreign currency to U.S. dollars

The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Item 15.A Disclosure controls and procedures

We maintain disclosure controls and procedures as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), as amended, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarised and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our Management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures or our internal control over financial reporting are designed and operated to be effective at the reasonable assurance level. However, our Management does not expect that our disclosure controls and procedures and our internal control over financial reporting will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Additionally, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected or that our control system will operate effectively under all circumstances. Moreover, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Our Management has carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of June 30, 2021. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2021 due to the remediation of material weaknesses in internal control over financial reporting identified as of June 30, 2020 described in Item 15.B below.

Item 15.B Management’s annual report on internal control over financial reporting

Our Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities Exchange Act of 1934 defines internal control over financial reporting in Rules 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, the Company’s Chief Executive Officer and Chief Financial Officer effected by the Company’s Board of Directors, Management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company’s assets that could have a material effect on the consolidated financial statements.

Item 15. Controls and Procedures (Cont.)

Item 15.B Management's annual report on internal control over financial reporting (Cont.)

Our Management, under the supervision and with participation of our Chief Executive Officer and Chief Financial Officer, has assessed the effectiveness of the Company's internal control over financial reporting as of June 30, 2021. In making this assessment, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in Internal Control-Integrated Framework (2013).

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual financial statements will not be prevented or detected on a timely basis.

As of June 30, 2020, we did not maintain an adequate segregation of duties with respect to internal control over financial reporting, specifically including the following:

- We had limited accounting personnel to enable controls to be designed and implemented which sufficiently and consistently evidence an independent review of complex financial reporting matters.

The control deficiencies were pervasive in nature and could impact all significant accounts and critical accounting estimates. The control deficiencies resulted in audit adjustments to the Company's consolidated financial statements for the year ended June 30, 2020. Additionally, these control deficiencies could result in misstatements of the Company's consolidated financial statements or disclosures that would result in a material misstatement of the annual consolidated financial statements that would not be prevented or detected. Accordingly, our Management determined that these control deficiencies constituted a material weakness as of June 30, 2020.

We implemented improved systems of internal control through increased segregation of duties within its financial accounting and reporting team by adding suitably professionally qualified resources and improving the management and oversight of its financial reporting systems. The Company also engaged an external professional firm to conduct independent reviews of our internal controls reporting to the Company's Audit Committee. This remediation of the material weakness described above has led our Management to conclude that, as of June 30, 2021, the Company did maintain effective internal control over financial reporting based on criteria in Internal Control - Integrated Framework (2013) issued by the COSO.

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only Management's report in this Annual Report.

Item 15.C Attestation report of the registered public accounting firm

Not applicable.

Item 15.D Changes in Internal Control over Financial Reporting

The remediation activities described below are changes in internal control over financial reporting during the year ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Remediation efforts

Segregation of duties. We are committed to continuously improving our internal control over financial reporting. We have remediated the material weakness that was identified as of June 30, 2020, by implementing the following:

- Completed migration of our accounting systems to a cloud-based system (XERO), which provides the accounting team and the CFO with a systematic process for preparing and reviewing the underlying journal entries, invoices, payments and reconciliations. Appropriate access rights are maintained within XERO to formally enforce segregation of duties within the accounting system.
- Continuous engagement with a professional service firm called The CFO Solution, who have standard internal review procedures to ensure quality of accounting data and review over complex financial reporting matters.
- Engaged independent specialists for more complex financial reporting matters when needed, such as valuation of warrants that have embedded derivatives.

Item 15. Controls and Procedures (Cont.)

Item 15.D Changes in Internal Control over Financial Reporting (Cont.)

- Established an internal control of a preparer of the accounting data and reviewer, through implementation of workpapers wherein the accounting data is prepared and reviewed on a monthly basis by segregated staff and signed off by The CFO Solution team.
- Engaged independent professional firm to assess and report on the effectiveness of internal controls to the Audit Committee

Although these measures have remediated the previously identified segregation of duties control deficiency, the Company will continue to assess the effectiveness of the design of the controls and implement additional internal controls procedures over financial reporting and test their operating effectiveness over a period of time.

Item 16.A Audit Committee Financial Expert

On September 2, 2019, the Company has appointed Mr. Nick Burrows to the Board as an independent Non-Executive Director. Mr. Burrows is a financial expert and hence the Company subsequently appointed Mr. Burrows as the Chairman of the Audit Committee replacing Mr. Peter Rubinstein, former Chairman of the Audit Committee.

Item 16.B Code of Ethics

We have adopted a Code of Ethics (styled “Code of Conduct”) that applies to all of our Directors and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller. The Code can be downloaded at our website (www.gtglabs.com). Additionally, any person, upon request, can ask for a hard copy or electronic file of the Code. If we make any substantive amendment to the Code or grant any waivers, including any implicit waiver, from a provision of the Code, we will disclose the nature of such amendment or waiver on our website. During the year ended June 30, 2021, no such amendment was made, or waiver granted.

Item 16.C Principal Accountant Fees and Services

The following table sets forth the fees billed to us by our Independent Registered Public Accounting Firms, Grant Thornton Audit Pty Ltd and PricewaterhouseCoopers, during the financial years ended June 30, 2021 and 2020, respectively:

	Consolidated	
	2021	2020
	\$	\$
Services rendered		
PricewaterhouseCoopers in respect of:		
Audit fees ⁽¹⁾	72,500	274,000
Audit-related fees ⁽²⁾	—	200,000
Tax fees ⁽³⁾	—	—
All other fees ⁽⁴⁾	—	—
Grant Thornton Audit Pty Ltd in respect of:		
Audit fees ⁽¹⁾	168,333	—
Audit-related fees ⁽²⁾	—	—
Tax fees ⁽³⁾	—	—
All other fees ⁽⁴⁾	65,000	—

⁽¹⁾ Audit fees consist of services that would normally be provided in connection with statutory and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide such as comfort letters.

⁽²⁾ Audit-related fees consist of fees billed for assurance and related services that generally only the statutory auditor could reasonably provide to a client. Included in the balance are amounts related to additional regulatory filings during the 2021 and 2020 financial year. All services provided are considered audit services for the purpose of SEC classification.

⁽³⁾ Tax fees include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax advice and tax planning.

⁽⁴⁾ All other fees consist of fees billed for financial and information technology due diligence services in respect of the Company’s acquisition of the business and assets associated with the EasyDNA brand that completed on August 13th, 2021

Audit Committee Pre-Approval Policies and Procedures

Our Board of Directors has established pre-approval and procedures for the engagement of its Independent Registered Public Accounting Firm for audit and non-audit services. The Board of Directors reviews the scope of the services to be provided, before their commencement, in order to ensure that there are no independence issues and the services are not prohibited services, as defined by the Sarbanes-Oxley Act of 2002. The Board of Directors has considered advice received from the audit committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of the non-audit services as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 because the services are not deemed to undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Item 16.D Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16.E Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16.F Change in Registrant’s Certifying Accountant

Not applicable.

Item 16.G Corporate Governance

Refer to Item 6C regarding the Company’s Corporate Governance practices and the key differences between the Listing Rules of the Australian Securities Exchange and NASDAQ’s Marketplace Rules as they apply to us.

Item 16.H Mine Safety Disclosure

Not applicable.

Item 16.I Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 17. Financial Statements

The Company has responded to Item 18 in lieu of responding to this Item.

Item 18. Financial Statements

The full text of the Company's audited financial statements for the fiscal years ended June 30, 2021 and 2020 begins on page F-1 of this Annual Report on Form 20-F.

Australian Disclosure Requirements

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and Notes set out on pages 86 to 150 are in accordance with the Corporations Act 2001, including:
 - (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) Giving a true and fair view of the consolidated entity's financial position as at June 30, 2021 and of its performance for the fiscal year ended on that date, and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 'Basis of preparation' confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

/s/ Peter Rubinstein

Chairman

Melbourne, August 31, 2021

Item 19. Exhibits

The following documents are filed as exhibits to this Annual Report on Form 20-F:

- 1.1 [Constitution of the Registrant \(incorporate by reference to Exhibit 1.1 to the Company's Registration Statement on Form 20-F filed with the Commission on December 21, 2010\)](#)
- 2.1 [Deposit Agreement, dated as of January 14, 2002, by and among Genetic Technologies Limited, The Bank of New York Mellon, as Depositary, and the Owners and Holders of American Depositary Receipts \(such agreement is incorporated herein by reference to the Registration Statement on Form F-6 relating to the ADSs \(File No. 333-14270\) filed with the Commission on January 14, 2002\).](#)
- 2.2 [Description of Securities \(incorporate by reference to Exhibit 4.1 to the Company's Annual Report on Form 20-F filed with the Commission on October 22, 2020\)](#)
- 2.3 [Form of American Depositary Receipt \(incorporated by reference to Rule 424\(b\)\(3\) filing \(File No. 333-183861\), filed with the Commission on August 15, 2019\)](#)
- 2.4 [Form of Warrant issued on May 23, 2019 \(incorporated by reference to Exhibit 10.3 of the Company's Report on Form 6-K filed with the Commission on May 23, 2019\)](#)
- 2.5 [Form of Compensation Warrant issued on April 3, 2020 \(incorporated by reference to Exhibit 10.3 of the Company's Report on Form 6-K filed with the Commission on April 2, 2020\)](#)
- 2.6 [Form of Pre-funded Warrant \(incorporate by reference to Exhibit 4.5 to the Company's registration statement on Form F-1/A filed on May 12, 2020\)](#)
- 2.7 [Form of Placement Agent Warrant \(incorporate by reference to Exhibit 4.6 to the Company's registration statement on Form F-1/A filed on May 12, 2020\)](#)
- 2.8 [Staff Share Plan 2001 dated November 30, 2001 \(incorporate by reference to Exhibit 4.2 to the Company's Registration Statement on Form 20-F filed with the Commission on August 19, 2005\)](#)
- 4.1 [Master Collaboration Agreement, dated September 13, 2019, between Genetic Technologies Limited and The Translational Genomics Research Institute \(incorporate by reference to Exhibit 10.4 to the Company's registration statement on Form F-1/A filed on December 18, 2019\)](#)
- 4.2 [Exhibit A-1 entered into under Master Collaboration Agreement, dated September 13, 2019, between Genetic Technologies Limited and The Translational Genomics Research Institute \(incorporate by reference to Exhibit 10.5 to the Company's registration statement on Form F-1/A filed on December 18, 2019\)](#)
- 4.3

[Form of Securities Purchase Agreement dated as of May 22, 2019, between Genetic Technologies Limited and the investors listed therein \(incorporated by reference to Exhibit 10.2 of the Company's Report on Form 6-K filed with the Commission on May 23, 2019\)](#)

- 4.4 [Form of Securities Purchase Agreement dated as of April 1, 2020, between Genetic Technologies Limited and the investors listed therein \(incorporated by reference to Exhibit 10.1 of the Company's Report on Form 6-K filed with the Commission on April 2, 2020\)](#)
- 4.5 [Placement Agent Agreement effective March 30, 2020 \(incorporated by reference to Exhibit 10.2 of the Company's Report on Form 6-K filed with the Commission on April 2, 2020\)](#)
- 4.6 [Form of Securities Purchase Agreement \(incorporate by reference to Exhibit 10.9 to the Company's registration statement on Form F-1/A filed on May 12, 2020\)](#)

Item 19. Exhibits (Cont.)

4.7	<u>Renewal of Lease over premises in Fitzroy, Victoria, Australia with an effective date of September 1, 2018 (incorporated by reference to 20-F filed October 3, 2019)</u>
4.8	<u>Form of Securities Purchase Agreement dated July 16, 2020 (incorporated by reference to Exhibit 10.1 of the Company’s Report on Form 6-K filed with the Commission on July 20, 2020)</u>
4.9	<u>Form of Securities Purchase Agreement dated January 21, 2021 (incorporated by reference to Exhibit 10.1 of the Company’s Report on Form 6-K filed with the Commission on January 5, 2021)</u>
4.10	<u>Sale of Business Agreement dated July 18, 2021</u>
4.11	<u>Registration Rights Agreement dated August 12, 2021</u>
4.12	<u>Non-Solicitation Agreement dated July 18, 2021</u>
4.13	<u>Escrow Agreement dated August 12, 2021</u>
12.01	<u>Section 302 Certification of the Chief Executive Officer</u>
12.02	<u>Section 302 Certification of the Chief Financial Officer</u>
13.01	<u>Section 906 Certification of the Chief Executive Officer</u>
13.02	<u>Section 906 Certification of the Chief Financial Officer</u>
15.1	<u>Consent of Grant Thornton</u>
15.2	<u>Consent of PricewaterhouseCoopers</u>
15.3	<u>Appendix 4E</u>
15.4	<u>Auditor’s Independence Declaration</u>
15.5	<u>Independent Auditor’s Report</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Labels Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this Annual Report on its behalf.

Dated: August 31, 2021

GENETIC TECHNOLOGIES LIMITED

By: /s/ Simon Morriss
Name: Simon Morriss
Title: Chief Executive Officer

GENETIC TECHNOLOGIES LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME/(LOSS)**
For the year ended June 30, 2021

(in Australian dollars, except number of shares)

	<u>Note</u>	<u>Year ended June 30, 2021 \$</u>	<u>Year ended June 30, 2020 \$</u>	<u>Year ended June 30, 2019 \$</u>
Revenue from operations				
Genetic testing services		120,554	9,864	25,444
Less: cost of sales	4	<u>(361,027)</u>	<u>(251,511)</u>	<u>(276,267)</u>
Gross loss from operations		<u>(240,473)</u>	<u>(241,647)</u>	<u>(250,823)</u>
Other income	5	1,564,456	1,140,647	1,019,769
Selling and marketing expenses		(1,119,851)	(637,295)	(576,077)
General and administrative expenses		(4,158,319)	(4,058,557)	(3,830,198)
Laboratory, research and development costs		(3,109,383)	(2,477,578)	(2,360,762)
Finance costs		(14,049)	(14,823)	(20,031)
Other gains/(losses)	7	—	(5,522)	(407,482)
Loss from operations before income tax		<u>(7,077,619)</u>	<u>(6,294,775)</u>	<u>(6,425,604)</u>
Income tax expense	8	—	—	—
Loss for the year		<u>(7,077,619)</u>	<u>(6,294,775)</u>	<u>(6,425,604)</u>
Other comprehensive income/(loss)				
Exchange gains/(losses) on translation of controlled foreign operations		<u>(37,468)</u>	<u>(33,175)</u>	<u>23,668</u>
Other comprehensive income/(loss) for the year, net of tax		<u>(37,468)</u>	<u>(33,175)</u>	<u>23,668</u>
Total comprehensive loss for the year		<u>(7,115,087)</u>	<u>(6,327,950)</u>	<u>(6,401,936)</u>
Loss per share (cents per share)				
Basic and diluted net loss per ordinary share	9	(0.08)	(0.15)	(0.24)
Weighted-average shares outstanding	9	8,544,157,979	4,155,017,525	2,635,454,870

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

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

CONSOLIDATED BALANCE SHEETS
As at June 30, 2021

(in Australian dollars)

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	20,902,282	14,214,160
Trade and other receivables	11	1,074,325	789,354
Inventories		76,927	91,390
Other current assets	12	182,580	97,845
Total current assets		22,236,114	15,192,749
Non-current assets			
Right-of-use assets	17	180,528	397,945
Property, plant and equipment	13	457,178	42,285
Other non-current assets		97,868	—
Total non-current assets		735,574	440,230
Total assets		22,971,688	15,632,979
LIABILITIES			
Current liabilities			
Trade and other payables	14	760,350	723,724
Deferred income		635	—
Provisions	15	464,770	432,933
Lease liabilities	17	179,626	240,915
Total current liabilities		1,405,381	1,397,572
Non-current liabilities			
Provisions	15	8,860	1,927
Borrowing	16	—	52,252
Lease liabilities	17	24,412	188,621
Total non-current liabilities		33,272	242,800
Total liabilities		1,438,653	1,640,372
Net assets		21,533,035	13,992,607
EQUITY			
Contributed equity	18	153,574,974	140,111,073
Reserves	19	11,033,279	9,928,571
Accumulated losses	20	(143,075,218)	(136,047,037)
Total equity		21,533,035	13,992,607

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended June 30, 2021

(in Australian dollars)

	Note	Consolidated		
		2021	2020	2019
		\$	\$	\$
Cash flows from/(used in) operating activities				
Receipts from customers		121,190	9,864	204,768
Payments to suppliers and employees		(7,747,186)	(6,758,484)	(6,575,163)
R&D tax incentive and other grants received		1,330,067	1,036,522	297,213
Net cash flows (used in) operating activities		(6,295,929)	(5,712,098)	(6,073,182)
Cash flows from/(used in) investing activities				
Proceeds from the sale of plant and equipment		—	37,000	—
Proceeds from sale of financial assets at fair value through other comprehensive income		—	43,380	—
Purchases of plant and equipment		(748,706)	(38,100)	(50,309)
Interest received		—	22,507	25,849
Payments for investments in related parties		—	—	(500,000)
Net cash flows from/(used in) investing activities		(748,706)	64,787	(524,460)
Cash flows from/(used in) financing activities				
Proceeds from the issue of shares		15,897,629	21,793,678	3,557,509
Equity transaction costs		(1,956,691)	(3,215,174)	(431,347)
Proceeds from borrowings		—	52,252	—
Principal elements of lease payments		(236,893)	(183,907)	—
Interest paid		(14,049)	(86,503)	—
Net cash flows from financing activities		13,689,996	18,360,346	3,126,162
Net (decrease)/ increase in cash and cash equivalents		6,645,361	12,713,035	(3,471,480)
Cash and cash equivalents at beginning of year		14,214,160	2,131,741	5,487,035
Net foreign exchange difference		42,761	(630,616)	116,186
Cash and cash equivalents at end of year	10	20,902,282	14,214,160	2,131,741

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended June 30, 2021

(in Australian dollars)

	Contributed equity	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at June 30, 2018	122,372,662	5,651,162	(123,311,946)	4,711,878
Loss for the year	—	—	(6,425,604)	(6,425,604)
Other comprehensive income	—	23,668	—	23,668
Total comprehensive loss	—	23,668	(6,425,604)	(6,401,936)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs and tax	3,126,162	—	—	3,126,162
Share-based payments	—	341,201	—	341,201
Issue of options/warrants to underwriters	—	(6,099)	—	(6,099)
	<u>3,126,162</u>	<u>335,102</u>	<u>—</u>	<u>3,461,264</u>
Balance at June 30, 2019	125,498,824	6,009,932	(129,737,550)	1,771,206
Initial adoption of IFRS 16	—	—	(14,712)	(14,712)
Restated total equity at July 1, 2019	125,498,824	6,009,932	(129,752,262)	1,756,494
Loss for the year	—	—	(6,294,775)	(6,294,775)
Other comprehensive income	—	(33,175)	—	(33,175)
Total comprehensive loss	—	(33,175)	(6,294,775)	(6,327,950)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs and tax	14,612,249	—	—	14,612,249
Share-based payments	—	263,387	—	263,387
Reversal of forfeited Performance Rights	—	(81,984)	—	(81,984)
Issue of options/warrants to underwriters	—	3,770,411	—	3,770,411
	<u>14,612,249</u>	<u>3,951,814</u>	<u>—</u>	<u>18,564,063</u>
Balance at June 30, 2020	140,111,073	9,928,571	(136,047,037)	13,992,607
Loss for the year	—	—	(7,077,619)	(7,077,619)
Other comprehensive income	—	(37,468)	—	(37,468)
Total comprehensive loss	—	(37,468)	(7,077,619)	(7,115,087)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs and tax	11,764,379	—	—	11,764,379
Exercise of options/warrants	1,699,522	(973,467)	—	726,055
Share-based payments	—	—	—	—
Revaluation of warrants	—	—	—	—
Issue of performance rights	—	622,725	—	622,725
Options expired	—	(49,438)	49,438	—
Issue of options/warrants	—	1,542,356	—	1,542,356
	<u>13,463,901</u>	<u>1,142,176</u>	<u>49,438</u>	<u>14,655,515</u>
Balance at June 30, 2021	153,574,974	11,033,279	(143,075,218)	21,533,035

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

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2021

1. CORPORATE INFORMATION

Genetic Technologies Limited (the “Company”) is a molecular diagnostics company that offers predictive genetic testing and risk assessment tools. The Financial Report of the Company for the year ended June 30, 2021 was authorised for issue in accordance with a resolution of the Directors dated on August 31, 2021 Genetic Technologies Limited is incorporated in Australia and is a company limited by shares. The Directors have the power to amend and reissue the financial statements.

The Company’s Ordinary Shares are publicly traded on the Australian Securities Exchange under the symbol GTG and, via Level II American Depositary Receipts, on the NASDAQ Capital Market under the ticker GENE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

(i) Compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board

The general purpose financial statements of Genetic Technologies Limited and its subsidiaries have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and Australian equivalent International Financial Reporting Standards, as issued by the Australian Accounting Standards Board. Genetic Technologies Limited is a for-profit entity for the purpose of preparing the financial statements.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention except for financial assets and liabilities (including derivative instruments) which are measured at fair value.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements, are disclosed in Note 3.

(iv) Going concern

For the year ended June 30, 2021, the Company incurred a total comprehensive loss of \$7,115,087 (2020: \$6,327,950) and net cash outflow from operations of \$6,295,929 (2020: \$5,712,098). As at June 30, 2021, the Company held total cash and cash equivalents of \$20,902,282 and total net current assets of \$20,830,733.

The Company expects to continue to incur losses and cash outflows for the foreseeable future as it continues to invest resources in expanding the research and development activities in support of the distribution of existing and new products. Following two successful capital raises during the financial year, the Company has \$20,902,282 cash and cash equivalents as at June 30, 2021. In the Directors’ opinion this will underpin the Company’s funding requirements for approximately two years. As a result, the financial statements have been prepared on a going concern basis.

(v) Immaterial correction of error – previous year

During the year ended June 30, 2021, the Company identified an error and retrospectively revised the accounting for its representative warrants as described below.

Representative warrants

Genetic Technologies Limited raised capital in April 2020 and May 2020, and representative warrants were included as part of these public offerings. These representative warrants had been accounted for as a financial liability and was subsequently adjusted to fair value at each subsequent reporting date.

The Company determined that these representative warrants originally classified as a financial liability should have been accounted for as an equity-settled share-based payment in the consolidated financial statements as of and for the year ended June 30, 2020. The Company assessed the effects of this correction based on both quantitative and qualitative factors and determined that the correction was not material. Accordingly, the Company corrected the errors as of and for the year ended June 30, 2020 in the accompanying consolidated financial statements and related footnotes.

The below tables summarise the adjustments that were made to correct the immaterial errors for the periods presented.

Extract from the Consolidated Statements of Profit or Loss and Other Comprehensive Income/(Loss)

	Year ended June 30, 2020	Revision	Year ended June 30, 2020 Revised
	\$	\$	\$
Fair value gains on financial instruments	195,845	(195,845)	—
Loss from operations before income tax	(6,098,930)	(195,845)	(6,294,775)
Loss for the year	(6,098,930)	(195,845)	(6,294,775)
Total comprehensive loss for the year	(6,132,105)	(195,845)	(6,327,950)
Loss per share (cents per share)			
Basic and diluted net loss per ordinary share	(0.15)		(0.15)
Weighted-average shares outstanding	4,155,017,525		4,155,017,525

Extract from the Consolidated Balance Sheet

2020 Revision 2020 Revised

	\$	\$	\$
<u>Non-Current Liabilities</u>			
Other financial liabilities	977,237	(977,237)	—
Total Non-Current Liabilities	1,220,037	(977,237)	242,800
TOTAL LIABILITIES	2,617,609	(977,237)	1,640,372
NET ASSETS	13,015,370	977,237	13,992,607
<u>EQUITY</u>			
Reserves	8,755,489	1,173,082	9,928,571
Accumulated losses	(135,851,192)	(195,845)	(136,047,037)
TOTAL EQUITY	13,015,370	977,237	13,992,607

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(a) Basis of preparation (cont.)

Other Gains / (Losses)

	2020 \$	Revision \$	2020 Revised \$
Net foreign exchange gains/(losses)	(5,522)	—	(5,522)
Fair value gains on financial liabilities through profit or loss	195,845	(195,845)	—
Net impairment losses	—	—	—
Total other gains / (losses)	190,323	(195,845)	(5,522)

Loss per Share

	2020 \$	Revision \$	2020 Revised \$
Loss for the year attributable to the owners of Genetic Technologies Limited	(6,098,930)	(195,845)	(6,294,775)
Weighted average number of Ordinary Shares used in calculating loss per share (number of shares)	4,155,017,525	—	4,155,017,525

Reserves

	2020 \$	Revision \$	2020 Revised \$
Foreign currency translation	756,423	—	756,423
Share-based payments	7,999,066	1,173,082	9,172,148
Total reserves	8,755,489	1,173,082	9,928,571
Reconciliation of foreign currency translation reserve			
Balance at the beginning of the financial year	789,598	—	789,598
Add: net currency translation gain / (loss)	(33,175)	—	(33,175)
Balance at the end of the financial year	756,423	—	756,423
Reconciliation of share-based payments reserve			
Balance at the beginning of the financial year	5,220,334	—	5,220,334
Add: share-based payments expense	67,542	195,845	263,387
Add: Issue of options/warrants to underwriters	2,793,174	977,237	3,770,411
Less: Reversal of Performance Rights expenses in prior year	(81,984)	—	(81,984)
Balance at the end of the financial year	7,999,066	1,173,082	9,172,148

Accumulated Losses

2021	2020 \$	Revision \$	2020 Revised \$
Balance at the beginning of the financial year	(129,737,550)	—	(129,737,550)
Add: Initial adoption of IFRS 16	(14,712)	—	(14,712)
Add: net loss attributable to owners of Genetic Technologies Limited	(6,098,930)	(195,845)	(6,294,775)
Balance at the end of the financial year	(135,851,192)	(195,845)	(136,047,037)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(a) Basis of preparation (cont.)

(vi) New standards and interpretations

Software-as-a-Service arrangements

The IFRS Interpretations Committee (IFRIC) has issued two agenda decisions related to accounting for Software-as-a-Service (SaaS) arrangements:

- In March 2019, the IFRIC considered the accounting for SaaS arrangements (the first agenda decision) and concluded that for many such arrangements the substance is that the Company has contracted to receive services rather than the acquisition (or lease) of software assets. This is because, in a cloud-based environment, the SaaS contract generally only gives the customer the right to receive access to the cloud provider’s application software, rather than a license over the IP i.e. control over the software code itself.
- In April 2021, the IFRIC specifically considered how an entity should account for configuration and customisation costs incurred in implementing these (SaaS) service arrangements. The IFRIC concluded (the second agenda decision) that these costs should be expensed, unless the criteria for recognising a separate asset are met.

The Company has historically expensed costs related to SaaS arrangements. The impact of this decision has not had a material impact on the Company’s financial statements.

(vii) New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting years and on foreseeable future transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power to direct the activities of the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

Intercompany transactions, balances and unrealised gains on transactions between Company companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Genetic Technologies Limited's functional and presentation currency.

(ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet
- income and expenses for each consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Revenue recognition

Under IFRS 15, revenue is recognised based on contract with customers when performance obligations were satisfied. The following recognition criteria must also be met before revenue is recognised:

Genetic testing revenues

The Company operates facilities which provide genetic testing services. Revenue from the provision molecular risk testing for cancer (BREVAGenplus) is recognised at a point time when the Company has provided the customer with their test results, the single performance obligation.

(f) Other income

(i) Interest income

Income is recognised as the interest accrues using the effective interest method.

(ii) Government Grants

The Australian government replaced the research and development tax concession with research and development (R&D) tax incentive from July 1, 2011. The R&D tax incentive applies to expenditure incurred and the use of depreciating assets in an income year commencing on or after July 1, 2011. A refundable tax offset is available to eligible companies with an annual aggregate turnover of less than \$20 million. Management has assessed the Company's activities and expenditure to determine which are likely to be eligible under the incentive scheme. The Company accounts for the R&D tax incentive as a government grant. The grant is recognised as other income over the period in which the R&D expense is recognised.

Income from government grants is recognised in the consolidated income statement on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

The receivable for reimbursable amounts that have not been collected is reflected in trade and other receivables on our consolidated balance sheets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Management has assessed the tax position of the Company and concluded that any potential uncertainty does not have a material impact on the financial statements.

(h) Leases

Please refer to Note 17 for further information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless it reverses a decrement previously charged to equity, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

(k) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Refer Note 28 for details of management of interest rate, foreign exchange and liquidity risks applicable to trade and other payables for which, due to their short-term nature, their carrying value approximates their fair value.

(l) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Plant and equipment	3 - 5 years
Furniture, fittings and equipment	3 - 5 years
Leasehold improvements	1 - 3 years (lease term)
Leased plant and equipment	3 years (lease term)

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (note 2(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables and other payables generally have terms of between 30 and 60 days.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

In some countries, the Company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in general and administrative expenses in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(q) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(r) Contributed equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of Ordinary Shares are recognised directly in equity as a deduction, net of tax, of the proceeds received. The Company has a share-based payment option plan under which options to subscribe for the Company's shares have been granted to certain executives and other employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(s) Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

On the basis of the Company's losses, the outstanding options as at June 30, 2021 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

(t) Goods and services tax (GST)

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenues can be reliably measured. Revenues are recognised at the fair value of the consideration received or receivable net of the amounts of Goods and Services Tax. The following recognition criteria must also be met before revenue is recognised:

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 taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(u) Parent entity financial information

The financial information for the parent entity, Genetic Technologies Limited, disclosed in Note 32 has been prepared on the same basis as the consolidated financial statements, except that accounted for at cost in the financial statements of Genetic Technologies Limited. Loans to subsidiaries are written down to their recoverable value as at balance date.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are evaluated and based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Share-based payments transactions

The Company measures the cost of equity-settled transactions with employees and service providers by reference to the value of the equity instruments at the date on which they are granted. Management has determined the fair value by engaging an independent valuer for more complex equity instruments, such as warrants and performance rights, by using Black-Scholes, Monte-Carlo Simulation and Binomial model, and utilised internal resources to perform fair value by straight forward equity instruments by using Black-Scholes model.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Lease liabilities

The application of IFRS 16 requires the Company to make judgments and estimates that affect the measurement of right-of-use assets and lease liabilities. In determining the lease term, we must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise renewal options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

4. COST OF SALES

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Inventories used	115,934	82,516	55,995
Direct labor costs	110,894	107,590	103,601
Depreciation expense	79,676	42,488	55,480
Inventories written-off	54,523	18,917	61,191
Total cost of sales	361,027	251,511	276,267

5. OTHER INCOME

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Net profit on disposal of plant and equipment	—	37,000	—
Research and development tax incentive income (1)	997,908	750,000	856,707
Export Marketing & Development Grant	100,000	—	—
Interest income	62,394	22,507	25,794
Rental income	—	—	—
Other income	116,271	78,001	137,268
Government grant income – COVID-19 relief (2)	287,883	253,139	—
Total other income	1,564,456	1,140,647	1,019,769

(1) R&D tax incentive

The Company's research and development activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured. For the year ended June 30, 2021, the Company has included an item in other income of A\$997,908 (2020: A\$750,000, 2019: A\$856,707) to recognise income over the period necessary to match the grant on a systematic basis with the costs that they are intended to compensate.

On December 5, 2019, the Treasury Laws Amendment (R&D Tax Incentive Bill 2019) was introduced into Parliament. The draft bill contains proposed amendments to the R&D tax incentive regulations. Under the proposed amendments, the refundable tax offset rate for companies with an aggregated turnover of less than \$20 million would become 41%. As at June 30, 2021, the bill remains under review by the Senate Committee.

In accordance with IAS 20, government grants, including non-monetary grants at fair value, should not be recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Management does not consider the rate reduction to be substantially enacted as at June 30, 2021 due to the continued legislative debate in Parliament. The Company has therefore calculated the R&D tax incentive by applying the currently legislated R&D rate to eligible expenditure.

(2) Government Grant income – COVID-19 Relief

The COVID-19 relief relates to government assistance received during the year, from the Australian Government (at both federal and state level) and the U.S. Small Business Administration, in response to the economic and financial challenges in the current economy.

6. FOREIGN EXCHANGE MOVEMENT

The Company is more sensitive to movements in the AUD/USD exchange rates in 2021 than 2020 because of the increased amount of USD denominated cash and cash equivalents. The US warrants financial liability will be equity-based settled upon exercise of the US warrants. However, as the exercise will be done with an exercise price in US dollars, there is a foreign exchange risk due to the subsequent translation to Australian dollars. The Company's exposure to other foreign exchange movements is not material.

7. OTHER GAINS / (LOSSES)

During the year ended June 30, 2021 the Company identified an error in the accounting for its representative warrants and the table below reflected the correction of an immaterial prior period error.

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Net foreign exchange gains/(losses)	—	(5,522)	92,518
Fair value gains on financial liabilities through profit or loss	—	—	—
Net impairment losses ⁽¹⁾	—	—	(500,000)
Total other gains / (losses)	—	(5,522)	(407,482)

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

(1) In August 2018, the Company invested A\$250,000 into Swisstec towards the proposed joint venture to enable the Company and Swisstec to collaborate to develop a medical and health service platform using blockchain technology. The Company has recorded an impairment against the investment during the financial year ended June 30, 2019, due to cessation of activities in relation to the joint venture.

In December 2018, Genetic Technologies Limited entered and invested A\$250,000 into a Joint Venture agreement with Blockshine Health Pty Ltd. with an ownership of 49%. The Company has recorded an impairment against the investment during the financial year ended June 30, 2019, due to the cancellation of the project.

8. INCOME TAX

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Reconciliation of income tax expense to prima facie tax payable			
Loss before income tax expense	(7,077,619)	(6,098,930)	(6,425,604)
Tax at the Australian tax rate of 26% (2020: 27.50% and 2019: 27.50%)	(1,840,181)	(1,677,206)	(1,767,040)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income			
Share-based payments expense	185,790	(3,971)	92,153
Research and development tax incentive	588,659	446,717	541,596
Other non-deductible items	—	888	590
Other assessable items	—	(26,764)	—
	(1,065,732)	(1,260,336)	(1,132,701)
Difference in overseas tax rates	16,688	26,526	41,009
Under /(over) provision	(235,653)	553,190	1,126,722
Temporary differences not recognised	(419,965)	(353,628)	(121,965)
Research and development tax credit	(275,631)	(206,250)	(238,084)
Tax losses not recognised	1,980,293	1,240,498	325,020
Income tax expense	—	—	—
Net deferred tax assets			
Deferred tax assets not recognised			
Property, plant and equipment	8,004	—	863
Capital raising costs	975,270	877,584	232,328
Intangible assets	1,701,477	1,832,075	1,893,220
Provisions	297,907	306,044	187,958
Total deferred tax assets	2,982,658	3,015,703	2,314,369
Deferred tax liabilities not recognised			
Right-of-use assets	(34,735)	(119,384)	—
Total deferred tax liabilities	(34,735)	(119,384)	—
Net deferred tax assets on temporary differences not brought to account	2,947,923	(2,896,320)	(2,314,369)
Total net deferred tax assets	—	—	—

8. INCOME TAX (cont.)

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Tax losses			
Unused tax losses for which no deferred tax asset has been recognised	100,694,696	97,259,045	90,254,547
Potential tax benefit @ 26% (Australia)	19,165,603	18,727,578	17,563,730
Potential tax benefit @ 21% (USA)	5,665,976	6,123,340	5,541,152

Subject to the Company continuing to meet the relevant statutory tests, the tax losses are available for offset against future taxable income.

At June 30, 2021, the Company had a potential tax benefit related to tax losses carried forward of A\$24,691,039 (2020: A\$24,850,918, 2019: A\$23,104,882). Such amount includes net losses of A\$5,665,976 (2020: A\$6,123,340, 2019: A\$5,541,152) related to subsidiaries in the United States (U.S.). The Tax Cuts and Jobs Act (TCJA) enacted by Congress in the U.S. on December 22, 2017 cut the top corporate income tax rate from 35% to 21%. For tax years beginning after December 31, 2017, the graduated corporate tax rate structure is eliminated and corporate taxable income will be taxed at 21% flat rate. Additionally, the previous 20-year limitation on carry forward net operating losses (NOL's) has been removed, allowing the NOL's to be carried forward indefinitely. The remaining tax losses carried forward of A\$19,025,063 (2020: A\$18,727,578, 2019: A\$17,563,730) are indefinite and are attributable to the Company's operations in Australia. As such the total unused tax losses available to the Company, equal A\$24,691,039 (2020: A\$24,850,918, 2019: A\$23,104,882).

As at balance date, there are unrecognised tax losses with a benefit of approximately A\$24,691,039 (2020: A\$24,850,918 and 2019: A\$23,104,882) that have not been recognised as a deferred tax asset to the Company. These unrecognised deferred tax assets will only be obtained if:

- (a) The Company derives future assessable income of a nature and amount sufficient to enable the benefits to be realised;
- (b) The Company continues to comply with the conditions for deductibility imposed by the law; and
- (c) No changes in tax legislation adversely affect the Company from realising the benefit.

Tax consolidation legislation

Genetic Technologies Limited and its wholly owned Australian subsidiaries implemented the tax consolidation legislation as from July 1, 2003. The accounting policy in relation to this legislation is set out in Note 2(g).

The entities in the tax consolidated Company have entered into a Tax Sharing Agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly owned entities in the case of a default by the head entity, Genetic Technologies Limited.

The entities have also entered into a Tax Funding Agreement under which the wholly owned entities fully compensate Genetic Technologies Limited for any current tax payable assumed and are compensated by Genetic Technologies Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Genetic Technologies Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the respective subsidiaries' financial statements.

The amounts receivable or payable under the Tax Funding Agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

As at June 30, 2021, there are no unrecognised temporary differences associated with the Company's investments in subsidiaries, as the Company has no liability for additional taxation should unremitted earnings be remitted (2020: \$Nil, 2019:\$Nil).

9. LOSS PER SHARE

During the year ended June 30, 2021 the Company identified an error in the accounting for its representative warrants and the table below reflected the correction of an immaterial prior period error.

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Loss for the year attributable to the owners of Genetic Technologies Limited	(7,077,619)	(6,294,775)	(6,425,604)
Weighted average number of Ordinary Shares used in calculating loss per share (number of shares)	8,544,157,979	4,155,017,525	2,635,454,870

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

Note: None of the 725,787,500 (2020:553,000,000 and 2019:114,250,000) options/performance rights over the Company’s Ordinary Shares that were outstanding as at the reporting date are considered to be dilutive for the purposes of calculating diluted earnings per share.

10. CASH AND CASH EQUIVALENTS

During the year ended June 30, 2021 the Company identified an error in the accounting for its representative warrants and the table below reflected the correction of an immaterial prior period error.

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Reconciliation of cash and cash equivalents			
Cash at bank and on hand	20,902,282	14,214,160	2,131,741
Total cash and cash equivalents	20,902,282	14,214,160	2,131,741
Reconciliation of loss for the year			
Reconciliation of loss for the year after income tax to net cash flows used in operating activities is as follows:			
Loss for the year after income tax	(7,077,619)	(6,294,775)	(6,425,604)
<i>Adjust for non-cash items</i>			
Amortisation and depreciation expenses	265,748	65,148	156,260
Other expenses	—	2,885	—
Impairment of investments	—	—	500,000
Share-based payments expense	714,577	(14,442)	335,102
Interest classified as investing cash flows	—	—	(25,850)
Net (profit) / loss on disposal of plant and equipment	—	(37,000)	—
Net (gains) / losses on liquidation of subsidiary	—	—	—
Depreciation of right-of-use of assets	212,474	200,785	—
Inventory written-off	54,523	18,917	—
Gain on investment previously written off	—	(43,380)	—
Finance costs	16,338	86,503	—
Interest received	(62,394)	(22,507)	—
Net foreign exchange (gains) / losses	9,755	(597,441)	(92,518)
<i>Adjust for changes in assets and liabilities</i>			
Decrease / (increase) in trade and other receivables	(284,971)	29,412	(517,383)
(Increase) / decrease in other operating assets	(182,602)	115,455	(70,027)
(Increase) / decrease in inventories	14,463	(59,525)	27,142
Increase / (decrease) in trade and other payables	(14,991)	891,498	60,178
Increase / (Decrease) in provisions	38,770	(53,631)	—
Increase / (decrease) in operating liabilities	—	—	(20,482)
Net cash flows from / (used in) operating activities	(6,295,929)	(5,712,098)	(6,073,182)
Financing facilities available			
As at June 30, 2021, the following financing facilities had been negotiated and were available:			
<i>Total facilities</i>			
Credit cards	190,020	193,605	95,714
<i>Facilities used as at reporting date</i>			
Credit cards	(9,511)	(5,332)	(6,516)
<i>Facilities unused as at reporting date</i>			
Credit cards	180,509	188,272	89,198

The Company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

The Company's main interest rate risk arises in relation to its short-term deposits with various financial institutions. If rates were to decrease, the Company may generate less interest revenue from such deposits. However, given the relatively short duration of such deposits, the associate risk is relatively minimal.

The Company has a Short-Term Investment Policy which was developed to manage the Company's surplus cash and cash equivalents. In this context, the Company adopts a prudent approach that is tailored to cash forecasts rather than seeking high returns that may compromise access to funds as and when they are required. Under the policy, the Company deposits its surplus cash in a range of deposits / securities over different time frames and with different institutions in order to diversify its portfolio and minimise risk.

11. TRADE AND OTHER RECEIVABLES (CURRENT)

	Consolidated	
	2021	2020
	\$	\$
Trade receivables	120,237	38,871
Less: loss allowance	(30,784)	—
Net trade receivables	89,453	38,871
Other receivables ⁽¹⁾	984,872	750,483
Total net current trade and other receivables	1,074,325	789,354

⁽¹⁾ Other receivables majorly consists of R&D income grant receivable.

12. OTHER CURRENT ASSETS

	Consolidated	
	2021	2020
	\$	\$
Prepayments	180,724	95,820
Performance bond and deposits	1,856	2,025
Total current prepayments and other assets	182,580	97,845

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2021	2020
	\$	\$
Laboratory equipment, at cost	426,701	1,451,389
Less: cost written-off during the year	(23,484)	(1,047,515)
Add: additions during the year	557,655	22,827
Less: accumulated depreciation	(571,467)	(1,453,365)
Add: accumulated depreciation written-off during the year	23,484	1,047,515
Net laboratory equipment	412,889	20,851
Computer equipment, at cost	672,538	657,265
Less: cost written-off during the year	(447,229)	—
Add: additions during the year	26,543	15,273
Less: accumulated depreciation	(664,164)	(651,104)
Add: accumulated depreciation written-off during the year	447,229	—
Net computer equipment	34,917	21,434
Office equipment, at cost	—	167,564
Less: cost written-off during the year	—	(167,564)
Add: additions during the year	10,495	—
Less: accumulated depreciation	(1,123)	(167,564)
Add: accumulated depreciation written-off during the year	—	167,564
Net office equipment	9,372	—
Equipment under hire purchase, at cost	—	594,626
Less: accumulated depreciation	—	(594,626)
Net equipment under hire purchase	—	—
Leasehold improvements, at cost	—	465,380
Less: cost written-off during the year	—	(465,380)
Add: additions during the year	—	—
Less: accumulated depreciation	—	(465,380)
Add: accumulated depreciation written-off during the year	—	465,380
Net leasehold improvements	—	—
Total net property, plant and equipment	457,178	42,285
Reconciliation of property, plant and equipment		
Opening gross carrying amount	1,096,489	3,336,224
Add: additions purchased during the year	594,693	38,100
Less: cost written-off during the year	(470,713)	(2,277,835)
Closing gross carrying amount	1,220,469	1,096,489
Opening accumulated depreciation and impairment losses	(1,054,204)	(3,266,891)
Add: accumulated depreciation written-off during the year	470,713	2,277,835
Less: depreciation expense charged	(179,800)	(65,148)
Closing accumulated depreciation and impairment losses	(763,291)	(1,054,204)
Total net property, plant and equipment	457,178	42,285

Reconciliation of movements in property, plant and equipment by asset category for the year ended June 30, 2021

Asset category	Opening net carrying Amount \$	Additions during year \$	Disposals during year \$	Depreciation expense \$	Closing net carrying amount \$
Laboratory equipment	20,851	557,655	—	(165,617)	412,889
Computer equipment	21,434	26,543	—	(13,060)	34,917
Office equipment	—	10,495	—	(1,123)	9,372
Leasehold improvements	—	—	—	—	—
Totals	42,285	594,693	—	(179,800)	457,178

Reconciliation of movements in property, plant and equipment by asset category for the year ended June 30, 2020

Asset category	Opening net carrying Amount \$	Additions during year \$	Disposals during year \$	Depreciation expense \$	Closing net carrying amount \$
Laboratory equipment	40,512	22,827	—	(42,488)	20,851
Computer equipment	28,397	15,273	—	(22,236)	21,434
Leasehold improvements	424	—	—	(424)	—
Totals	69,333	38,100	—	(65,148)	42,285

14. TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated	
	2021	2020
	\$	\$
Trade payables	269,665	350,151
Accrued expenses	485,422	330,845
Other payables	5,263	42,728
Total current trade and other payables	760,350	723,724

15. PROVISIONS (CURRENT AND NON-CURRENT)

	Consolidated	
	2021	2020
	\$	\$
Current provisions		
Annual leave	171,398	152,239
Long service leave	201,782	189,104
Make good ⁽¹⁾	91,590	91,590
Total current provisions	464,770	432,933
Non-current provisions		
Long service leave	8,860	1,927
Make good (1)	—	—
Total non-current provisions	8,860	1,927
Total provisions	473,630	434,860

⁽¹⁾ Make good provision

15. PROVISIONS (CURRENT AND NON-CURRENT) (cont.)

	Consolidated	
	2021	2020
	\$	\$
Reconciliation of annual leave provision		
Balance at the beginning of the financial year	152,239	152,352
Add: obligation accrued during the year	62,461	38,270
Less: utilised during the year	(43,302)	(38,383)
Balance at the end of the financial year	171,398	152,239
Reconciliation of long service leave provision		
Balance at the beginning of the financial year	191,031	244,549
Add: obligation accrued during the year	19,611	3,454
Less: utilised during the year	—	(56,972)
Balance at the end of the financial year	210,642	191,031

16. BORROWING

	Consolidated					
	Current	2021 Non- Current	Total	Current	2020 Non- Current	Total
	\$	\$	\$	\$	\$	\$
<i>Unsecured</i>						
Other loan	—	—	—	—	52,252	52,252

On May 4, 2020, the Company was granted a loan from the U.S. Small Business Administration as a part of the Paycheck Protection Program (PPP) which ensures the Company could continue to pay its employees and cover certain costs for up to 8 weeks after the loan was made available to the Company.

The following were the terms of the loan availed:

- PPP loan had fixed interest rate of 1%.
- Loan had a maturity of 2 years.
- No collateral or personal guarantees were required.
- Neither the government nor lenders charged small businesses any fees.

The loan availed had the following conditions for the Company to seek its forgiveness:

- Forgiveness was based on the Company maintaining or quickly rehiring employees and maintaining salary levels.
- Forgiveness would be reduced if full-time headcount declined, or if salaries and wages decreased.

On February 8, 2021, the U.S. Small Business Administration (SBA) determined that the amount the Company requested for forgiveness on the Paycheck Protection Program loan was fully approved. The resulting credit has been recorded as a government grant in other income.

17. LEASE LIABILITIES

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Consolidated	
	2021	2020
	\$	\$
Right-of-use assets		
Right of use-of-assets	180,528	397,945
Lease Liabilities		
Lease liabilities - Current	179,626	240,915
Lease liabilities – Non-Current	24,412	188,621
Total	204,038	429,536

17. LEASE LIABILITIES (Cont.)

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss under general and administrative expenses includes the following amounts relating to leases:

	2021 \$	2020 \$
Depreciation charge of right-of-use assets		
Depreciation Expense (for Leased Assets)	212,474	200,785
Interest expense (included in general and administrative expenses)	16,338	37,375

During the financial year ended June 30, 2021, the total cash outflow was \$358,020.

(c) The Company’s leasing activities and how these leases are accounted for:

The Company has adopted IFRS 16 *Leases* during the year ended June 30, 2020 using the modified retrospective approach. The modified approach does not require restatement of comparative periods. Instead, the cumulative impact of applying IFRS 16 is accounted for as an adjustment to equity at the start of the current accounting period in which it is first applied, known as the ‘date of initial application’.

For any new contracts entered into on or after July 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company,
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

17. LEASE LIABILITIES (Cont.)

(d) COVID-19 Impact on Leases

On June 25, 2020, the Company obtained a rent concession for its leased premises. The terms of the concession are as follows:

- 15% waiver for the period April 1 through to September 30, 2020.
- 15% deferral for the period April 1 through to September 30, 2020.
- 70% due and payable on the first of each month in line with the lease.
- No interest on deferred payment.
- No increase of rent during the period April 1 through to September 30, 2020.
- The lease has been extended by 6 months from September 1, 2021 to February 28, 2022.

The above was treated as lease modification and adjustments were made to the right-of-use assets and corresponding current and non-current liabilities for the year ended June 30, 2020 have been according to the amendments issued by the IASB towards IFRS 16. The net impact of the variation resulted in an increase on the right -of-use assets balance amounted to A\$88,103 and non-current liabilities increased by A\$94,626.

18. CONTRIBUTED EQUITY

	Consolidated	
	2021 \$	2020 \$
Issued and paid-up capital		
Fully paid Ordinary Shares	153,574,974	140,111,073
Total contributed equity	153,574,974	140,111,073

Movements in shares on issue

	Consolidated	
	Number of Shares	\$
Year ended June 30, 2020		
Balance at the beginning of the financial year	2,938,134,143	125,498,824
Shares issued during the year	4,575,645,600	21,793,678
Less: transaction costs arising on share issue ⁽ⁱ⁾	—	(7,181,429)
Balance at the end of the financial year	7,513,779,743	140,111,073

	Consolidated	
	Number of Shares	\$
Year ended June 30, 2021		
Balance at the beginning of the financial year	7,513,779,743	140,111,073
Shares issued during the year	1,502,947,000	17,409,150
Less: transaction costs arising on share issue	—	(3,945,249)
Balance at the end of the financial year	9,016,726,743	153,574,974

⁽ⁱ⁾ The details of securities arising on shares issued for the year ended June 30, 2021 are as below:

- On July 17, 2020, the Company issued 114,447,000 new ordinary shares at the exercise of 166,066,050 warrants issued on 16 July, 2019, at no cash consideration and exercisable at United States Dollars (US\$) 0.0053 that were issued to underwriters along with capital raised in May 2019.
- On July 17, 2020, the Company issued 18,500,000 new ordinary shares at the exercise of 18,500,000 options issued on October 30, 2019, at \$0.008 (0.8 cents) per option, expiring October 29, 2022 to various underwriters.
- On July 21, 2020, the Company closed a registered direct offering of 1,025,000 American Depositary Shares (“ADSs”), each representing six hundred (600) of the Company’s ordinary shares, at the purchase price of United States Dollars (US\$) US\$5.00 per ADS – or in Australian Dollars \$0.012 per ordinary share. H.C Wainwright & Co acted as the placement agent for this offering. Against the offering, the Company issued 365,000,000 shares to several US institutional investors pursuant to Listing Rule 7.1. The Company issued 250,000,000 shares to several US institutional investors pursuant to Listing Rule 7.1A. The Company issued 156,000,000 warrants exercisable at US\$0.004166 and 39,975,000 warrants exercisable at US\$0.00104 each (unless exercised using the Cashless Exercise), both expiring December 21, 2025 to H.C. Wainwright & Co, which formed part of cost of raising capital which were approved at the AGM held on 10 December 2020.
- On December 21, 2020, the Company issued 12,850,000 options with an exercise price of \$0.008 (0.8 cents) per option, expiring December 1, 2023 issued under an employee incentive scheme that are not being immediately quoted on the ASX.
- On December 21, 2020 and following the approval by shareholders at the Company’s Annual General Meeting held on December 10, 2020, the Company issued performance rights expiring on December 21, 2023 for nil consideration to the following Directors:
 - Mr. Nick Burrows issued with 5,000,000 Class A performance rights.
 - Dr. Jerzy Muchnicki issued with 7,500,000 Class A performance rights, 25,000,000 Class B performance rights and 25,000,000 Class C performance rights.
 - Mr. Peter Rubinstein issued with 7,500,000 Class A performance rights, 25,000,000 Class B performance rights and 25,000,000 Class C performance rights.
 - Dr. Lindsay Wakefield issued with 5,000,000 Class A performance rights.

- On January 25, 2021 the Company issued 750,000,000 new ordinary shares pursuant to Listing Rule 7.1A.
- On February 4, 2021 the Company issued 2,500,000 new ordinary shares at the exercise of 2,500,000 options issued on March 5, 2020, at \$0.008 (0.8 cents) per option, expiring March 5, 2023 to various underwriters.
- On March 10, 2021, the Company issued 2,500,000 new ordinary shares at the exercise of 2,500,000 options issued on October 30, 2019, at \$0.008 (0.8 cents) per option, expiring October 29, 2022 to various underwriters.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares, which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

19. RESERVES

During the year ended June 30, 2021 the Company identified an error in the accounting for its representative warrants and the table below reflected the correction of an immaterial prior period error.

	Consolidated	
	2021	2020
	\$	\$
Foreign currency translation	718,955	756,423
Share-based payments	10,314,324	9,172,148
Total reserves	11,033,279	9,928,571
Reconciliation of foreign currency translation reserve		
Balance at the beginning of the financial year	756,423	789,598
Add: net currency translation gain / (loss)	(37,468)	(33,175)
Balance at the end of the financial year	718,955	756,423
Reconciliation of share-based payments reserve		
Balance at the beginning of the financial year	9,172,148	5,220,334
Add: share-based payments expense	—	263,387
Add: Issue of options/warrants to underwriters	—	3,770,411
Add: Issue of performance rights	622,725	—
Add: Issue of options/warrants	1,542,356	—
Less: Options expired	(49,438)	—
Less: Exercise of options/warrants	(973,467)	—
Less: Reversal of Performance Rights expenses in prior year ⁽¹⁾	—	(81,984)
Balance at the end of the financial year	10,314,324	9,172,148

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

- (1) During the year ended June 30, 2020, 3,750,000 performance rights previously issued to Mr. Xue Lee in the year ended June 30, 2019 were forfeited. Additionally, 57,500,000 performance rights previously issued to Dr. Paul Kasian in the year ended June 30, 2019 were forfeited in the year ended June 30, 2020. Due to the forfeiture of performance rights, a reversal amounting to A\$81,984 relating to previously expensed amounts was accounted for during the current reporting period.

During the financial year ended 30 June 2020, the following warrants were issued to as a part of capital raising costs:

Warrants issued to	Grant date for warrants issued	Number of warrants issued
Aegis Corp	July 16, 2019	166,066,050

	2020
Grant Date	July 16, 2019
Warrants issued	166,066,050
Dividend yield	—
Historic volatility and expected volatility	152%
Option exercise price	A\$ 0.008
Fair value of warrants at grant date	A\$ 0.006
Weighted average exercise price	A\$ 0.008
Risk free interest rate	1.05%
Model used	Black-Scholes
Expected life of an warrant	5 years
Valuation amount	A\$ 890,113

19. RESERVES (Cont.)

During the financial year ended June 30, 2021, the following warrants were reclassified from Other Financial Liabilities to Other Reserves. See Note 2(a)(v) for additional information.

	2020	
Valuation date		April 3, 2020
Grant Date		April 3, 2020
Warrants issued		40,114,200
Underlying asset price	A\$	0.0050
Risk free rate		0.411%
Volatility		140.54%
Exercise price presented in United States Dollar	US\$	0.00365
Exchange rate at valuation date	A\$	1 to US\$0.5995
Exercise price presented in Australian Dollar	A\$	0.0061
Time to maturity of underlying warrants (years)		5
Value per warrant in Australian Dollar	A\$	0.0044
Model used		Binomial
Valuation amount	A\$	175,137

	2020	
Valuation date		April 23, 2020
Grant Date		April 23, 2020
Warrants issued		28,177,578
Underlying asset price	A\$	0.0060
Risk free rate		0.444%
Volatility		142.70%
Exercise price presented in United States Dollar	US\$	0.00417
Exchange rate at valuation date	A\$	1 to US\$0.6369
Exercise price presented in Australian Dollar	A\$	0.0065
Time to maturity of underlying warrants (years)		5
Value per warrant in Australian Dollar	A\$	0.0053
Model used		Binomial
Valuation amount	A\$	149,693

During the financial year ended June 30, 2021, the following warrants were reclassified from Other Financial Liabilities to Other Reserves. See Note 2(a)(v) for additional information. The following warrants were revalued as at the date of shareholder approval.

	2021		2020	
Valuation date		July 21, 2020		June 1, 2020
Grant Date		June 1, 2020		June 1, 2020
Warrants issued		156,000,000		156,000,000
Underlying asset price	A\$	0.0070	A\$	0.0060
Risk free rate		0.34%		0.397%
Volatility		135.64%		142.94%
Exercise price presented in United States Dollar	US\$	0.00417	US\$	0.00417
Exchange rate at valuation date	A\$	1 to US\$0.7127	A\$	1 to US\$0.6797
Exercise price presented in Australian Dollar	A\$	0.00541	A\$	0.0061
Time to maturity of underlying warrants (years)		5		5
Value per warrant in Australian Dollar	A\$	0.0062	A\$	0.0054
Model used		Binomial		Binomial
Valuation amount	A\$	1,462,442	A\$	848,252

During the financial year ended June 30, 2021, the following warrants were issued to as a part of capital raising costs.

	2021	
Valuation date		July 21, 2020
Grant Date		June 1, 2020
Warrants issued		39,975,000
Underlying asset price	A\$	0.0070
Risk free rate		0.42%
Volatility		148.66%
Exercise price presented in United States Dollar	US\$	0.00417
Exchange rate at valuation date	A\$	1 to US\$0.7127
Exercise price presented in Australian Dollar	A\$	0.0146
Time to maturity of underlying warrants (years)		5
Value per warrant in Australian Dollar	A\$	0.009
Model used		Binomial
Valuation amount	A\$	360,017

	2021	
Valuation date		January 25, 2021
Grant Date		January 25, 2021
Warrants issued		48,750,000
Underlying asset price	A\$	0.0110
Risk free rate		0.414%
Volatility		147.29%
Exercise price presented in United States Dollar	US\$	0.0109
Exchange rate at valuation date	A\$	1 to US\$0.7708
Exercise price presented in Australian Dollar	A\$	0.0142
Time to maturity of underlying warrants (years)		5
Value per warrant in Australian Dollar	A\$	0.0098
Model used		Binomial

Valuation amount	A\$	476,297
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19. RESERVES (Cont.)

The following information relates to options granted and issued against under the Employee Option Plan for the year ended June 30, 2021;

Options issued to	Grant date for options issued	Number of options issued
Employee Option Plan	December 21, 2020	12,850,000

19. RESERVES (Cont.)

	2020	
Grant Date	November 28, 2019	
Options issued	250,000,000	
Dividend yield	—	
Historic volatility and expected volatility	136%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.003
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.85%	
Expected life of an option	3 years	
Model used	Black-Scholes	
Valuation amount	A\$	1,056,054

	2020	
Grant Date	October 30, 2019	
Options issued	250,000,000	
Dividend yield	—	
Historic volatility and expected volatility	136%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.003
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.78%	
Expected life of an option	3 years	
Model used	Black-Scholes	
Valuation amount	A\$	817,666

	2020	
Grant Date	March 6, 2020	
Options issued	5,000,000	
Dividend yield	—	
Historic volatility and expected volatility	141%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.007
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.36%	
Expected life of an option	3 years	
Model used	Black-Scholes	
Valuation amount	A\$	29,340

	2021	
Grant Date	December 21, 2020	
Options issued	12,850,000	
Dividend yield	—	
Historic volatility and expected volatility	155.34%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.007
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.111%	
Expected life of an option	3 years	
Model used	Binomial	
Valuation amount	A\$	72,439

Nature and purpose of reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income as described in Note 2(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payments reserve

The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, other employees and eligible contractors.

20. ACCUMULATED LOSSES

During the year ended June 30, 2021 the Company identified an error in the accounting for its representative warrants and the table below reflected the correction of an immaterial prior period error.

	2021 \$
Balance at the beginning of the financial year	(136,047,037)
Add: net loss attributable to owners of Genetic Technologies Limited	(7,077,619)
Less: Options expired	49,438
Balance at the end of the financial year	(143,075,218)

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

21. OPTIONS

Employee Option Plan

The fair value of options granted under an Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period over which the service vesting conditions are to be satisfied. Employee Option Plan options have no other vesting conditions. The fair value at grant date is determined by management with the assistance of an independent valuer, using a Black-Scholes option pricing model or a Monte Carlo simulation analysis. The total amount to be expensed is determined by reference to the fair value of the options granted;

- including any market performance conditions (e.g. the entities share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. remaining an employee over a specified time period)

21. OPTIONS (Cont.)

The cumulative employee benefits expense recognised at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best information available at balance date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as at the date of modification. Where appropriate, the dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. The Company’s policy is to treat the options of terminated employees as forfeitures.

On November 30, 2001, the Directors of the Company established a Staff Share Plan. On November 19, 2008, the shareholders of the Company approved the introduction of a new Employee Option Plan. Under the terms of the respective Plans, the Directors may, at their discretion, grant options over the ordinary shares in the Genetic Technologies Limited to executives, consultants, employees, and former Non-Executive Directors, of the Company. The options, which are granted at nil cost, are not transferable and are not quoted on the ASX. As at June 30, 2021, there was 1 executive and 12 employees who held options that had been granted under the Plans. Options granted under the Plans carry no rights to dividends and no voting rights.

(i) Fair value of options granted

During the year ended June 30, 2021, there were 12,850,000 options issued under Employee Option Plan (2020: no options were granted). The Company, however issued various unlisted options to underwriters and sub-underwriters as a part of capital raising costs. For valuations on the unlisted options issued please refer to Note 20.

Set out below are summaries of all and unlisted options, including ESOP which were issued in prior periods:

	2021		2020	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	\$ 0.008	538,000,000	\$ 0.015	38,000,000
Exercised by various underwriters	\$ 0.008	(21,000,000)	—	—
Exercised by Lodge Corporate Pty Ltd	\$ 0.008	(2,500,000)	—	—
Granted to employees during the year	\$ 0.008	12,850,000	—	—
Granted to directors in their capacity as sub-underwriters	—	—	\$ 0.008	250,000,000
Options granted to various underwriters	—	—	\$ 0.008	250,000,000
Granted to Lodge Corporate Pty Ltd	—	—	\$ 0.008	5,000,000
Lapsed during the year	\$ 0.01	(5,000,000)	\$ 0.010	(5,000,000)
Forfeited during the year	\$ 0.01	(500,000)	—	—
Lapse of unlisted options attached to convertible notes	—	—	—	—
Closing balance	\$ 0.008	\$ 521,850,000	\$ 0.008	\$ 538,000,000

21. OPTIONS (Cont.)

(i) Fair value of options granted (Cont.)

The movements in the number of options granted under the Employee share plans are as follows:

	2021		2020	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Balance at the beginning of the financial year	\$ 0.015	20,500,000	\$ 0.015	25,500,000
Add: options granted during the year	\$ 0.008	12,850,000	—	—
Less: options lapsed during the year	\$ 0.010	(5,000,000)	\$ 0.010	(5,000,000)
Less: options forfeited during the year	\$ 0.010	(500,000)	—	—
Balance at the end of the financial year	\$ 0.011	\$ 27,850,000	\$ 0.015	\$ 20,500,000

The number of options outstanding as at June 30, 2021 by ASX code, including the respective dates of expiry and exercise prices, are tabled below. The options tabled below are not listed on ASX.

	2021		2020	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Unlisted options				
Options to Kentgrove Capital (expiring August 8, 2021)	\$ 0.015	12,500,000	\$ 0.015	12,500,000
GTGAD (expiring March 31, 2021)	—	—	\$ 0.020	5,000,000
GTGAD (expiring February 16, 2022)	\$ 0.010	5,500,000	\$ 0.010	5,500,000
Options to various underwriters (expiring October 30, 2022)	\$ 0.008	231,500,000	\$ 0.008	250,000,000
Options to directors (expiring December 20, 2022)	\$ 0.008	250,000,000	\$ 0.008	250,000,000
Options issued Lodge Corporate Pty Ltd (expiring March 6, 2023)	—	—	\$ 0.008	5,000,000
ESOP options (expiring December 11, 2021)	\$ 0.010	9,500,000	\$ 0.010	10,000,000
ESOP options (expiring December 1, 2023)	\$ 0.008	12,850,000	—	—
Total	\$ 0.008	521,850,000	\$ 0.008	538,000,000
Exercisable at the end of the financial year	\$ 0.008	\$ 521,850,000	\$ 0.008	\$ 538,000,000

The weighted average remaining contractual life of options outstanding as at June 30, 2021 was 1.37 years (2020: 2.39 years).

22. SEGMENT INFORMATION

(a) Identification of reportable segments

The Company has identified two reportable segments as reported that is consistent with the internal reporting provided to the chief operating decision maker.

Management considers the business from a geographic perspective and has identified two reportable segments:

Australia: is the home country of the parent entity and the location of the Company’s genetic testing and licensing operations.

USA: is the home of Phenogen Sciences Inc. and GeneType Corporation

(b) Geographical segments

The segment information for the reportable segments is as follows:

2021 Consolidated entity	Australia \$	USA \$	Total \$
Segment revenue & other income			
Revenue from contracts with customers	102,416	18,138	120,554
Other income	1,308,043	256,413	1,564,456
Cost of goods sold	(351,971)	(9,056)	(361,027)
Total segment revenue & other income	1,058,488	265,495	1,323,983
Segment expenses			
Depreciation and amortisation	(99,719)	(405)	(100,124)
Finance costs	(4,360)	(9,689)	(14,049)
Share-based payments	(714,577)	—	(714,577)
Laboratory and research and development	(2,702,313)	(149,155)	(2,851,468)
General and administrative expenses	(3,381,808)	(7,656)	(3,389,464)
Other operating expenses	(723,890)	(395,556)	(1,119,446)
Depreciation for right-of-use assets	(191,671)	(20,803)	(212,474)
Total segment expenses	(7,818,338)	(583,264)	(8,401,602)
Income tax expenses	—	—	—
Loss for the period	(6,759,850)	(317,769)	(7,077,619)
Total Segment Assets	22,628,506	343,182	22,971,688
Total Segment Liabilities	(1,347,007)	(91,646)	(1,438,653)

22. SEGMENT INFORMATION (Cont.)

(b) Geographical segments (Cont.)

2020 Consolidated entity	Australia \$	USA \$	Total \$
Segment revenue & other income			
Revenue from contracts with customers	3,160	6,704	9,864
Other income	1,130,881	9,766	1,140,647
Net other gains	(5,522)	—	(5,522)
Cost of goods sold	(243,506)	(8,005)	(251,511)
Total segment revenue & other income	885,013	8,465	893,478
Segment expenses			
Depreciation and amortisation	(65,148)	—	(65,148)
Finance costs	(1,221)	(13,602)	(14,823)
Share-based payments	14,442	—	14,442
Laboratory and research and development	(2,310,815)	(166,763)	(2,477,578)
General and administrative expenses	(4,046,264)	(12,295)	(4,058,559)
Other operating expenses	(159,009)	(226,793)	(385,802)
Depreciation for right-of-use assets	(200,785)	—	(200,785)
Total segment expenses	(6,768,800)	(419,453)	(7,188,253)
Income tax expenses	—	—	—
Loss for the period	(5,687,942)	(410,988)	(6,098,930)
Total Segment Assets	15,329,955	303,024	15,632,979
Total Segment Liabilities	(1,427,051)	(213,321)	(1,640,372)

The company revised the previous audited financial statements to reflect the correction of an immaterial error. See Note 2(a)(v) for additional information.

23. SHARE BASED PAYMENTS

(a) Employee option plan

On December 21, 2020, the Company issued 12,850,000 options with an exercise price of A\$0.008 (0.8cents) per option, expiring December 1, 2023 issued under an employee incentive scheme (2020: Nil). The Company, also issued various unlisted options to underwriters and sub-underwriters as a part of capital raising costs. Please refer to further details on options on Note 22.

(b) Performance Rights Issuance

After receiving requisite shareholder approval on November 29, 2018, the Company has issued 76,250,000 performance rights to Directors of the Company as follows:

- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C performance Rights to Dr. Paul Kasian
- 3,750,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 6,250,000 Class A Performance Rights to Dr. Jerzy Muchnicki
- 5,000,000 Class A Performance Rights to Mr. Peter Rubinstein
- 3,750,000 Class A Performance Rights to Mr. Xue Lee

In the year ended June 30, 2020, all Performance Rights previously issued to Dr. Paul Kasian and Mr. Xue Lee were forfeited.

After receiving another requisite shareholder approval on December 10, 2020, the Company issued additional 125,000,000 Performance Rights to Directors of the Company as follows:

- 5,000,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Jerzy Muchnicki
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Mr. Peter Rubinstein
- 5,000,000 Class A Performance Rights to Mr. Nicholas Burrows

During the year, the Board has approved for the following Performance Rights to be issued to the Chief Executive Officer and Chief Operating Officer:

- 60,000,000 Class D Performance Rights to Mr. Simon Morris
- 3,937,500 Class E Performance Rights to Mr. Stanley Sack

The Company has accounted for these Performance Rights in accordance with its accounting policy for share-based payment transactions and has recorded A\$622,725 of associated expense in the current reporting period.

23. SHARE BASED PAYMENTS (Cont.)

(b) Performance Rights Issuance (Cont.)

Valuation of Performance Rights

The Performance Rights are not currently quoted on the ASX and as such have no ready market value. The Performance Rights each grant the holder a right of grant of one ordinary Share in the Company upon vesting of the Performance Rights for nil consideration. Accordingly, the Performance Rights may have a present value at the date of their grant. Various factors impact upon the value of Performance Rights including:

- the period outstanding before the expiry date of the Performance Rights;
- the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon conversion of the Performance Rights into Shares (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest); and
- the value of the shares into which the Performance Rights may be converted.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model valuation formula and the Monte Carlo simulation).

The Company has commissioned an independent valuation of the Performance Rights. The independent valuer has applied the Monte Carlo simulation in providing the valuation of the Performance Rights.

Inherent in the application of the Monte Carlo simulation are a number of inputs, some of which must be assumed. For the Performance Rights issued in the year ended June 2019, the data relied upon in applying the Monte Carlo simulation was:

- a) exercise price being 0.0 cents per Performance Right for all classes;
- b) VWAP hurdle (10 days consecutive share price hurdle) equaling 2.0 cents for Class A Performance Rights;
- c) the continuously compounded risk-free rate being 2.02% for all classes of Performance Rights (calculated with reference to the RBA quoted Commonwealth Government bonds as at 8 October 2018 of similar duration to that of the expected life of each class of Performance Right);
- d) the expected option life of 2.8 years for all classes of Performance Rights; and
- e) a volatility measure of 80%.

For the Performance Rights issued during the current year, the data relied upon in applying the Monte Carlo simulation was:

- a) exercise price being 0.0 cents per Performance Right for all classes;
- b) VWAP hurdle (10 days consecutive share price hurdle) equaling A\$0.012 for Class A and A\$0.014 for Class B, and (15 days consecutive share price hurdle) equaling \$0.016 for Class D Performance Rights;
- c) sales and market cap hurdles as listed above for Class C and Class E Performance Rights;
- d) the continuously compounded risk free rate being 0.111% for all classes of Performance Rights (calculated with reference to Refinitiv – closing share price as at December 21, 2020, and 3 year Australian Government yield as at December 21, 2020);
- e) the expected option life of 2 years for Class E Performance Rights and 3 years for all other classes of Performance Rights; and
- f) a volatility measure of 158.23%.

23. SHARE BASED PAYMENTS (Cont.)

(b) Performance Rights Issuance (Cont.)

Performance hurdles

The Directors, being the recipients of the Performance Rights, must remain engaged by the Company at the time of satisfaction of the performance hurdle in order for the relevant Performance Right to vest.

Performance Rights issued during the year ended June 30, 2021

The Class A Performance Rights vest and are exercisable upon the Share price reaching \$0.012 or greater for more than 10-day consecutive ASX trading days.

The Class B Performance Rights vest and are exercisable upon the Share price reaching \$0.014 or greater for more than 10-day consecutive ASX trading days and sales commence on the Consumer Initiated Testing (CIT) platform in either Australia or the United States of America.

The Class C Performance Rights vest and are exercisable upon a minimum of 4,000 tests being processed in any 12 month period or the market cap of the Company reaching \$100 million or above and being sustained for more than 10 consecutive ASX trading days, whichever happens sooner.

The Class D Performance Rights vest and are exercisable upon the Share price reaching \$0.016 or greater for more than 15-day consecutive ASX trading days.

The Class E Performance Rights vest and are exercisable upon the first commercial sale of the Company's COVID-19 risk test with IBX (Infinity BioLogix).

Performance Rights issued prior to the year ended June 30, 2021

The Class A Performance Rights vest and are exercisable upon the Share price reaching \$0.02 or greater for more than 10 day consecutive ASX trading days.

Performance rights issued during prior years, vested during the year

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights	Expense accounted for during the year
Dr. Lindsay Wakefield	3,750,000	0.77	\$ 28,875	\$ 9,625
Dr. Jerzy Muchnicki	6,250,000	0.77	\$ 48,125	\$ 16,042
Mr. Peter Rubinstein	5,000,000	0.77	\$ 38,500	\$ 12,833
Total	15,000,000		\$ 115,500	\$ 38,500

Performance rights cancelled/forfeited during the year ended June 30, 2020

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights	Expense accounted for during the year
Mr. Xue Lee ⁽²⁾	3,750,000	0.77	\$ 28,875	\$ (5,616)
Dr. Paul Kasian ⁽¹⁾	7,500,000	0.77	\$ 57,750	\$ (11,229)
Total	11,250,000		\$ 86,625	\$ (16,845)

	Number of Performance Rights issued	Valuation per Class B (cents)	Total fair value of Class B Performance Rights	Expense accounted for during the year
Dr. Paul Kasian ⁽¹⁾	25,000,000	0.77	\$ 192,500	\$ (37,431)

	Number of Performance Rights issued	Valuation per Class C (cents)	Total fair value of Class C Performance Rights	Expense accounted for during the year
Dr. Paul Kasian ⁽¹⁾	25,000,000	0.57	\$ 142,500	\$ (27,708)

Notes:

⁽¹⁾ Dr. Paul Kasian resigned on September 24, 2019.

⁽²⁾ Mr. Xue Lee resigned on July 9, 2019

No Performance Rights were cancelled/forfeited during the year ended June 30, 2021.

23. SHARE BASED PAYMENTS (cont.)

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Kentgrove options issued	16,667	16,667	15,278
Performance rights issued	622,725	38,500	104,441
Reversal of forfeited Performance Rights	—	(81,984)	—
Options issued under employee option plan	75,186	12,375	215,383
Total expenses arising from share-based payments	714,578	(14,442)	335,102

(d) Securities issued during capital raise

The following information relates to options granted and issued against the capital raising costs year ended June 30, 2020;

Director	Grant date of issued options	Number of options issued
Mr. Peter Rubinstein	November 28, 2019	125,000,000
Dr. Jerzy Muchnicki	November 28, 2019	125,000,000
Total		250,000,000

2020		
Grant Date	November 28, 2019	
Options issued	250,000,000	
Dividend yield	—	
Historic volatility and expected volatility	136%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.003
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.85%	
Expected life of an option	3 years	
Model used	Black-Scholes	
Valuation amount	A\$	1,056,054

Holder	Grant date of issued options	Number of options issued
Various underwriters	October 30, 2019	250,000,000

2020		
Grant Date	October 30, 2019	
Options issued	250,000,000	
Dividend yield	—	
Historic volatility and expected volatility	136%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.003
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.78%	
Expected life of an option	3 years	
Model used	Black-Scholes	
Valuation amount	A\$	817,666

Holder	Grant date of issued options	Number of options issued
Lodge Corporate Pty Ltd	March 6, 2020	5,000,000

2020		
Grant Date	March 6, 2020	
Options issued	5,000,000	
Dividend yield	—	
Historic volatility and expected volatility	141%	
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.007
Weighted average exercise price	A\$	0.008
Risk-free interest rate	0.36%	
Expected life of an option	3 years	
Model used	Black-Scholes	
Valuation amount	A\$	29,340

24. COMMITMENTS

(a) Expense commitments

Expenditure commitments	Consolidated		
	2021	2020	2019
	\$	\$	\$
Minimum expense payments			
- not later than one year	—	—	250,068
- later than one year but not later than five years	—	—	266,560
- later than five years	—	—	—
Total minimum expense payments	—	—	516,628

Due to the adoption of IFRS 16 effective July 1, 2019, the Company no longer has any non-cancellable lease to be recognised under commitments for the year ended June 30, 2021.

(b) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2021	2020
	\$	\$
Property, plant and equipment	—	466,560

The above commitment relates to the purchase of laboratory equipment which will assist the Company to conduct more tests in the future.

25. AUDITORS’ REMUNERATION

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Audit and assurance services			
PricewaterhouseCoopers in respect of:			
Audit ⁽¹⁾	72,500	274,000	288,000
Audit related fees ⁽²⁾	—	200,000	—
Tax fees ⁽³⁾	—	—	—
All other fees ⁽⁴⁾	—	—	—
Grant Thornton Audit Pty Ltd in respect of:			
Audit ⁽¹⁾	168,333	—	—
Audit related fees ⁽²⁾	—	—	—
Tax fees ⁽³⁾	—	—	—
All other fees ⁽⁴⁾	65,000	—	—
Other audit firms in respect of:			
Audit of the Financial Reports of subsidiaries	—	—	—
Total remuneration in respect of audit services	305,833	474,000	288,000

- ⁽¹⁾ Audit fees consist of services that would normally be provided in connection with statutory and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide.
- ⁽²⁾ Audit related fees consist of fees billed for assurance and related services that generally only the statutory auditor could reasonably provide to a client. Included in the balance are amounts related to additional regulatory filings during the 2020 financial year. All services provided are considered audit services for the purpose of SEC classification.
- ⁽³⁾ Tax fees include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax advice and tax planning.
- ⁽⁴⁾ All other fees consist of fees billed for financial and information technology due diligence services in respect of the Company’s acquisition of the business and assets associated with the EasyDNA brand that completed on August 13th, 2021.

26. RELATED PARTY DISCLOSURES

Ultimate parent

Genetic Technologies Limited is the ultimate Australian parent company. As at the date of this Report, no shareholder controls more than 50% of the issued capital of the Company.

Transactions within the Company and with other related parties

During the year ended June 30, 2021, other than compensation paid to directors and other members of key management personnel, see “Item 6.B Compensation”, the only transactions between entities within the Company and other related parties are as listed below. Except where noted, all amounts were charged on similar to market terms and at commercial rates.

26. RELATED PARTY DISCLOSURES (Cont.)

Blockchain Global Limited

As announced by the Company on February 15, 2018, a non-binding terms sheet with Blockchain Global Limited(BCG) was entered to provide a framework for continuing discussions between the two companies, with the proposed transaction being subject to shareholder approval (by non-associated Shareholders); and as announced by the Company on August 2, 2018, a framework agreement with BCG was entered formalising the non-binding terms sheet and providing a framework for a strategic alliance between the Company and BCG, with the agreement became binding on November 29, 2018 upon receiving the requisite shareholder approval. The agreement proposed the issue of 486 million shares to BCG in 3 tranches subject to the achievement of certain milestones. No shares have been issued under the framework agreements and no milestones have been achieved. Any rights to the 486 million milestone shares lapsed between December 27, 2019 and June 27, 2020.

The company has accounted for these share issuances in accordance with its accounting policy for share-based payment transactions and has not recorded any associated expense in the current year given performance conditions have not been met and are not currently considering any Blockchain related projects.

A number of Directors of the Company presently or previously have had involvement with BCG. Mr. Xue Lee has a direct and indirect share interest and was a CEO and managing director of BCG. Mr. Peter Rubinstein held a minority shareholding in the Company and was also a director in BCG. Dr. Jerzy Muchnicki has a direct and indirect interest in BCG. Dr. Paul Kasian was previously a director of BCG until July 2018.

Performance Rights Issuance

After receiving requisite shareholder approval on November 29, 2018, the Company has issued 76,250,000 Performance Rights to Directors of the Company as follows:

- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Paul Kasian
- 3,750,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 6,250,000 Class A Performance Rights to Dr. Jerzy Muchnicki
- 5,000,000 Class A Performance Rights to Mr. Peter Rubinstein
- 3,750,000 Class A Performance Rights to Mr. Xue Lee

26. RELATED PARTY DISCLOSURES (Cont.)

In the year ended June 30, 2020, all Performance Rights previously issued to Dr. Paul Kasian and Mr. Xue Lee were forfeited.

After receiving another requisite shareholder approval on December 10, 2020, the Company issued additional 125,000,000 Performance Rights to Directors of the Company as follows:

- 5,000,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Jerzy Muchnicki
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Mr. Peter Rubinstein
- 5,000,000 Class A Performance Rights to Mr. Nicholas Burrows

During the year, the Board has approved for the following Performance Rights to be issued to the Chief Executive Officer and Chief Operating Officer:

- 60,000,000 Class D Performance Rights to Mr. Simon Morris
- 3,937,500 Class E Performance Rights to Mr. Stanley Sack

The Company has accounted for these Performance Rights in accordance with its accounting policy for share-based payment transactions and has recorded A\$622,725 of associated expense in the current reporting period.

Blockshine Health Joint Venture

The Company, via its subsidiary Gene Ventures Pty Ltd, entered into a joint venture with Blockshine Technology Corporation (BTC). The joint venture company, called Blockshine Health, was to pursue and develop blockchain opportunities in the biomedical sector. Blockshine Health was to have full access to BTC's technology (royalty free) as well as all of its opportunities in the biomedical sector. The Company invested A\$250,000 into the joint venture in the year ended June 30, 2019 and held 49% equity stake. The Joint Venture agreement was subsequently cancelled and the investment of A\$250,000 was impaired in the year ended June 30, 2019.

During the year ended June 30, 2020, the Company managed to recover A\$43,380 from this investment previously written-off.

Genetic Technologies HK Limited and Aocheng Genetic Technologies Co. Ltd - Joint Venture

In August 2018, the Company announced a Heads of Agreement had been reached with Representatives of the Hainan Government - Hainan Ecological Smart City Company ("HESCG"), a Chinese industrial park development & operations company have formally invited Genetic Technologies Limited ("GTG") to visit the Hainan Medical Pilot Zone to conduct a formal review and discuss opportunities for market entry into China via the Hainan Free Trade Zone initiative. The invitation was extended to GTG via Beijing Zishan Health Consultancy Limited ("Zishan"), demonstrating the potential for growth presented by the proposed Joint Venture between the parties (as announced to the market on August 14, 2018).

Subsequently, the Company announced the official formation of Genetic Technologies HK Limited and Aocheng Genetic Technologies Co. Ltd in Hong Kong to the market on March 27, 2019,

The Company's previous Chairman, Dr. Paul Kasian was named in the formation Heads of Agreement document to be the Chairman of the Joint Venture entity. At June 30, 2021, Genetic Technologies HK Limited has 100% ownership of Hainan Aocheng Genetic Technologies Co. Limited. At this time, no Directors fees or emoluments have been paid to Dr. Kasian, nor have agreements regarding fees been reached.

Issuance of options to directors towards sub-underwriting the capital raise

As announced on October 4, 2019, the Company undertook an underwritten non-renounceable pro-rata entitlement offer at an Issue Price of 0.4 cents per new share.

On October 11, 2019, the Company updated the market to advise that the offer was from that time agreed to be underwritten by Lodge Corporate Pty Ltd and that two of the Company's directors (Peter Rubinstein and Dr. Jerzy Muchnicki), had agreed to sub-underwrite the offer. Both directors, in conjunction with the underwriter Lodge Corporate Pty Ltd, subsequently agreed amongst themselves to alter the respective sub-underwritten amounts, but the total to be sub-written between them (A\$2 million) remained same, as did the total underwritten amount (of A\$4 million).

Accordingly, the underwritten offer subsequently was sub-underwritten by Mr. Peter Rubinstein and Dr. Jerzy Muchnicki (each as up to A\$1 million) in conjunction with a consortium of non-associated wholesale investors (also as sub-underwriters) who in aggregate equate to the underwritten amount of A\$4 million, each in accordance with the terms of their separate sub-underwriting agreements with Lodge Corporate Pty Ltd (each a Sub-Underwriting Agreement).

Dr. Muchnicki and Mr. Rubinstein reflecting the amount of their sub-writing commitment were to be granted on the same terms as all options to be granted to the relevant sub-underwriters. The number of options issued to both directors was calculated as 1 Option for every 2 Shares being sub-underwritten and were issued a total of 125,000,000 unlisted options to each of the directors.

As announced on October 11, 2019, within the rights issue offer document, upon exercise each such option converts into 1 fully paid share on terms consistent with the ASX Listing Rules; with a 3-year expiry date from grant and with an exercise price per underwriter and sub-underwriter option equal to the lower of:

- A\$0.008; and
- The implicit price per share at which any raise done by Aegis capital within 3 months from the Company's shareholder meeting.

but in any event with a floor exercise price equal to A\$0.004.

Lodge Corporate

Dr. Kasian was a director of corporate finance and corporate advisor from December 2017 to February 2019 with Lodge Corporate. During the year ended, the Company engaged in corporate advisory services with Lodge Corporate and had transactions worth A\$154,224 which also included A\$88,000 that related to 2% of the underwriting of the capital raise during the year ended June 30,

2020. Additionally, during the year, On March 6, 2020 the Company issued 5,000,000 options to Lodge Corporate Pty Ltd valued at A\$29,340 which were in relation to capital raising costs.

26. RELATED PARTY DISCLOSURES (Cont.)

Mr. Phillip Hains (Former Chief Financial Officer)

On July 15, 2019, the Company announced that it had appointed Mr. Phillip Hains (MBA, CA) as the Chief Financial Officer who has over 30 years of extensive experience in roles with a portfolio of ASX and NASDAQ listed companies and provides CFO services through his firm The CFO Solution. Prior to this point the Company had a similar arrangement with The CFO Solution, where it would engage and provided services of overall CFO, accounting and other finance related activities.

During the reporting period, the Company had transactions valued at A\$224,971 (2020: A\$527,724) with The CFO Solution towards provision of overall CFO, accounting and other finance related activities.

Mr. Stanley Sack (Chief Operating Officer)

On May 18, 2020, the Company appointed Mr. Stanley Sack who provides consulting in the capacity of Chief Operating Officer. Mr. Sack has spent 15 years in large listed entities in executive positions managing large business divisions. He has worked with a high net worth family managing all their operating businesses and private equity activities. Mr. Sack built an Allied Health Business in the aged care and community care space which became the biggest Mobile Allied Health Business in Australia, and was recently sold to a large medical insurance company.

During the reporting period, the Company had transactions valued at A\$143,172 (2020: A\$38,500) with Mr. Stanley Sack's entity Cobben Investments towards provision of consulting services in relation to provision of duties related to Chief Operating Officer of the Company.

Mr. Peter Rubinstein (Non-Executive Director and Chairman)

During the financial year ended June 30, 2020, the Board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive Director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein's associate entity ValueAdmin.com Pty Ltd and amounted to A\$60,000 (2020: A\$35,000) that is included as part of the cash salary and fees in the remuneration report as at June 30, 2021.

There were no transactions with parties related to Key Management Personnel during the year other than that disclosed above.

26. RELATED PARTY DISCLOSURES (Cont.)

Details of Directors and Key Management Personnel as at balance date

Directors

- Mr. Peter Rubinstein (Independent Non-Executive & Chairman)
- Dr. Jerzy Muchnicki (Executive Director & Chief Medical Officer)
- Dr. Lindsay Wakefield (Independent Non-Executive)
- Mr. Nicholas Burrows (Independent Non-Executive) (appointed September 2, 2019)

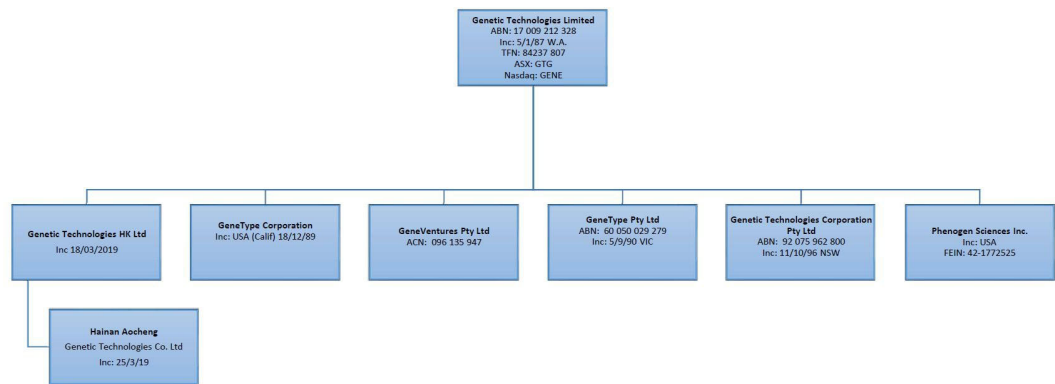
Key Management Personnel (KMPs)

- Mr. Simon Morriss (Chief Executive Officer) (appointed 1 February 2021)
- Dr. Richard Allman (Chief Scientific Officer)
- Mr. Phillip Hains (Chief Financial Officer) (July 15, 2019 to 15 June 2021)
- Mr. Mike Tonroe (Chief Financial Officer) (appointed 15 June 2021)
- Mr. Stanley Sack (Chief Operating Officer) (appointed May 18, 2020)

	Consolidated		
	2021	2020	2019
	\$	\$	\$
Remuneration of Key Management Personnel			
Short-term employee benefits	1,035,302	638,659	964,162
Post-employment benefits	79,042	53,614	86,130
Share-based payments	650,911	(32,498)	157,886
Other long-term benefits	4,589	3,231	734
Termination benefits	—	—	—
Total remuneration of Key Management Personnel	1,787,933	663,006	1,208,912

27. SUBSIDIARIES

The following diagram is a depiction of the Company structure as at June 30, 2021.



27. SUBSIDIARIES (Cont.)

Name of Company	Incorporation details	Company interest (%)		Net carrying value (\$)	
		2021	2020	2021	2020
Entities held directly by parent					
GeneType Pty. Ltd. (Dormant)	September 5, 1990 Victoria, Australia	100%	100%	—	—
Genetic Technologies Corporation Pty. Ltd. (Genetic testing)	October 11, 1996 N.S.W., Australia	100%	100%	2	2
Gene Ventures Pty. Ltd. ⁽¹⁾ (Dormant)	March 7, 2001 N.S.W., Australia	100%	100%	10	10
GeneType Corporation (Dormant)	December 18, 1989 California, U.S.A.	100%	100%	—	—
Phenogen Sciences Inc. (BREVAGen™)	June 28, 2010 Delaware, U.S.A.	100%	100%	11,006	11,006
Hainan Aocheng Genetic Technologies Co Ltd	Hong Kong, China	100%	100%	—	—
Genetic Technologies HK Ltd	March 18, 2019 Hong Kong, China	100%	100%	—	—
Total carrying value				11,018	11,018

⁽¹⁾ On 26 April 2018, the name of RareCollect Pty Ltd (ACN 096 135 9847) was changed to Gene Ventures Pty Ltd (ACN 096 135 947)

28. FINANCIAL RISK MANAGEMENT

This note explains the Company’s exposure to financial risks and how these risks could affect the Company’s future financial performance.

The Company’s risk management is predominantly controlled by the board. The board monitors the Company’s financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange rate risk arises from financial assets and financial liabilities denominated in a currency that is not the Company’s functional currency. Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument fluctuating due to the movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the Australian dollar (AUD) functional currency of the Company. This risk is measured using sensitivity analysis and cash flow forecasting. The cost of hedging at this time outweighs any benefits that may be obtained.

The consolidated financial statements are presented in Australian Dollar (\$), which is Genetic Technologies Limited’s functional and presentational currency.

Exposure

The Company’s exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	June 30, 2021			June 30, 2020	
	USD	CAD	EUR	USD	EUR
	\$	\$	\$	\$	\$
Cash at Bank / on hand	7,868,978	—	36,787	2,512,767	38,020
Trade and other receivables	31,908	—	—	—	—
Trade and other payables	27,001	(1,236)	—	99,637	—

Sensitivity

As shown in the table above, the Company is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments.

The Company has conducted a sensitivity analysis of its exposure to foreign currency risk. Based on the financial instruments held as at June 30, 2021, had the Australian dollar weakened/strengthened by 4.9% (2020: 6.03%) against the USD with all other variables held constant, the Company’s post-tax loss for the year would have been A\$388,466 lower/higher (2020: A\$145,520 lower/higher).

- USD: 4.9% (2020: 6.03%)

The Company is more sensitive to movements in the AUD/USD exchange rates in 2021 than 2020 because of the increased amount of USD denominated cash and cash equivalents. The US warrants financial liability will be equity-based settled upon exercise of the US warrants. However, as the exercise will be done with an exercise price in US dollars, there is a foreign exchange risk due to the subsequent translation to Australian dollars. The Company’s exposure to other foreign exchange movements is not material.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

(i) Risk management

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are normally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Security

For some trade receivables the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The Company has one type of financial asset subject to the expected credit loss model:

- trade receivables for sales of inventory

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

28. FINANCIAL RISK MANAGEMENT (Cont.)

(b) Credit risk (Cont.)

(iii) Impairment of financial assets (Cont.)

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables assets have been grouped based on shared credit risk characteristics and the days past due.

(c) Liquidity risk

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

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) Maturities of financial liabilities

The tables below analyse the Company’s financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>Contractual maturities of financial liabilities</i>	Less than 6 months \$	6 – 12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount (assets)/liabilities \$
At June 30, 2021							
Trade and other payables	760,350	—	—	—	—	760,350	760,350
Lease liabilities	129,057	50,569	24,412	—	—	204,038	204,038
Total	889,407	50,569	24,412	—	—	964,388	964,388

<i>Contractual maturities of financial liabilities</i>	Less than 6 months \$	6 – 12 months \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount (assets)/liabilities \$
At June 30, 2020							
Trade and other payables	723,724	—	—	—	—	723,724	723,724
Lease liabilities	108,924	131,991	188,621	—	—	429,536	429,536
Borrowings	—	—	52,252	—	—	52,252	52,252
Total	832,648	131,991	240,873	—	—	1,205,512	1,205,512

28. FINANCIAL RISK MANAGEMENT (Cont.)

(d) Interest rate risk

The Company’s main interest rate risk arises in relation to its short-term deposits with various financial institutions. If rates were to decrease, the Company may generate less interest revenue from such deposits. However, given the relatively short duration of such deposits, the associate risk is relatively minimal.

The Company has a Short-Term Investment Policy which was developed to manage the Company’s surplus cash and cash equivalents. In this context, the Company adopts a prudent approach that is tailored to cash forecasts rather than seeking high returns that may compromise access to funds as and when they are required. Under the policy, the Company deposits its surplus cash in a range of deposits / securities over different time frames and with different institutions in order to diversify its portfolio and minimise risk.

On a monthly basis, Management provides the Board with a detailed list of all cash and cash equivalents, showing the periods over which the cash has been deposited, the name and credit rating of the institution holding the deposit and the interest rate at which the funds have been deposited.

At June 30, 2021, if interest rates had changed by +/- 50 basis points from the year-end rates, with all other variables held constant, the Company’s loss for the year would have been A\$14,775 lower / higher (2020: loss A\$55,828 lower / higher), as a result of higher / lower interest income from cash and cash equivalents and deposits in place.

28. FINANCIAL RISK MANAGEMENT (Cont.)

The exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrealised, for the Company is as follows:

Consolidated	Year	Floating rate A\$	Fixed rate A\$	Carrying amount A\$	Weighted ave. effective rate %	Ave. maturity Period Days
Financial assets						
Cash at bank / on hand	2021	2,955,047	17,947,235	20,902,282	0.2%	At call
	2020	11,645,389	—	11,645,389	0.5%	At call
Performance bond / deposits	2021	—	1,856	1,856	—	At call
	2020	—	2,025	2,025	—	At call
Totals	2021	2,955,047	17,949,091	20,904,138		
	2020	11,645,389	2,025	11,647,414		
Financial liabilities						
Borrowings	2021	—	—	—	—	—
	2020	—	52,252	52,252	1%	—
Leases	2021	—	204,038	204,038	5.37%	—
	2020	—	429,536	429,536	5.37%	—
Totals	2021	—	204,038	204,038		
	2020	—	481,788	481,788		

Note The Company holds the balance of its cash in non-interest-bearing bank accounts.

29. SUBSEQUENT EVENTS

The Company executed an acquisition agreement (“Acquisition Agreement”) on July 19th, 2021 to acquire the direct-to-consumer eCommerce business and distribution rights associated with General Genetics Corporation and its associated brands trading as EasyDNA, from BelHealth Investment Fund LP. The Acquisition Agreement provides for the acquisition of all brands, websites and reseller agreements associated with EasyDNA. This includes over 70 websites in 40 countries and six brand identities. Under the terms of the Acquisition Agreement, the Company will acquire 100% of EasyDNA’s brands and assets within the General Genetics Corporation business for a purchase price of US\$4 million, comprising cash consideration of US\$2.5 million and US\$1.5 million worth of GTG securities in the nature of ADRs.

30. CAPITAL MANAGEMENT

(a) Risk management

The Company’s objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Company’s constitution. The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the Company’s management, the board monitors the need to raise additional equity from the equity markets.

(b) Dividends

No dividends were declared or paid to members for the year ended June 30, 2021 (2020: nil). The Company’s franking account balance was nil at June 30, 2021 (2020: nil).

31. PARENT ENTITY FINANCIAL INFORMATION

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

	2021 \$	2020 \$
Balance sheet		
Current assets	21,809,918	11,646,391
Non-current assets	2,011,338	345,236
Total assets	23,821,256	11,991,627
Current liabilities	1,317,378	10,095,549
Non-current liabilities	7,694,668	1,117,947
Total liabilities	9,012,046	11,213,496
<i>Shareholders' equity</i>		
Share Capital Reserves	153,574,974	140,111,073
Other reserves	(117,131)	(117,131)
Share-based payments	8,499,649	6,184,391
Retained earnings	(147,148,282)	(145,400,202)
Total Equity	14,809,210	778,131
Profit/(Loss) for the year	(1,601,672)	(8,816,667)

For the year ended June 30, 2021, A\$4,482,965 impairment loss previously recognised on intercompany loan balances between the parent and its subsidiaries was reversed. (2020: A\$3,782,537 recognised as impairment loss).

32. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company had no contingent liabilities at June 30, 2021 (2020: nil).

33. IMPACT OF COVID-19

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organisation (WHO) declared the novel coronavirus disease 2019 ("COVID-19") outbreak a public health emergency of international concern and on March 12, 2020 the WHO announced the outbreak was a pandemic.

Continuing concerns over economic and business prospects in the United States and other countries have contributed to increased volatility and diminished expectations for the global economy. These factors, coupled with the prospect of decreased business and consumer confidence and increased unemployment resulting from the recent COVID-19 outbreak, may precipitate an economic slowdown and recession. If the economic climate deteriorates, the Company's business, including its access to patient samples and the addressable market for diagnostic tests that it may successfully develop, as well as the financial condition of its suppliers and its

third-party payors, could be adversely affected, resulting in a negative impact on the Company's business, financial condition, results of operations and cash flows.

On a micro level, the COVID-19 pandemic is having a negative impact on global markets and business activity, which has had an effect on the operations of the Company, including but not limited to that sales of the Company's products have been impacted not only by the inability for consumers to visit their practitioners but also the difficulty its sales team is having in arranging face to face meetings with practitioners. The Company's sales team has found it very difficult to reach practitioners to build on the sales momentum created prior to the pandemic, with the launch into the Australian market being halted after less than 60 days of operations thus, sales have effectively ceased for the short term.

During the period of the pandemic commencing March 2020, the Company undertook a number of capital raises both public and private placements managed by H.C. Wainwright & Co. in the United States of America.

Australian Disclosure Requirements

All press releases, financial reports and other information are available using the stock code GTG on the Australian Stock Exchange website: www2.asx.com.au

Exhibit 4.10

SALE OF BUSINESS AGREEMENT

This Sale of Business Agreement is made on 18 day of July 2021 (“Effective Date”) by and between:

Genetic Technologies Limited ACN 009 212 328, a company formed under the laws of the Commonwealth of Australia, with its principal office at 60-66 Hanover Street, Fitzroy, Victoria 3065 Australia
hereinafter, **GTG**

AND

General Genetics Corporation, a Delaware company, registration No. OC 754, trading as “General Genetics Europe” and with an address at 36, Triq ir-Russett, Kappara, SGN4433, Malta
hereinafter, **GGC**

AND

General Genetics Europe Limited
hereinafter, **GGE**

AND

General Genetics Limited UK
hereinafter, **GGUK**

AND

The Genetic Test Laboratories Australia Pty Limited ACN 145 305 187 having its registered office at Suite 3, 5 Sesame Court, Slacks Creek QLD 4127 and t/as Easy DNA Australia
hereinafter, **GGA**

and hereinafter, GGC, GGE, GGUK and GGA are jointly and severally, **the Vendor**

AND

Kevin Camilleri of 34, Casa Bene, Triq ir-Russett, Kappara SGN4433, Malta only with respect to Section 6.5
hereinafter, **Key Person**

INTRODUCTION:

- A. The Vendor carries on the Business.
 - B. The Vendor has agreed to sell and GTG has agreed to buy the Business carried on by the Vendor together with the Assets and Stock on the terms set out in this Agreement.
 - C. The Vendor has made representations to GTG in terms of the representations and warranties set out in Section 11.1 and Schedule 7 with the intention that GTG should rely on such representations in entering into this Agreement.
-

IT IS AGREED:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In this Agreement unless the context otherwise requires:

“**ADRs**” means American Depositary Shares listed on NASDAQ (GENE: NASDAQ), representing Ordinary Shares of GTG.

“**Affiliates**” means, with respect to a person, any other person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person for so long as such other Person controls, is controlled by or is under common control with such first person, regardless of whether such Affiliate is or becomes an Affiliate on or after the Effective Date. For purposes of this definition, “control” and, with correlative meanings, the terms “controlled by” and “under common control with” means (a) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise; or (b) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). The parties acknowledge that in the case of certain entities organized under the laws of certain countries outside of the United States, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence; provided that such foreign investor has the power to direct the management or policies of such entity.

“**Assets**” means:

- (a) stock on hand, leases, Plant and Equipment;
- (b) CPR, accounting and other software licenses and/or cloud-based software as a service subscriptions;
- (c) all the Managed Sites, domain websites, Domain Names and social media accounts;
- (d) fixtures & fittings currently used in the business and forming part of this sale will be provided by the Vendor; and
- (e) the Trade Marks;
- (f) the Goodwill;
- (g) client and customer databases;
- (h) the Intellectual Property used in the Business;
- (i) the Licences held by the Vendor;
- (j) the Records;
- (k) the Vendor’s interest in the Contracts,; and
- (l) the Vendor’s interest in the Leases;

and all Intellectual Property rights subsisting in the foregoing, but excluding the Excluded Assets;

“**Business**” means the business carried on by the Vendor which is the marketing, advertising, offering for sale and sale of genetic testing services through the Managed Websites and a network of resellers under the Brands;

“**Cap**” has the meaning set forth in Section 11.2

“**Claim**” means a legal proceeding (whether civil or criminal), administrative proceeding, arbitral proceeding, mediation or other form of alternative dispute resolution (whether or not held in conjunction with the proceeding), an investigation or inquiry by a Government Agency, liquidator, controller or administrator;

“**Completion**” means settlement of the sale and purchase and other matters in accordance with the terms of this Agreement;

“**Completion Date**” means the date on which Completion occurs, which shall be as promptly as practicable (but in no event later than the third (3rd) business day) after all of the conditions set forth in Section 5 (other than conditions which by their terms are required to be satisfied at Completion, but subject to the satisfaction or waiver of such conditions) shall have been satisfied or, if permissible, waived by the party entitled to the benefit of the same and, subject to the foregoing, shall take place at such time and on such date as specified by the parties, or such other date and time as is agreed between the parties in writing when Completion will occur;

“**Confidential Information**” means all information, including trade secrets, disclosed to GTG or known by GTG as a consequence of or through its or his relationship to the Business or Vendor, that (A) concerns the Business, Assets, Stock and/or the Premises or the products, processes or services offered by the Business or any of its respective customers or vendors; and (B) either (1) has not been made generally available to the public, or (2) has been identified to GTG as confidential, either orally or in writing; and includes computer programs, unpatented inventions, discoveries or improvements, marketing, manufacturing, or organizational research and development, or business plans, sales forecasts, personnel information (including the identity of other employees of the Business, their responsibilities, competence, abilities and compensation), manufacturing techniques, product formulations, and product constructions, pricing and financial information, current and prospective customer/patient lists and information on customers/patients, information concerning planned or pending acquisitions or divestitures, and information concerning purchases of major equipment or property.;

“**Contracts**” means all the contracts and agreements to which the Vendor is a party relating to the Business including those listed in Schedule 1.

“**Consideration Shares**” means three hundred and forty eight thousand and nine hundred and thirty nine (348,939) ADRs (which number has been calculated based on US\$1,500,000 divided by thirty (30) day VWAP of the ADRs on the trading day immediately preceding the Effective Date).

“**Completion Deferred Revenue Cost**” means the cost incurred by GTG of dispatching test kits and/or preparing and issuing customer reports after Completion in respect of tests that are sold by Vendor to a customer before Completion.

“**Domain Names**” means all those domain names identified in Schedule 6;

“**Employee Entitlements**” means all entitlements owing to each Employee employed by the Vendor at the Completion Date including without limitation, accumulated wages, salaries, holiday pay, holiday leave loading (if any), annual sick leave, accrued long service leave and superannuation payments, charges and levies;

“**Employees**” means those persons engaged in the Business and who are employed either by GGC or GGA, including the Key Person, all of whose particulars are set out in Schedule 2;

“**Encumbrance**” means any mortgage, charge (whether fixed or floating), pledge, lien, title retention or conditional sales agreement, hire or hire purchase agreement, option, subordination or other Security Interest;

“**Escrow Agent**” means Citibank, N.A.

“**Escrow Agreement**” means an escrow agreement to be entered into by and among GTG, GGC (as representative of the Vendor) and the Escrow Agent, effective as of the Completion Date, such escrow agreement to be substantially in the form attached hereto as Exhibit A.

“**Excluded Assets**” means the shares, options, warrants, convertible note and other any form of share capital in or of each of GGC, GGE, GGUK and GGA and all cash, cash equivalents and marketable securities of the Vendor;

“**Goodwill**” means the goodwill of the Vendor in relation to the Business;

“**Government Agency**” means any government, government department, or governmental, semi-governmental or judicial body or person charged with the administration of any applicable law including a town council;

“**GTG Cap**” has the meaning set forth in Section 11.6.

“**Intellectual Property**” means all intellectual property rights of any nature whatsoever including patents, trademarks, whether registered or otherwise, trade mark applications, trade names, copyright and all intellectual property rights subsisting in inventions, know-how, data, specifications, systems and processes, whether or not capable of protection by registration and all rights to use any of the foregoing owned by the Vendor and used in connection with the Business.

“**Key Person**” means Kevin Camilleri of 34 Casa Bene Trig ir-Russett, Kamparra, SGN 4433 Malta

“**Landlord**” means the owner of each of the Premises as specified on the Leases;

“**Law**” includes any law, regulation, authorisation, ruling, judgment, order or decree of any Government Agency and any statute, regulation, proclamation, ordinance or by-law in, as relevant, Australia, Malta and the United States.

“**Lease**” means the documents, details of which are set out in Schedule 1;

“**Liabilities**” means all liabilities and obligations, whether actual, contingent or prospective, as at the Completion Date, including trade Liabilities and liabilities to taxation authorities anywhere in the world;

“**Licences**” means the statutory licences, registrations, approvals and permits which are held by the Vendor or its nominee on Completion in relation to the Business listed in Schedule 3.

“**Losses**” means, without duplication, any and all claims, actions, causes of action, judgments, awards, losses, costs or damages (including reasonable fees and expenses of attorneys, but excluding any allocation of overhead, including any cost of employing their own employees) actually suffered or incurred, excluding any Losses to the extent they are incidental damages, provided that “Losses” shall not include any consequential damages, special damages, or punitive damages or any Losses to the extent caused by the action or inaction of the indemnified party or its Affiliates.

“**Managed Sites**” means those websites identified by the Domain Names and/or the Trade Marks.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of the Business, or (b) the ability of Vendor to consummate the transactions contemplated hereby; *provided, however*, that “Material Adverse Effect” excludes the MAE Exclusions. **“MAE Exclusions”** means any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company and the Subsidiaries operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of GTG; (vi) any matter of which GTG is aware; (vii) any changes in applicable Laws or accounting rules or the enforcement, implementation or interpretation thereof; (viii) the public announcement or existence of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Business; (ix) any natural or man-made disaster or acts of God; (ix) government orders or mandates; (xi) epidemic or pandemic (including SARS-CoV-2 or COVID-19, and any evolutions thereof or related or associated epidemics, pandemics or disease outbreaks); or (xii) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

“Outgoings” means the outgoings of the Business and Premises, including without limitation, rent, rates, levies, charges, land tax, hiring, leasing and maintenance charges, and all other recurrent outgoings for which the Vendor is responsible;

“PPSA” means the *Personal Properties Securities Act 2009 (Cth)* and its associated regulations as amended;

“Permitted Encumbrance” means (i) any Encumbrance previously notified to GTG over each item of Plant and Equipment listed in or annexed to Schedule 4, (ii) landlords’, lessors’, mechanics’, materialmen’s, warehousemen’s, carriers’, workers’, or repairmen’s Encumbrances or other similar Encumbrances arising or incurred in the ordinary course of business which are not delinquent, (iii) easements, quasieasements rights-of-way, rights of re-entry or other similar restrictions, including any other agreements, conditions or restrictions that would be shown by a current title report or other similar report or listing, which do not materially impair the occupancy or use of any Premises for the purposes for which it is currently used in connection with the Business, (iv) any conditions that may be shown by a current survey and that do not materially impair the occupancy or use of any Premises for the purposes for which it is currently used in connection with the Business, and (iv) zoning, building, subdivision or other similar requirements or restrictions which are not violated by the current use and operation of the applicable Premises (except for any violations that would not adversely affect in any material respect the use and occupancy of any such Premises as currently used and occupied).;

“Plant and Equipment” means the items of plant and equipment set out or annexed to Schedule 5;

“Premises” means those premises that are the subject of each of the Leases respectively, being:

- (a) the Dolphin Centre Complex, Main Street, Valley Road, Balzan, Malta, having an area of 225sqm; and
- (b) Uni 3, 5 Sesame Court, Slacks Creek, QLD 4127

“Records” means originals and copies, in machine readable or printed form, of all books, files, reports, records, correspondence, documents and other material of or relating to or used in connection with the Business including:

- (a) all records stored on or accessed through the Vendor’s CPR, accounting and other software licenses and/or cloud-based software as a service subscriptions
- (b) minute books, statutory books and registers, books of account and copies of applicable taxation returns;
- (c) brochures and other promotional material;
- (d) all sales and purchasing records, including all customer names;
- (e) all trading and financial records;
- (f) bank account records for all the bank accounts relating to the business for the period commencing on 1 January 2018 and ending on the Completion Date;
- (g) lists of all regular suppliers and customers;
- (h) all user names and passwords needed to access all accounting, software licenses, social media accounts and all other services or assets requiring a user name and password; and
- (i) employee records.

“Registration Agreement” means a registration rights agreement to be entered into by and between GTG and the Vendor, effective as of the Completion Date, such registration rights agreement to be substantially in the form attached hereto as Exhibit B.

“Security Interest” means a security interest as defined in the PPSA;

“Stock” means all the marketable stock including raw materials, materials used in manufacture, packaging materials, components, work-in-progress, finished goods, goods under manufacture, inventories and other stock in trade owned by the Vendor, including goods in transit and stock ordered and paid for by the Vendor but not received by Completion;

“Termination Date” has the meaning set forth in Section 5.4(b).

“Transferring Employees” means those Employees who accept an offer of employment with GTG as at the Completion Date.

“Trade Marks” means:

- (a) EasyDNA
- (b) GTLDNA
- (c) General Genetic Corporation
- (d) Homedna Direct
- (e) International Bioscience
- (f) Whoz the Daddy?

as further may be identified in Schedule 6.

“Vendor’s Warranties” means the Vendor’s warranties as set out in Schedule 7.

1.2 Construction

In this Agreement unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing any gender include all other genders;
- (c) words importing persons include corporations, all bodies and associations corporate or unincorporate and vice versa and includes their heirs, successors, permitted assigns and transferees;
- (d) any agreement, warranty, representation, obligation or liability which binds or benefits two or more persons under this Agreement binds or benefits those persons jointly and severally;
- (e) any reference to a statute or statutory provision includes any statutory provision which amends, extends, consolidates or replaces or has been amended, extended, consolidated or replaced by, that statute or statutory provision and any other orders, regulations, instruments or other subordinate legislation made under that statute or statutory provision;
- (f) headings are included for convenience only and will not affect the interpretation and construction of this Agreement or any Schedule;
- (g) all references to “\$” and “dollars” are references to the lawful currency of the United States; and
- (h) if an event (including the making of a payment) must occur under or in connection with this Agreement on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

2. SALE AND PURCHASE OF BUSINESS AND ASSETS

2.1 Sale and Purchase of Business and Assets

Subject to the terms of this Agreement, the Vendor agrees to sell and GTG agrees to buy the Business and Assets, free from all Encumbrances except any Permitted Encumbrance with effect from the Completion Date.

2.2 Sale and Purchase of Stock

Subject to the terms of this Agreement, the Vendor agrees to transfer and set over to GTG and GTG agrees to receive and acquire from the Vendor all the Stock on the Completion Date.

3. CONSIDERATION

3.1 The Purchase Price

In consideration of the Vendor selling and transferring the Business and Assets and subject to the terms and conditions hereunder, GTG must:

- (a) pay to the Vendor the amount of two million and five hundred thousand United States dollars (US \$2,500,000); and
- (b) issue to the Vendor or its nominee the Consideration Shares.

3.2 Cash Payment - Schedule

Payment of the amount specified in paragraph (a) of Section 3.1 shall be by way of two direct wire transfers to bank accounts to be nominated by the Vendor:

- (a) the first of which shall be in the amount of two million United States dollars (US \$2,000,000), payable on the Completion Date; and
- (b) the second of which shall be to the Escrow Agent in the amount of five hundred thousand United States dollars (US \$500,000) payable on the Completion Date (the “**Escrow Amount**”).

For avoidance of doubt, GTG acknowledges that its sole source of payment for any adjustment to the amount payable under Section 3.2 (a) (including adjustments contemplated by Sections 6.4, 6.6, 6.8, 8.2, 8.3 and 8.4) shall be the Escrow Funds in accordance with the Escrow Agreement. The parties agree to address such adjustments and agree to them not later than thirty (30) days before the first anniversary of the Completion Date.

3.3 Issuing the Consideration Shares

The time for issuing the Consideration Shares specified in paragraph (b) of Section 3.1 shall be on the Completion Date..

3.4 Intentionally Omitted.

3.5 Conditions attaching to the Consideration Shares

The Consideration Shares will be subject to a lock-up agreement for the first six (6) months following the Completion Date. All costs related to the conversion of the GTG Ordinary Shares into ADRs, and the registration of the ADRs referenced herein, shall be borne by GTG.

Vendor hereby represents and warrants as of the date hereof and as of the Completion Date to GTG as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

- (a) Understandings or Arrangements. Vendor is acquiring the Consideration Shares as principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Consideration Shares (this representation and warranty not limiting Vendor’s right to sell the Consideration Shares pursuant to a resale registration statement or otherwise in compliance with applicable federal and state securities laws).
- (b) Vendor Status. At the time Vendor was offered the Consideration Shares, it was, and as of the date hereof it is either: (i) an “accredited investor” as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act of 1933, as amended (the “Securities Act”) or (ii) a “qualified institutional buyer” as defined in Rule 144A(a) under the Securities Act.
- (c) Experience of Vendor. Vendor, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Consideration Shares, and has so evaluated the merits and risks of such investment. Vendor is able to bear the economic risk of an investment in the Consideration Shares and, at the present time, is able to afford a complete loss of such investment.
- (d) Access to Information. Vendor acknowledges that it has had the opportunity to review this Agreement (including all exhibits and schedules thereto) and GTG’s SEC Reports and has been afforded, (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of GTG concerning the terms and conditions of the offering of the Consideration Shares and the merits and risks of investing in the Consideration Shares; (ii) access to information about GTG and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that GTG possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

The Vendor agrees to the imprinting, so long as is required by applicable securities laws, of a legend on any of the Consideration Shares in the form required by the depositary for the ADRs.

GTG acknowledges and agrees that Vendor may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Consideration Shares to a financial institution that is an “accredited investor” as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, Vendor may transfer pledged or secured Consideration Shares to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of GTG and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the Vendor’s expense, GTG will execute and deliver such reasonable documentation as a pledgee or secured party of Consideration Shares may reasonably request in connection with a pledge or transfer of the Consideration Shares.

GTG shall cause its counsel to issue a legal opinion to the Transfer Agent or Vendor promptly after the effective date of such registration statement if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by Vendor.

Vendor agrees with GTG that Vendor will sell any Consideration Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and acknowledges that the removal of the restrictive legend the applicable Consideration Shares as set forth in this Section 3.5 is predicated upon GTG’s reliance upon this understanding.

3.6 No Further Payments

The parties acknowledge and agree that, other than the amounts specified in this Section 3 (subject to adjustments contemplated under this Agreement), GTG does not have any liability or obligation to pay the Vendor any amounts.

3.7 Escrow Agreement

- (a) At the Closing, GTG shall deposit the Escrow Amount with the Escrow Agent pursuant to Section 3.2(b) and the Escrow Agreement. The Escrow Amount and any interest or earnings thereon (the “**Escrow Funds**”) shall be governed by the terms of the Escrow Agreement. The Escrow Funds shall be held in escrow until the first (1st) anniversary of the Completion Date to fund any adjustment pursuant to Sections 6.4, 6.6, 6.8, 8.2, 8.3 and 8.4 and any required indemnification payments of Vendor in accordance with Sections 11.2 and 12.1.
- (b) All parties hereto agree for all tax purposes: (i) the right of Vendor to the Escrow Funds shall be treated as deferred contingent purchase price; and (ii) GTG shall be treated as the owner of the Escrow Funds solely for tax purposes, and all interest and earnings earned from the investment and reinvestment of the Escrow Funds, or any portion thereof, shall be allocable to GTG. All parties hereto shall file all Tax Returns consistently with the foregoing.

4. CONTRACTS

4.1 Assignment, novation of the Contracts or New Contracts

- (a) The Vendor assigns to GTG with effect on and from Completion the benefit of those Contracts in respect of which assignment by the Vendor is permitted without the consent of the other party to the Contract.
- (b) The Vendor and GTG must use reasonable endeavours to assign to GTG with effect on and from Completion the benefit of those Contracts in respect of which assignment by the Vendor is permitted only with the consent of the other party to the Contract.
- (c) To the extent that a Contract is not assigned to GTG on Completion, for a period after Completion ending on the earlier of the date that GTG enters into a replacement Contract with the other party to such Contract that was not assigned, and the first (1st) anniversary of the Completion Date, the Vendor shall hold its rights under such Contract for the benefit of GTG and must do whatever GTG reasonably requires at GTG's expense to enable GTG to enjoy that benefit. GTG indemnifies and will keep indemnified the Vendor in respect of any claim the Vendor may be or become liable for in connection with or arising out of the Vendor complying with its obligations under this clause.
- (d) From Completion:
 - (i) GTG must comply with and perform all of the Vendor's obligations; and
 - (ii) the Vendor is released from all responsibilities and liabilities (other than in respect of any liability for breaches before Completion),

in respect of all of the Contracts, whether or not they are assigned or novated to GTG on or before Completion.

4.2 Breach after Completion

GTG indemnifies the Vendor from and against all losses arising directly or indirectly from, or incurred in connection with, any breach of any Contract by GTG after Completion, except to the extent caused or contributed to by the Vendor. In accordance with and subject to the limitations set forth in Sections 11.2 and 12, the Vendor indemnifies GTG from and against all Losses arising from, or incurred in connection with, any breach of any Contract of the Vendor before Completion.

5. CONDITION FOR COMPLETION

5.1 Conditions Precedent to GTG's Obligations

Completion is conditional on and subject to each of the following conditions being fulfilled or being waived by GTG on or before the Completion Date:

- (a) Officers Certificate

GTG shall have received from the Vendor a signed certificate of an officer of each of GGC, GGE, GGUK and GGA, certifying that the each of those Companies' board of directors and shareholders have resolved to enter into the transaction described in this Agreement.

- (b) No Material Change in the Business

Since the Effective Date, there shall have been no Material Adverse Effect and GTG shall have received from the Vendor a signed certificate of an officer of each of GGC, GGE, GGUK and GGA, certifying to that effect.

(c) No Breach of Warranty

There will have been no breach of the Vendor's Warranties except to the extent such breach would not have a Material Adverse Effect.

(d) Key Person

The employment agreement entered into by and between GTG and the Key Person on the Effective Date concurrently with the execution and delivery of this Agreement (the "**Key Person Employment Agreement**") shall not have been terminated and shall be in full force and effect on the Completion Date.

(e) Employees

At least fifty percent (50%) of the Employees identified in Schedule 2 shall have accepted the offer of employment made by GTG in accordance with Section 6.1 and signed their respective employment agreement with GTG.

(f) Contracts

GTG will have become a party to five (5) of the nine (9) Contracts with agents, five (5) of the nine (9) Contracts with labs and each of the leases identified on Schedule 1 as being required as a condition of Completion, whether by way of the Contracts respective counter-parties agreeing to GTG becoming a party or by way of a fresh agreement being entered into between GTG and each of the Contracts' respective counter-parties.

(g) No Legal Proceedings

There being no legal proceedings threatened or pending in relation to the Products or the Business which could reasonably be expected to restrict or prohibit the transaction contemplated by this Agreement.

(h) Incorporating a GTG Subsidiary

Either (i) GTG will have incorporated a Maltese company and opened a bank account for that Company, or (ii) Vendor shall have provided GTG with reasonable access to and use of Vendor appropriate bank accounts for purposes of satisfying payroll obligations in respect of Transferring Employees from and after Completion until such time as GTG will have incorporated a Maltese company and opened a bank account for that Company.

5.2 Conditions Precedent to Vendor's Obligations

(a) GTG Warranties

The Warranties of GTG set forth in Section 11.5 shall be true and correct in all material respects as of the Completion Date (except that warranties that are made as of a specific date need be true and correct only as of such date and).

(b) GTG Covenants

GTG shall have performed or caused to be performed in all material respects all obligations that are required to be performed by it on or prior to the Completion Date.

(c) No Material Change in GTG

Since the Effective Date, there shall have been no event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of GTG, or (b) the ability of GTG to consummate the transactions contemplated hereby, and Vendor shall have received from GTG a signed certificate of an officer of GTG, certifying to that effect.

(d) Officer's Certificates

Vendor shall have received from GTG a signed certificate of an officer of GTG, certifying that GTG's board of directors have resolved to enter into the transaction described in this Agreement.

(e) Escrow Agreement and Registration Agreement

GTG and the Escrow Agent shall have executed and delivered the Escrow Agreement and the Escrow Agreement shall be in full force and effect. GTG shall have executed and delivered the Registration Agreement and the Registration Agreement shall be in full force and effect.

5.3 Reasonable endeavours

The parties must use their respective reasonable endeavours to ensure that the conditions set out in clauses 5.1 and 5.2 are met as soon as reasonably practicable and each party must keep the other informed of any circumstance which may result in any condition set out in clause 5.1 not being satisfied.

(a) Waiver of conditions

The Condition Precedents set out in Section 5.1 are for the benefit of GTG and may only be waived in writing by GTG. The Condition Precedents set out in Section 5.2 are for the benefit of Vendor and may only be waived in writing by Vendor.

(b) Notification of satisfaction of Condition Precedents

GTG must give the Vendor notice in writing within a reasonable time of GTG becoming aware of Condition Precedents being satisfied or the Condition Precedents not being satisfied.

5.4 Termination of Agreement

This Agreement may be terminated, and the consummation of the transactions contemplated hereby may be abandoned, at any time prior to Completion only as provided below:

(a) by the mutual written consent of Vendor and GTG;

(b) by either Vendor or GTG by written notice to the other if the Closing shall not have occurred on or before the date that is one hundred twenty (120) days after the date of this Agreement (the "**Termination Date**"); provided, however, that the right to terminate this Agreement under this Section 5.4(b) shall not be available to any party whose failure to comply with any provision of this Agreement has been the primary cause of, or primarily resulted in, the failure of Completion to occur on or before the Termination Date

In the event of the valid termination of this Agreement pursuant to this Section 5.4, this Agreement shall forthwith become null and void and have no effect, without any liability on the part of GTG or Vendor, and their respective directors, officers, employees, partners, managers, Affiliates, direct or indirect equity holders, members or stockholders, and all rights and obligations of any party hereto shall cease, except that (a) the agreements contained in this Article 5.4, Section 16, and Section 18 shall survive the termination of this Agreement and (b) no such termination shall relieve any party hereto of any liability for damages resulting from any fraud by such party of this Agreement prior to such termination.

6. EMPLOYEES

6.1 Basis for Employment of the Employees

As soon as reasonably practicable after the date of this Agreement but in any event not less than two (2) weeks before the Completion Date, GTG must, or must cause its nominee to, offer to employ the Employees:

- (a) with effect from and conditional on Completion;
- (b) unless otherwise agreed, on terms and conditions that no less favourable to the Employees than the terms on which they are employed at the time the offer is made;

The Offers of Employment must remain open for acceptance for at least seven days after receipt.

6.2 The Parties' Cooperation in relation to Employment

- (a) The parties must use all reasonable efforts to encourage the Employees to accept GTG's offers of Employment.
- (b) As soon as the offers of Employment have all been accepted or refused, GTG must notify the Vendor accordingly, giving the names of the Transferring Employees.
- (c) Despite any other provision of this Agreement, Vendor, or its representative, will terminate the employment of all the Employees effective as at Completion.

6.3 Vendor's obligations to Transferring Employees

Subject to Section 6.4, after Completion, the Vendor will be responsible for and must pay when due all remuneration and other Employee Entitlements, that accrued before Completion.

6.4 Adjustment Employee Entitlements

GTG shall be entitled to deduct from the amount payable under Section 3.2 the amounts payable with respect to Employee Entitlements that arose before the Completion Date and, in the case of personal leave other than annual leave, that arose before the Completion Date and that a Transferring Employee used after the Completion Date.

6.5 Employment of the Key Person

The Key Person agrees, subject to the terms and conditions of the Key Person Employment Agreement, to be employed by GTG on a full time basis from and after the Completion Date, as evidenced by the Key Person executing the Key Person Employment.

6.6 Worker's Compensation

In relation to each Transferring Employee:

- (a) the Vendor is responsible for and will indemnify, keep indemnified and hold harmless GTG in relation to any workers' compensation claim lodged before or subsequent to the Completion Date where and to the extent that the claim is founded upon an event or circumstance alleged to have occurred during the claimant's employment by the Vendor; and

- (b) GTG is responsible for and will indemnify, keep indemnified and hold harmless the Vendor in relation to any workers' compensation claim lodged by any Transferring Employee provided the claim is founded upon an event or circumstance alleged to have occurred during the claimant's employment with GTG.

6.7 GTG's Covenant

After the Completion Date, GTG will be solely responsible for all Transferring Employees and will keep the Vendor indemnified against all costs and expenses relating to claims by Transferring Employees in relation to Employee Entitlements payable to such Employees, where the Employee Entitlements arose after the Completion Date.

6.8 Superannuation

(a) Obligation of Vendor

On or before the close of business on the Completion Date, the Vendor will pay to the trustee or trustees of the superannuation fund or funds maintained for the benefit of the Transferring Employees in accordance with applicable Law ("**Vendor's Superannuation Fund**") all superannuation contributions which the Vendor is required to make as employer on behalf of the Transferring Employees under any industrial award, agreement or legislation governing superannuation contributions for the period up to the Completion Date.

(b) Obligation of Purchaser

GTG will, for the period on and from the Completion Date, make contributions for superannuation in respect of the Transferring Employees as GTG is required to make under the provisions of any industrial award, agreement or legislation governing superannuation contributions.

7. ADJUSTMENTS

7.1 Outgoings

The Outgoings will be apportioned between the Vendor and GTG on the Completion Date and the amount due to either party will be paid on that day. The Vendor will be liable for all Outgoings up to 11.59 p.m. on the day prior to the Completion Date and GTG will be liable for all Outgoings on and after the Completion Date.

7.2 Services

All services connected to the Premises, including without limitation, electricity, gas and telephone services will be the Vendor's responsibility and must be paid by the Vendor up to 11.59 p.m. on the day prior to the Completion Date.

8. DEBTORS AND CREDITORS

8.1 No Transfer

The parties agree that the sale and purchase of the Business, Assets and Stock will not affect any transfer or assignment of any of the debtors or creditors of the Business as at the Completion Date.

8.2 Deferred Revenue

GTG shall be entitled to reimbursement for Completion Deferred Revenue Costs.

8.3 Debts

Subject to Section 8.2:

- (a) the Vendor remains entitled to collect all debts owing to it and liable for all the debts of the Business, as at the close of trading on the day before the Completion Date; and
- (b) GTG shall be entitled to collect all debts owing to it and liable for all the debts of the Business, after Completion Date.

8.4 Monies received by GTG on Vendor's behalf

- (a) If after the Completion Date, GTG receives cash or other forms of payment made by debtors of the Business and due to the Vendor, it must hold such payment on trust for the Vendor.
- (b) If after the Completion Date, the Vendor receives cash or other forms of payment made by debtors of the Business and due to GTG, it must hold such payment on trust for GTG.
- (c) In the event that any amounts or payments are credited incorrectly into one of the parties' bank accounts, then the relevant party who is holding such funds must immediately notify the other party and arrange a reconciliation and/or reimbursement of the relevant monies within five (5) Business Days.

9. COMPLETION

9.1 Date, Place and Time of Completion

Completion will take place at the office of GTG on the Completion Date at a time agreed between the parties in writing or in such other manner as may be mutually agreed between the parties.

9.2 Matters to be Attended to on the Completion Date

The Vendor must, on or before the Completion Date:

- (a) change the names of GGC, GGA, GGE and GGUK;
- (b) provide a list of all amounts outstanding and payable from clients of the Business to the Vendor;
- (c) provide a list of all amounts outstanding and payable from the Vendor to its suppliers;
- (d) give GTG possession of the Business, Assets and Stock, free of Encumbrances except for any Permitted Encumbrance;
- (e) give GTG possession of the Premises;
- (f) sign all documents and do all things necessary to apply for and transfer to GTG all Licences, permits, hiring, leasing and maintenance agreements and other registrations necessary to enable GTG to lawfully carry on the Business;

- (g) arrange for all service meters (including telephones) to be read and assist GTG to transfer those services including (subject to the approval of any relevant authority) any telephone and/or facsimile lines used in the Business;
- (h) provide to GTG details of:
 - (i) the Vendor's insurances related to the Business; and
 - (ii) software licenses, including for access to accounting packages and systems;
- (i) deliver to GTG all operational records relating to the Business, Premises (including the Lease), Assets, Stock, and all Employees re-employed by GTG which are necessary for the conduct of the Business (excluding those records which are confidential or which the Vendor must retain by law), including without limitation all customer lists, product promotional and descriptive literature, computer data relating to the Business, Assets and Stock and purchasing records;
- (j) deliver a duly executed assignment of the Vendor's trademarks to GTG, in customary form and substance reasonable acceptable to the Vendor and GTG; and
- (k) do all other things reasonably necessary and required by GTG to put GTG into full possession of the Business, Assets, Stock and Premises and otherwise for the purpose of carrying out its obligations under this Agreement.

9.3 Assignment of Intellectual Property

As and from the Completion Date, the Vendor hereby assigns or transfers to GTG its entire right and title in and to all the Intellectual Property.

10. POST COMPLETION OBLIGATIONS

10.1 Non-Disparagement

Subject to Completion occurring, the each party agrees that, from Completion, it will not disparage the other party, or the other party's related entities or any of their respective businesses or associated personnel (including officers, employees, agents and contractors) or speak or write in terms which are likely to be injurious to the commercial, professional or personal standing of any of them or any of their businesses or associated personnel; provided that each party may confer in confidence with their respective legal representatives and make truthful statements as required by Law.

10.2 Non-solicitation

During the Term of this Agreement and for a period of twelve (12) months after its termination or expiry, each party agrees that it will not, directly or indirectly: (i) solicit or recruit any personnel of the other party, for its own benefit or the benefit of any other person, and (ii) encourage, suggest or facilitate any employees of the other party to leave his or her employment with the other party;. For clarification, the restrictions set out in this Section 10.2 apply with respect of the Transferred Employees.

10.3 Restrictive Covenant

- (a) The Vendor covenant and agree that they will not after the Completion Date, without GTG's prior written consent, for the periods of time specified in paragraph (d) of this Section 10.3 and within the regions specified in paragraph (e) of this Section 10.3, carry on or be involved in any capacity with any business that offers for sale or sells or markets genetic tests or otherwise identical or similar to the Business. The Vendor agree that this Section 10.3 will enure for the benefit of GTG and its legal personal representatives, assigns or transferees.

- (b) This Section 10 is to be construed and to take effect as if it consisted of the number of separate provisions which are the result of combining each type of conduct referred to above with each of the regions specified in regions specified in paragraph (e) of this Section 10.3, and then relating each of those combinations to each of the periods of time specified in paragraph (d) of this Section 10.3. If any of those separate provisions is unenforceable, illegal or void for any reason that provision shall be severed. Severance will not affect the validity or unenforceability of any of the other separate provisions.
- (c) The Vendor acknowledges that each of the separate provisions referred to above constitute a fair and reasonable restraint of trade.
- (d) Thirty six months
Twenty four months
twelve months; and
six months.
- (e) The entire world;
The Americas, Europe and Asia;
The Americas and Europe; and
The US and all European countries west of the Urals.

11. WARRANTIES

11.1 Vendor's warranties

The Vendor:

- (a) represents and warrants to GTG that each and every one of the Vendor Warranties are true, complete and accurate as at the Effective Date and immediately prior to Completion;
- (b) acknowledges that GTG is entering into this Agreement in reliance on each of the Vendor's Warranties;
- (c) warrants that each warranty is given as at the date of this Agreement and will remain in full force and effect for twelve (12) months after the Completion Date; and
- (d) represents and warrants to GTG that, subject to Section 11.2, it shall be liable to make any payment (whether by way of an adjustment to the amount payable under Section 3.2(b) or otherwise) for any breach of any warranty.

11.2 Indemnity for breach of Vendor Warranty

- (a) The Vendor shall indemnify GTG for all of GTG's Losses arising out of or incurred in connection with any Vendor Warranty being untrue at the time it was given.
- (b) Notwithstanding anything to the contrary contained in this Agreement:
 - (i) The representations and warranties of Vendor contained in this Agreement or in any schedule, exhibit or certificate attached hereto or delivered pursuant to this Agreement shall survive the Completion until the first (1st) anniversary of the Completion Date ("**Survival Period**"). Vendor shall not be liable for any claim for indemnification under this Section 11.2 unless GTG delivers to the Vendor a claim notice in accordance with Section 11.3 prior to the expiration of the Survival Period. Upon GTG delivering such a claim notice, the representation and/or warranty which is the subject of such claim notice shall survive until such claim is resolved, and irrespective of whether or not the amount of the Losses resulting from such breach has been finally determined at the time the notice is given.

- (ii) Vendor shall not be liable for any claim for indemnification pursuant to this Section 11.2 unless and until the aggregate amount of Losses which may be recovered from Vendor equals or exceeds forty thousand dollars (US\$40,000) (the “**Deductible**”), in which case Vendor shall be liable for the aggregate amount of Losses, up to the Cap;
- (iii) The maximum aggregate amount of Losses which may be recovered from Vendor pursuant to or relating to the transactions contemplated under this Agreement (including under Sections 6.4, 6.6, 6.8, 8.2, 8.3, 8.4, 11.2 and 12) shall be limited to the aggregate amount of the Escrow Funds (collectively, the “**Cap**”). The amount of any Losses for which indemnification is provided under this Agreement (including under Sections 6.4, 6.6, 6.8, 8.2, 8.3, 8.4, 11.2 and 12) shall be net of any insurance proceeds that GTG receives as an offset against such Losses.
- (iv) GTG shall take commercially reasonable steps to mitigate any Losses as soon as reasonably practicable after GTG becomes aware of any event which does, or could reasonably be expected to, give rise to any such Losses.
- (v) Notwithstanding anything in this Agreement, GTG shall not be entitled to indemnification in respect of any breach of any representation or warranty of Vendor if and to the extent GTG had actual knowledge of such breach prior to Completion.
- (vi) GTG acknowledges and agrees that the remedies provided for in this Section 11.2 and Section 12 shall be GTG’s sole and exclusive remedies for any breach of the representations and warranties or covenants contained in this Agreement or any claims relating to this Agreement, other documents, certificates or agreements delivered in connection with this Agreement, the Company or any Law or otherwise. Notwithstanding anything to the contrary set forth herein, GTG acknowledges that its sole source of payment for any Losses indemnifiable under this Agreement (including under Sections 6.4, 6.6, 6.8, 8.2, 8.3, 8.4, 11.2 and 12) shall be the Escrow Funds in accordance with the Escrow Agreement.

11.3 Notice in advance of Payment for Warranty Claims

To be entitled to receive payment under Section 11.2, GTG must deliver to the Vendor written notice setting out specific details of a warranty claim and give the Vendor at least 14 days to respond. If a demand is made on GTG by a third party which may result in a claim by GTG on the Vendor for breach of a warranty under this Agreement, GTG must delivery written notice to the Vendor to such effect immediately on receipt and permit the Vendor to participate in responding to and resolving the demand.

11.4 Intentionally Omitted

11.5 Warranties of GTG

GTG represents and warrants to the Seller that as at the Effective Date and immediately prior to Completion, it:

- (a) is properly incorporated and validly existing under the laws of its place of incorporation;
- (b) has full power and authority to enter into and perform its obligations under this Agreement;

- (c) has obtained all necessary approvals, consents and Authorisations to enter into and perform its obligations under this Agreement;
- (d) is not entering into this Agreement as trustee of any trust; and
- (e) there are no actions, suits, claims, investigations or other legal proceedings pending or, to GTG's knowledge, threatened against or by GTG or any affiliate of GTG that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

The execution, delivery and performance by GTG of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not (a) result in a violation or breach of its formation and organizational documents, (b) result in a violation or breach of any Law applicable to GTG, or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which GTG is a party, except in the cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a material adverse effect on GTG's ability to consummate the transactions contemplated hereby. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any Government Agency is required by or with respect to GTG in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, except for filings or notices which would not have a material adverse effect on GTG's ability to consummate the transactions contemplated hereby.

On the Completion Date GTG will have sufficient funds available to consummate the transactions contemplated hereby, including, to purchase the Assets and to pay the cash purchase price contemplated by Section 3.1. GTG acknowledges and agrees that its performance of its obligations under this Agreement is not in any way contingent upon the availability of financing to GTG. Immediately after giving effect to the transaction contemplated hereby and the incurrence of any indebtedness in connection therewith, the assets of the GTG will exceed its liabilities. In connection with the consummation of the transaction contemplated hereby and the incurrence of any indebtedness in connection therewith, GTG does not intend that it would incur, and does not believe that it will incur, debts beyond its ability to pay as such debts mature.

GTG has timely filed with or furnished to, as applicable, the ASX and United States Securities and Exchange Commission (the "SEC") all registration statements, prospectuses, reports, schedules, forms, statements, and other documents (including exhibits and all other information incorporated by reference) required to be filed or furnished by it with the ASX and SEC since January 1, 2020 (the "**GTG Filed Documents**"). True, correct, and complete copies of all the GTG Filed Documents are publicly available on EDGAR. As of their respective filing dates or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of the last such amendment or superseding filing (and, in the case of registration statements, on the dates of effectiveness), each of the GTG Filed Documents complied as to form in all material respects with the applicable requirements of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Sarbanes-Oxley Act, and the rules and regulations of the SEC thereunder applicable to such GTG Filed Documents. None of the GTG Filed Documents, including any financial statements, schedules, or exhibits included or incorporated by reference therein at the time they were filed (or, if amended or superseded by a subsequent filing prior to the date hereof, as of the date of the last such amendment or superseding filing), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. To the Knowledge of GTG, none of the GTG Filed Documents is the subject of ongoing ASX or SEC review or outstanding ASX or SEC investigation and there are no outstanding or unresolved comments received from the ASX or the SEC with respect to any of the GTG Filed Documents.

A true and correct description of the authorized capital stock of GTG consists is set forth in the GTG Filed Documents. The capital stock described in the GTG Filed Documents constitutes all the issued and outstanding equity interests of the GTG. Except as described in the GTG Filed Documents, no shares of capital stock or other equity interests of the GTG are issued, reserved for issuance or outstanding. Except as described in the GTG Filed Documents, GTG is not a party to any outstanding or authorized option, warrant, right (including any preemptive right), subscription, claim of any character, agreement, obligation, convertible or exchangeable securities, or other commitments contingent or otherwise, relating to the capital stock or other equity or voting interests in GTG or any of its Subsidiaries, pursuant to which GTG is or may become obligated to issue, deliver or sell or cause to be issued, delivered or sold, shares of capital stock of or other equity or voting interests in, GTG or any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire, any shares of the capital stock of or other equity or voting interests in the Company. Except as described in the GTG Filed Documents, there are no outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights with respect to the capital stock of, or other equity or voting interests in, GTG.

11.6 Indemnity for breach of GTG Warranty

- (c) GTG shall indemnify the Vendor for all of the Vendor's Losses arising out of or incurred in connection with any GTG Warranty being untrue at the time it was given.
- (d) Notwithstanding anything to the contrary contained in this Agreement:
 - (vii) The representations and warranties of GTG contained in this Agreement or in any schedule, exhibit or certificate attached hereto or delivered pursuant to this Agreement shall survive the Completion only until the expiration of the Survival Period. GTG shall not be liable for any claim for indemnification under this Section 11.6 unless the Vendor delivers to GTG a claim notice prior to the expiration of the Survival Period. Upon the Vendor delivering such a claim notice, the representation and/or warranty which is the subject of such claim notice shall survive until such claim is resolved, and irrespective of whether or not the amount of the Losses resulting from such breach has been finally determined at the time the notice is given.
 - (viii) GTG shall not be liable for any claim for indemnification pursuant to this Section 11.2 unless and until the aggregate amount of Losses which may be recovered from GTG equals or exceeds the Deductible, in which case GTG shall be liable for the aggregate amount of Losses, up to the GTG Cap;
 - (ix) The maximum aggregate amount of Losses which may be recovered from GTG pursuant to or relating to the transactions contemplated under this Agreement (including under this Section 11.6 and Section 12) shall be limited to the aggregate amount of \$500,000 (collectively, the "**GTG Cap**"). The amount of any Losses for which indemnification is provided by GTG under this Agreement by GTG (including under this Section 11.5 and Section 12) shall be net of any insurance proceeds that the Vendor receives as an offset against such Losses.
 - (x) The Vendor shall take commercially reasonable steps to mitigate any Losses as soon as reasonably practicable after the Vendor becomes aware of any event which does, or could reasonably be expected to, give rise to any such Losses.
 - (xi) Notwithstanding anything in this Agreement, the Vendor shall not be entitled to indemnification in respect of any breach of any representation or warranty of GTG if and to the extent the Vendor had actual knowledge of such breach prior to Completion.

12. INDEMNITIES

12.1 Indemnity by Vendor

- (a) In addition to the indemnification obligations set forth in Section 11.2, the Vendor indemnifies GTG against all Losses arising from claims by third parties against GTG arising out of:
 - (i) the ownership or operation of the Business, Assets or Stock or occupation of the Premises before the Completion Date;
 - (ii) the employment or termination of employment of any employees, directors, secretaries or other officers of the Vendor before the Completion Date; or
 - (iii) any Encumbrances (other than Permitted Encumbrances) created or incurred or in relation to any of the Assets or Stock before the Completion Date;
 - (iv) any misrepresentation, breach of the Vendor's Warranties or breach of or non-compliance with any of the provisions of this Agreement by the Vendor; and
 - (v) any and all Claims made by third parties against GTG with respect to matters arising before the Completion Date; and
- (b) the Vendor's liability to indemnify GTG under this Section 12.1 shall be reduced proportionally to the extent that GTG directly contributed to the loss.

12.2 Indemnity by GTG

GTG indemnifies the Vendor against all claims by third parties against, suffered or incurred by the Vendor arising out of:

- (a) the ownership or operation of the Business, Assets or Stock or occupation of the Premises after the Completion Date;
- (b) the employment or termination of employment of any of the Transferring Employees on or after the Completion Date;
- (c) the failure by GTG to pay or otherwise perform or discharge any of the responsibilities, liabilities and obligations under this Agreement;
- (d) any Encumbrances created or incurred on or in relation to any of the Assets or Stock after the Completion Date;
- (e) any losses, Claims, actions, liabilities, damages and other expenses against, suffered or incurred by Vendor arising out of any misrepresentation, breach of GTG's warranties or breach of or non-compliance with any of the provisions of this Agreement by the GTG.

GTG's liability to indemnify the Vendor under this Section 12.2 shall be: (i) capped at GTG Cap which shall be in addition to the amounts payable by GTG under Section 3 and notwithstanding anything to the contrary hereunder, GTG shall not be liable to pay the Vendor any amount in excess of the GTG Cap, and (ii) reduced proportionally to the extent that the Vendor directly contributed to the loss.

13. DEFAULT

13.1 Payment of Purchase Price

If GTG defaults in payment of all or part of the amounts payable under Section 3 and the default continues for more than 30 days after notice in writing specifying the default has been served on GTG, then notwithstanding anything contained in this Agreement and without prejudice to any other rights of the Vendor, the whole of the amount payable under Section 3 and any other money due under this Agreement will at the option of the Vendor become immediately due and payable.

13.2 Notice of Default

Time will be of the essence of this Agreement. However, without prejudice to the provisions of Clause 13.3 if either party defaults under this Agreement, the other party will not be entitled to exercise any of their rights arising out of the default (including the right to sue for money owing) until the party in default has been served with a written notice specifying:

- (a) the default; and
- (b) the intention to exercise their rights unless the default is remedied and the reasonable legal costs occasioned by the default and any money payable under Clause 13.3 are paid within 7 days of service of the notice (except where other time frames are expressly specified in this Agreement),

and the party in default fails to comply with the notice.

13.3 Interest

If the Vendor or GTG breaches this Agreement, the party in default must, without prejudice to any of the rights of the other party, pay on demand:

- (a) all reasonable expenses, including legal costs on a solicitor own client basis, incurred by the other party as a result of the breach; and
- (b) interest on any money overdue during the period of default at the rate of five percent (5%) p.a. calculated on the outstanding amount applicable to the period commencing from the date on which payment becomes due and expiring on the date when payment is made.

For the avoidance of doubt, interest will be calculated on any outstanding monies from the due date such sum was due rather than the default date following a written Notice of Default.

14. DISPUTE

14.1 Parties to Negotiate

- (a) A party to this Agreement may not commence legal proceedings, except proceedings seeking urgent interlocutory relief, in respect of any disputes in relation to this Agreement, without first complying with the dispute resolution procedures in this clause 14.
- (b) If a dispute arises between the parties, then the parties undertake in good faith to use all reasonable endeavours to settle the dispute by negotiation.
- (c) Any Party shall, not later than twenty eight (28) days after the dispute has arisen, submit the matter at issue in writing to the other Party specifying with detailed particulars of the matters in issue (the “notice”).
- (d) Upon receipt of the notice the parties shall each nominate a person who has express authority to settle the dispute. The persons nominated shall meet (the meeting) within ten (10) days of receipt of the notice and attempt to resolve the dispute.

- (e) If the parties are unable to resolve the dispute or agree on the method to be used to resolve the dispute by following the process described in paragraph (d) above, they must refer the dispute to mediation.
- (f) If the parties cannot agree on a mediator within seven (7) days of the receipt of the date of the meeting described in paragraph (d) above, either party may request the Australian Disputes Centre to appoint a mediator and must copy the other party on such request. Within fourteen (14) days of such request, the parties must submit to a mediation.
- (g) Mediation shall take place at a time and place in Melbourne Australia agreed between the parties. If the parties are unable to agree, the mediator shall nominate the time and place of the mediation. Any mediation must be conducted in Melbourne, Australia.
- (h) The Parties acknowledge that all aspects of the meeting except the fact of the occurrence shall be confidential, and without prejudice to any subsequent proceedings.
- (i) Where the Parties are unable to resolve the dispute, then, within fourteen (14) days, either Party may refer the dispute to arbitration as set out in this Clause 14, and, thereafter, if resolution by that means is not achieved then by the commencement of court proceedings.

15. PENDING COMPLETION

15.1 Restrictions

Pending Completion the Vendor must not:

- (a) dispose of any Assets, other than the sale of Stock in the ordinary course of business;
- (b) acquire any Assets, other than the purchase of Stock in the ordinary course of business; or
- (c) do, or omit to do, or allow to happen, anything which would make any warranty false, misleading or incorrect in any material respect when made or considered to be made under this Agreement.

15.2 Conduct of Business Prior to Completion

Pending Completion the Vendor must:

- (a) conduct the Business in the ordinary course of business consistent with past practice;
- (b) maintain all existing insurance policies over the Business, Assets and Stock and ensure that those insurances are adequate and if there is no insurance effect adequate insurance over the Business, Assets and Stock of an insurable nature;
- (c) consult with and keep GTG informed in relation to material decisions about the Business and its management;
- (d) maintain and protect the Business, Assets and Stock, including without limitation, fully and punctually comply with all orders, notices and requirements of any authority having jurisdiction over the Business, Assets, Stock and the Premises;
- (e) not allow any new Encumbrance to be placed on the Business, Assets or Stock without GTG's prior written consent;

- (f) use its best endeavours to preserve the Goodwill of the Business; and
- (g) comply with all the Vendor's obligations under the Lease.

16. CONFIDENTIALITY

16.1 Obligation of Confidentiality

Subject to Clause 16.2, GTG must:

- (a) keep the Confidential Information confidential;
- (b) not disclose the Confidential Information to persons other than its agents, employees, solicitors, accountants or advisers.

Vendor must keep the Confidential Information confidential and not disclose it to any third party for any purpose. Vendor's obligation of confidentiality, shall expire upon the Confidential Information entering the public domain through no fault of the Vendor or any of its directors, officers, employees or contractors.

16.2 Termination of Obligations

GTG's obligations under Clause 16.1 terminate on:

- (a) the Confidential Information becoming publicly available other than directly or indirectly through GTG or any of GTG's agents, employees, solicitors, accountants or advisers; or
- (b) on Completion.

16.3 Return of Confidential Information

If Completion fails to take place GTG must immediately return to the Vendor any Confidential Information in the possession of GTG or any of GTG's agents, employees, solicitors, accountants or advisers.

17. RELEASE OF SECURITY INTEREST¹

17.1 Assets Subject to a Security Interest

This clause 17 applies if any part of the Assets is subject to a security interest to which the *Personal Property Securities Act 2009 (Cth)* (PPSA) applies.

17.2 Vendor to provide Release

Subject to clause 17.4, the Vendor must ensure that at or before Completion, GTG receives:

- (a) a release from the secured party releasing the security interest in respect of the Assets; or
- (b) a statement in writing in accordance with section 275(1)(b) of the PPSA setting out that the amount or obligation that is secured is nil at the due date for settlement; or

¹ Note to Draft: Required lien releases to be discussed.

- (c) a written approval or correction in accordance with section 275(1)(c) of the PPSA indicating that, on the due date for Completion, the personal property included in this agreement is not or will not be property in which the security interest is granted,

if the security interest is registered in the Personal Properties Securities Register.

17.3 Property Sold in the Ordinary Course of Business

The Vendor is not obliged to ensure that GTG receives a release, statement, approval or correction in respect of any personal property that is sold in the ordinary course of the Vendor's business of selling personal property of that kind unless, in the case of goods that may or must be described by a serial number in the Personal Properties Securities Register, GTG advises the Vendor at least 21 days before the due date for Completion that the goods are to be held as inventory.

17.4 No Release in Certain Circumstances

The Vendor is not obliged to ensure that GTG receives a release, statement, approval or correction in respect of any personal property that:

- (a) is not described by serial number in the Personal Property Securities Register;
- (b) is predominantly used for personal, domestic or household purposes; and
- (c) has a market value of not more than \$5,000 or, if a greater amount has been prescribed for the purposes of section 47(1) of the PPSA, not more than that prescribed amount.

17.5 Release to be in Writing

For the purposes of a release under special condition 17.2(a), a release must be in writing. The release must be effective in releasing the goods from the security interest and be in a form which allows GTG to take title to the goods free of that security interest.

17.6 GTG to Provide Vendor Release in Certain Circumstances

If GTG receives a release under special condition 17.2(a), GTG must provide the Vendor with a copy of the release at or as soon as practicable after settlement.

17.7 Undertaking to Register a Finance Statement

In addition to ensuring a release is received under this clause 17, the Vendor must ensure that at or before Completion, GTG receives a written undertaking from a secured party to register a financing change statement to reflect that release if the property being released includes goods of a kind that are described by serial number in the Personal Property Securities Register.

17.8 Interpretation

Words and phrases used in this clause which are defined the PPSA have the same meaning in this clause 17.

18. MISCELLANEOUS

18.1 Entire Agreement

This Agreement constitutes the entire agreement between the Vendor and Purchaser and no representations, warranties, guarantees or other terms or conditions, whether express or implied and whether oral or in writing in relation to the subject matter of this Agreement will be of any force or effect unless contained in this Agreement.

18.2 Announcements

The parties intend to issue a mutually agreed joint press release or other similar public communications regarding this Agreement on the Effective Date. Otherwise, neither party shall make any public statement, concerning the terms of, or events related to, this Agreement, except where such statement (a) is required by Law or legal proceedings, including as required by securities regulators, (b) is required to be contained in such party's financial statements, or (c) has been announced previously in a manner mutually agreed to in writing by the parties. In the case of any public statement that is required by Law or legal proceedings, each party shall (i) use commercially reasonable efforts to obtain confidential treatment of financial and trade secret information, and (ii) if reasonably practicable under the circumstances, give the other party sufficient advance notice of the text so that such other party will have the opportunity to comment upon the statement, and give due consideration to any such comments in the final statement.

18.3 Amendment and Waiver

This Agreement may not be modified or amended except by instrument in writing signed by all the parties to this Agreement. No waiver of any breach of any term of this Agreement (including this sub-clause) will be effective unless in writing signed by the party or parties having the right to enforce such breach and no such waiver shall be construed as a waiver of any continuing or subsequent breach.

18.4 Notices

Any demand, notice or document to be made or given under this Agreement:

- (a) must be in writing;
- (b) may be made or given by the solicitor for a party; and
- (c) will be sufficiently served if delivered personally or sent by prepaid post or email transmission addressed to the party to be served at their address shown in this Agreement or to their solicitor or if served in any other manner authorised by the Victorian Supreme Court Rules for service of documents on parties or their solicitors.

18.5 Assignment

Neither party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other party, except that a party may make such an assignment or transfer without the other party's written consent to (a) any of its Affiliates, or (b) any third party in connection with (i) the acquisition of a party by or merger or consolidation of such party with another entity or (ii) a merger, consolidation, sale of stock, sale of all or substantially all of such party's assets or other similar transaction in which such Third Party becomes the owner of all or substantially all of the business and assets of such party. Any permitted successor or assignee of rights or obligations hereunder shall expressly assume the performance of such rights or obligations. In the event of an assignment or transfer as permitted above in this Section 18.5 to an Affiliate of the assigning party, the assigning party shall remain responsible (jointly and severally) with such Affiliate for such assigned or transferred obligations. Any assignment or transfer, or attempted assignment or transfer, by either party in violation of the terms of this Section **18.5** shall be null and void and of no legal effect. This Agreement shall be binding on, and inure to the benefit of, each party, its successors and permitted assigns.

18.6 **Costs**

Each party must pay its own costs (including legal fees and accountant or other consultant fees) in relation to the negotiation, preparation and execution of this Agreement.

18.7 **Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be considered to be an original, but all of which together will constitute one and the same instrument.

18.8 **Non-Merger**

Any provision of this Agreement remaining to be performed or capable of having effect after the Completion Date remains in full force and effect.

18.9 **Governing Law**

This Agreement is governed by and is to be construed in accordance with the Laws of the Commonwealth of Australia and the State of Victoria and the Parties submit to the exclusive jurisdiction of the courts of Commonwealth of Australia and the State of Victoria.

18.10 **Severance**

The provisions of this Agreement will be separate and severable from each other to the extent that if any provision or provisions are considered to be inoperative then the remaining provision or provisions will be binding on and enforceable by the parties.

18.11 **Sample Adjustment calculation**

Exhibit C sets for a sample calculation of the adjustments contemplated by Sections 6, 7 and 8, assuming for purposes of such calculations that the Completion took place on June 30, 2021 (the “**Sample Adjustment Calculation**”). The adjustments contemplated by Sections 6, 7 and 8 shall be calculated in accordance with the accounting methods, policies, principles, practices, procedures, classifications or estimation methodologies set forth in the Sample Adjustment Calculation.

Schedule 7

VENDOR'S WARRANTIES

1. Power and Authority

- (a) The Vendor has the power to enter into and perform this Agreement and has obtained all necessary consents to enable it to do so.
- (b) The entry into and performance of this Agreement by the Vendor does not constitute a breach of any obligation (including but not limited to any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the Vendor is bound.

2. Solvency

The Vendor is not:

- (a) wound up, no resolution for its winding up has been passed and no meeting of members or creditors has been convened for that purpose;
- (b) the subject of a winding up application which has been made to a court, and no event has occurred which would entitle any person to apply to a court to wind it up;
- (c) a party to a composition or arrangement with any of its creditors;
- (d) the recipient of a demand under section 459E of Corporations Act 2001;
- (e) in receivership and none of its assets is in the possession of or under the control of a mortgagee or chargee;
- (f) the subject of a liquidation; or
- (g) insolvent.

3. Accounts

The audited accounts disclosed by the Vendor to GTG before the Effective Date, exhibit a true and fair view in all material respects of the financial position and affairs of the Business including the income, expenses and operational results for each of the three (3) financial years preceding the date of this Agreement, are true and accurate to a material extent.

Between 1 January 2020 and the date of this Agreement:

- (a) the Business has been carried on, in all material respects, in the normal course, in a proper and efficient manner and without interruption and there have not been any significant change to the nature or scale of any activity comprised in the Business; and
- (b) there has been no material change to the remuneration and other benefits (including any bonus scheme) payable to or conferred on an employee of the Vendor nor any proposal or agreement to do so.

4. **Business and Assets**

- (a) There is no pending, or to Vendor's Knowledge threatened, product recall by any authorised regulator in respect of the Products, nor is the Vendor aware of any circumstances that could reasonably give rise to a Product recall.
- (b) There are no manufacturing or supply issues in respect to any of the Products which could reasonably be expected to result in Material Adverse Effect
- (c) The Vendor is the legal and beneficial owner of the Assets. There are no Encumbrances by a bank or other financial institution or any other third party over or affecting any of the Assets.
- (d) The Vendor does not have any outstanding loans.
- (e) The Vendor does not have any secured creditors.
- (f) The Vendor has paid all its debts that arose before the Effective Date and will pay all its debts that arise before the Completion Date.
- (g) The Vendor is not in default of any tax liability to any tax authority anywhere in the world.
- (h) The Business is conducted in accordance with all applicable laws and the conduct of the Business by the Vendor does not contravene any laws.
- (i) All licences and registrations which are necessary for the conduct of the Business have been obtained and are valid and subsisting. All conditions which apply to any such licence have been complied with in all material respects. None of such licences has been breached by the Vendor or, so far as the Vendor is aware, is likely to be suspended, cancelled, refused, materially altered, not renewed, or revoked.

5. **Plant and Equipment**

- (a) Each item of Plant and Equipment and Leased Plant and Equipment is in satisfactory working condition and capable of doing the work for which it is designed.
- (b) Each item of Plant and Equipment is in the physical possession of the Vendor.

6. **Stock**

All the Stock is in the physical possession of the Vendor or under the control of the Vendor or is in transit to the Vendor.

7. **Intellectual Property Rights**

- (a) The Vendor owns all right, title and interest, in and to the Trade Marks and all other Intellectual Property Rights used in the Business.
- (b) The Vendor has not licensed any of the Intellectual Property Rights and has not assigned or in any way disposed of any right, title or interest in the Intellectual Property Rights.
- (c) The Vendor has not received any information and is not aware of any fact or circumstance that would indicate that a third party has any right in or to the Trade Marks or any of them.

8. **Leased Premises**

- (a) The Vendor has exclusive occupation of the Premises.
- (b) The Vendor has properly performed and observed all material covenants affecting the Premises. The Vendor's use of the Premises does not constitute a breach of the Lease or any applicable Law.

9. **Contracts**

Each of the Contracts of a material nature is valid, binding and enforceable against the Vendor, and to the Vendor's knowledge, the other parties thereto and the Vendor is not in breach of, or in default under, any such Contract.

10. **Litigation**

- (a) The Vendor is not involved in any litigation or arbitration proceedings relating to the Business, except for the litigation described in Section 5.1(a)(ii)
- (b) To the Vendor's knowledge, there are no threatened disputes against the Vendor from, and the Vendor does not know of any circumstances that may give rise to a claim or dispute or grievance that, an employee, customer of the Business or supplier to the Business has or may have against the Business or the Vendor or any director of the Vendor.
- (c) Neither the Vendor nor any of the Employees is involved, in any pending litigation, arbitration, administrative or governmental investigation or criminal prosecution and there are no facts likely to give rise to a proceeding of this type.

1.1 **Insurance**

- (a) All risks, whether in relation to damage to property (including the Assets), personal injury, product liability or otherwise are adequately insured for amounts which would be maintained in accordance with prudent business practice, and with a reputable and properly authorised or licensed insurer.
- (b) The Vendor does not know of any circumstances that would give rise to a claim for insurance under any of the insurance policies owned by the Vendor.

1.2 **Superannuation**

The Vendor has duly complied in all material respects with all of its obligations under the applicable legislation relating to superannuation and all amounts due to be paid pursuant to such have been paid when due.

1.3 **Employees**

- (a) The vendor is not in arrears with respect to any amount payable by it or owing to an employee.
- (b) The Vendor is not aware of any Employee wanting to leave employment with the Vendor.

1.4 **Security Interests**

There are no Encumbrances (other than Permitted Encumbrances) affecting the Assets.

EXECUTED BY THE PARTIES:

GENETIC TECHNOLOGIES LIMITED

By: /s/ Simon Morriss
Name: Simon Morriss
Position: Chief Executive Officer

GENERAL GENETICS CORPORATION

By: /s/ Inder Tallur
Name: Inder Tallur
Position: President

GENERAL GENETICS EUROPE LIMITED

By: /s/ Inder Tallur
Name: Inder Tallur
Position: President

GENERAL GENETICS LIMITED UK

By: /s/ Inder Tallur
Name: Inder Tallur
Position: President

THE GENETIC TEST LABORATORIES AUSTRALIA PTY LIMITED

By: /s/ Inder Tallur
Name: Inder Tallur
Position: President

Kevin Camilleri
Signature:/s/ Kevin Camilleri

Exhibit 4.11

REGISTRATION RIGHTS AGREEMENT

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REGISTRATION RIGHTS AGREEMENT

THIS **REGISTRATION RIGHTS AGREEMENT** is made as of the 12th day of August, 2021, by and among Genetic Technologies Limited, a company formed under the laws of the Commonwealth of Australia (the “**Company**”), and each of General Genetics Corporation, General Genetics Europe Limited, General Genetics Limited UK and Genetic Test Laboratories Australia Pty Limited (each, an “**Investor**” and together, the “**Investors**”).

RECITALS

WHEREAS, the Company and the Investors are party to that certain Sale of Business Agreement, dated as of the date hereof (the “**Purchase Agreement**”), regarding the sale by the Investors and the purchase by the Company of substantially all of the assets of the Investors in consideration for a specified cash payment and the issuance by the Company to the Investors of [209,363,400] ordinary shares of the Company (the “**Ordinary Shares**”) that can be converted into 348,939 American Depositary Shares (ADRs); and

WHEREAS, the Company and the Investors are entering into this Agreement in order to govern the rights of the Investors to cause the Company to register American Depositary Shares representing Ordinary Shares to be issued to the Investors under the Purchase Agreement and shall govern certain other matters as set forth herein;

NOW, THEREFORE, the parties hereby agree as follows:

1. **Definitions.** For purposes of this Agreement:

“**Affiliate**” means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

“**American Depositary Shares**” means American Depositary Shares representing Ordinary Shares.

A “**Change of Control**” shall mean any transaction or series of transactions in which the direct or indirect ownership of voting shares of the Company carrying in excess of 50% of the voting rights (on an as-converted basis) is, after such transactions, effectively transferred to any third party.

“**Chosen Courts**” has the meaning set forth in Section 3.10(a).

“**Company Breach**” has the meaning set forth in Section 2.10.

“**Completion Date**” has the meaning set forth in the Purchase Agreement.

“**Damages**” means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other applicable securities law, rule or regulation, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any other applicable securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any applicable securities law.

“**Eligibility Date**” means the first day after the expiration of the lockup period contemplated by Section 3.5 of the Purchase Agreement, currently anticipated to be February 14, 2022.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Form F-1**” means such form under the Securities Act as in effect on the date hereof; provided, however that if the Company ceases to be a “Foreign Private Issuer” (as defined in the Securities Act and the Exchange Act), then all references to Form F-1 herein shall be deemed to be references to Form S-1.

“**Form F-3**” means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC; provided, however that if the Company ceases to be a “Foreign Private Issuer” (as defined in the Securities Act and the Exchange Act) and becomes eligible to use Form S-3 under the Securities Act, then all references to Form F-3 herein shall be deemed to be references to Form S-3.

“**Holder**” means any holder of Registrable Securities who is a party to this Agreement.

“**Liquidated Damages**” has the meaning set forth in Section 2.10.

“**Ordinary Shares**” has the meaning set forth in the Recitals.

“**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

“**Registrable Securities**” means (i) the Ordinary Shares, (ii) the American Depositary Shares; and (iii) any securities issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, the Ordinary Shares or the American Depositary Shares; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 3.1 of this Agreement.

“**SEC**” means the Securities and Exchange Commission.

“**SEC Rule 144**” means Rule 144 promulgated by the SEC under the Securities Act.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Selling Expenses**” means all underwriting discounts, selling commissions, stock transfer taxes and/or depositary fees applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Resale Registration.

- (a) The Company shall use its commercially reasonable efforts to prepare and file with the SEC a Form F-3 registration statement (or in the event the Company is not eligible to use form F-3, a Form F-1 registration statement) covering the resale of the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415 as soon as practicable on or before the Eligibility Date; provided that such filing shall be made no later than sixty (60) days after the Completion Date. The Company shall use its commercially reasonable efforts to cause such Registration Statement to be declared effective under the Securities Act as soon as possible, and shall use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all Registrable Securities covered by such Registration Statement have been publicly sold by the Holders or (ii) the date that all securities covered by such Registration Statement cease to be Registrable Securities hereunder (the “**Effectiveness Period**”).

- (b) Notwithstanding the foregoing obligations, if the Company furnishes to the Holders a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's Board of Directors it would be materially detrimental to the Company and its shareholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than thirty (30) days after such certificate is delivered; provided, however, that the Company may not invoke this right more than twice.

2.2 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

- (a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective for the duration of the Effectiveness Period, as set forth in Section 2.1(a);
- (b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;
- (c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

- (d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act; and
- (e) provide a transfer agent and registrar and, as needed, a depositary, for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

2.3 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of the Holders that each such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.4 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with the conversion of the Ordinary Shares into American Depositary Shares and registrations, filings, or qualifications pursuant to this Section 2, shall be borne and paid by the Company. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders.

2.5 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.6 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

- (a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and shareholders of each such Holder, legal counsel and accountants for each such Holder, any underwriter (as defined in the Securities Act) for the Holders, and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.6(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

- (b) To the extent permitted by law, each Holder, jointly and severally with respect to its direct or indirect successors, assignors and assignees (collectively, the “**Group Indemnitors**”), but severally and not jointly with respect to each other Holder and its respective direct or indirect successors, assignors and assignees to the extent each is not a Group Indemnitor, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.6(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld, conditioned or delayed; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.6(b) and 2.6(d) exceed the proceeds from the offering received by such Holder (net of any expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.
- (c) Promptly after receipt by an indemnified party under this Section 2.6 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.6, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action.

- (d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.6 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.6 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.6, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case, (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.6(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.6(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

- (e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in an underwriting agreement entered into in connection with an underwritten public offering registered on the Form F-3 registration statement (or if applicable the Form F-1 registration statement) filed pursuant to Section 2 are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.
- (f) Unless otherwise superseded by an underwriting agreement entered into in connection with an underwritten public offering registered on the Form F-3 registration statement (or if applicable the Form F-1 registration statement) filed pursuant to Section 2, the obligations of the Company and the Holders under this Section 2.6 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.7 Securities Laws Disclosure; Publicity. The Company shall use commercially reasonable efforts to file, on or before 8:30 a.m., New York local time, no later than the business day immediately following the date hereof, a current report on Form 6-K with the SEC describing the terms contemplated by this Agreement, in the form required by the Exchange Act. The Company shall not, in connection with the transaction contemplated by this Agreement and the Purchase Agreement, otherwise publicly disclose the name of any Holder or any Affiliate or investment adviser of any Holder, or include the name of any Holder or any Affiliate or investment adviser of any Holder in any press release or filing with the SEC (other than in a registration statement and any exhibits to filings made in respect of this transaction, or in accordance with periodic report or current report filing requirements under the Exchange Act) or any regulatory agency, without the prior written consent of such Holder, except to the extent such disclosure is required by law or regulations, in which case the Company shall provide the Holder with prior notice of such disclosure.

2.8 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2 shall terminate upon the earliest to occur of the following, at which time such Holder's securities shall no longer be deemed Registrable Securities:

- (a) the failure to consummate the sale and purchase of securities contemplated by the Purchase Agreement within thirty (30) trading days of the date hereof;
- (b) the consummation of a Change of Control; and
- (c) the disposition of all of such Holder's Registrable Securities.

2.9 Obligations of the Investors. It shall be a condition precedent to the effectiveness of this Agreement that each Investor and the Seller shall have executed the Purchase Agreement, concurrent with the entry into this Agreement.

2.10 Liquidated Damages. If the a Form F-3 registration statement (or in the event the Company is not eligible to use form F-3, a Form F-1 registration statement) covering the resale of the Registrable Securities is not declared effective on or before the Eligibility Date or such Form F-3 registration statement (or form F-1 registration statement, if applicable) does not remain continuously effective during the Effectiveness Period (a “**Company Breach**”) in accordance with this Section 2, the Company shall pay shall pay to the Investors an amount equal to \$10,000 per day for each day that such Company Breach continues (the “**Liquidated Damages**”), up to a maximum of \$1,500,000. The Company and the Investors intend that the Liquidated Damages constitute compensation, and not a penalty. The Company and the Investors acknowledge and agree that the Investors’ harm caused by a Company Breach would be impossible or very difficult to accurately estimate as of the date hereof, and that the Liquidated Damages are a reasonable estimate of the anticipated or actual harm that might arise from a Company Breach.

3. Miscellaneous.

3.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; and (ii) after such transfer, holds 50% of the Registrable Securities originally acquired by the applicable Investor pursuant to the Purchase Agreement (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

3.2 Governing Law. This Agreement shall be governed by the internal law of the State of New York without giving effect to its conflict of laws principles, and shall be treated as if executed in the County, City, and State of New York, United States of America.

3.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including PDF) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on the signature pages hereto, or to such email address or address as subsequently modified by written notice given in accordance with this Section 3. If notice is given to the Company, a copy shall also be sent to the Chief Executive Officer, with a copy to the Company Secretary.

3.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of 50% of the Registrable Securities then outstanding; provided that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Holder without the written consent of such Holder, unless such amendment, termination, or waiver applies to all Holders in the same fashion. Any amendment, termination, or waiver effected in accordance with this Section 3.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

3.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

3.8 Aggregation of Shares. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

3.9 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

3.10 Dispute Resolution.

- (a) The parties (i) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the State of New York, County of New York and to the jurisdiction of the United States District Court for the Southern District of New York (the “**Chosen Courts**”) for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (ii) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the Chosen Courts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the Chosen Courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by the Chosen Courts.
- (b) EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.
- (c) The prevailing party shall be entitled to reasonable attorney’s fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

3.11 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non-defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

GENETIC TECHNOLOGIES LIMITED

By: /s/ Simon Morriss
Name: Simon Morris
Title: Chief Executive Officer

Genetic Technologies Limited
60-66 Hanover Street
Fitzroy, Victoria 3065
Australia
Attention: Michael Tonroe
Email: mike.tonroe@gtglabs.com

INVESTORS:

**GENERAL GENETICS CORPORATION
GENERAL GENETICS EUROPE LIMITED
GENERAL GENETICS LIMITED UK
GENETIC TEST LABORATORIES AUSTRALIA PTY
LIMITED**

By: /s/ Inder Tallur
Name: Inder Tallur
Title: President
c/o BelHealth Investment Partners
401 E. Las Olas Boulevard, Suite 1400
Fort Lauderdale, FL 33301
Attention: Harold Blue
Email: hblue@belhealth.com

Exhibit 4.12

NON-SOLICITATION AGREEMENT

This NON-SOLICITATION AGREEMENT (this “Agreement”) is entered into as of 18 July 2021, by and between Genetic Technologies Limited, a company formed under the laws of the Commonwealth of Australia (“Buyer”), and BelHealth Investment Fund II, L.P., a Delaware limited partnership (the “Restricted Party”). Each of Buyer and the Restricted Party is sometimes referred to herein individually as a “Party” and collectively as the “Parties”. Capitalized terms used herein without being otherwise defined shall have the meanings assigned thereto in the Purchase Agreement (defined below).

RECITALS

WHEREAS, concurrently herewith, Buyer on the one part, and General Genetics Corporation, General Genetics Europe Limited, General Genetics Limited UK and The Genetic Test Laboratories Australia Pty Limited together on the other part are entering into that certain Sale of Business Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified from time to time in accordance with its terms, the “Purchase Agreement”); and

WHEREAS, pursuant to the Purchase Agreement, it is contemplated that, upon the terms and subject to the conditions set forth therein, Buyer will acquire substantially all of the assets of the Vendor (as defined in the Purchase Agreement).

WHEREAS, as the owner of shares in the Vendor, the Restricted Party will benefit from the amounts payable by the Buyer to the Vendor under the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Covenant Not to Solicit or Hire. In consideration for the good and valuable consideration to be received by the Affiliates of the Restricted Party in connection with the transactions contemplated by the Purchase Agreement, the Restricted Party covenants and agrees that, from and after the Completion Date and for a period of three (3) years following the Completion Date (the “Non-Solicitation Period”), except pursuant to an express written agreement with Buyer, none of the Restricted Party, or any of its Affiliates or its or its Affiliates’ respective Representatives (in their respective capacities as such) shall, directly or indirectly, hire, solicit for employment, employ, retain or engage as an employee or otherwise engage in any capacity any Transferring Employees (“Restricted Persons”), or encourage, request, induce or advise any Restricted Persons to leave or modify his or her employment with the Buyer, or violate the terms of his or her employment agreement, engagement letter or other employment or engagement arrangement with Buyer; provided that the foregoing shall not prohibit any person or entity from soliciting, hiring or otherwise engaging any Restricted Person whose employment is terminated by Buyer following such termination or soliciting, hiring or otherwise engaging any Restricted Person who terminates his or her employment with Buyer at least six (6) months following such termination. For purposes of this Agreement, “Representative” means, with respect to any person or entity, any and all directors, managers, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such person or entity, and “Affiliate” of a person means a person that, directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with such first mentioned person, where for purposes of this definition of “Affiliate”, “control” means (i) the direct or indirect ownership of 50 percent or more of the voting shares or other voting interests or interests in profits, or (ii) the ability to otherwise control or direct the decisions of board of directors or equivalent governing body thereof.

2. Termination. This Agreement shall automatically terminate, without any notice or other action by any Party, and be void *ab initio* upon the termination of the Purchase Agreement prior to Completion in accordance with its terms and, upon such termination shall be of no further force or effect, without the creation or imposition of any penalty, liability or obligation upon any Party.

3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile or email, upon written confirmation of receipt by facsimile, e-mail or otherwise, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

if to Buyer:

Genetic Technologies Limited
60-66 Hanover Street
Fitzroy, Victoria 3065 Australia
Attention: Simon Morriss
Email: simon.morriss@gtglabs.com

with a copy (which shall not constitute notice) to:

Amos Meltzer
BioMeltzer Pty Limited
13 Wilgah Street
St Kilda East VIC 3183
Melbourne
Email: amos@BioMeltzer.com

if to the Restricted Party:

BelHealth Investment Partners
401 E. Las Olas Boulevard, Suite 1400
Fort Lauderdale, Florida 33301
Attention: Harold Blue
Email: hblue@belhealth.com

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
Attention: Steven I. Suzzan
Email: steven.suzzan@nortonrosefulbright.com

4. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior agreements and undertakings, both written and oral, among the Parties with respect to the subject matter of this Agreement, except as otherwise expressly provided in this Agreement.

5. Amendments and Waivers; Assignment. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed by the Restricted Party and Buyer. Notwithstanding the foregoing, no failure or delay by any party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder. This Agreement and any of the rights, interests or obligations hereunder shall only be assignable by Buyer and may not otherwise be assignable without Buyer's prior written consent.

6. No Third Party Beneficiaries. This Agreement shall be for the sole benefit of the Parties and their respective successors and permitted assigns and is not intended, nor shall be construed, to give any Person, other than the Parties and their respective successors and assigns, any legal or equitable right, benefit or remedy of any nature whatsoever by reason this Agreement. Nothing in this Agreement, expressed or implied, is intended to or shall constitute the Parties, partners or participants in a joint venture.

7. Miscellaneous. Sections 1.2 (Construction), 14 (Dispute), 18.6 (Costs), 18.7 (Counterparts) and 18.9 (Governing Law) of the Purchase Agreement are incorporated herein by reference, *mutatis mutandis*.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have executed and delivered this Non-Solicitation Agreement as of the date first above written.

BUYER:

GENETIC TECHNOLOGIES LIMITED

By: /s/ Simon Morriss
Name: Simon Morriss
Title: Chief Executive Officer

RESTRICTED PARTY:

BELHEALTH INVESTMENT FUND II, L.P.

By: BelHealth Investment Partners GP II, LLC, its General
Partner

By: /s/ Inder Tallur
Name: Inder Tallur
Title: President

Exhibit 4.13

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Agreement”) is made and entered into as of August 12, 2021, by and among Genetic Technologies Limited, a company formed under the laws of the Commonwealth of Australia (“Buyer”), General Genetics Corporation, a Delaware corporation (“Seller Party Representative” and, together with Buyer, sometimes referred to individually as a “Party” and collectively as the “Parties”), and Citibank, N.A., as escrow agent (the “Escrow Agent”).

RECITALS

WHEREAS, Buyer and Seller Party Representative have entered into that certain Sale of Business Agreement, dated as of July 18, 2021 (the “Purchase Agreement”) with General Genetics Europe Limited, General Genetics Limited UK, The Genetic Test Laboratories Australia Pty Limited (collectively with Seller Party Representative, “Vendor”) and Kevin Camilleri, pursuant to which Buyer will purchase from Vendor, and Vendor will to sell to Buyer, substantially all of Vendor’s assets.

WHEREAS, unless context otherwise requires, capitalized terms used but not otherwise defined in this Agreement shall have the meanings assigned to such terms in the Purchase Agreement; provided, however, the Escrow Agent will not be responsible to determine or make any inquiry into any term, capitalized or otherwise, not defined herein;

WHEREAS, pursuant to the Purchase Agreement, Buyer is required to deliver to the Escrow Agent at the Completion the Escrow Amount (as defined below), in order to provide a source of funding for the purposes set forth in the Purchase Agreement and the Parties wish such deposit to be subject to the terms and conditions set forth herein and in the Purchase Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Appointment. The Parties hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment and agrees to act as escrow agent in accordance with the terms and conditions set forth herein.
2. Escrow Funds.
 - (a) At the Completion and simultaneous with the execution and delivery of this Agreement, Buyer is depositing or causing to be deposited with the Escrow Agent by wire transfer of immediately available funds, Five Hundred Thousand Dollars (\$500,000) (referred to herein as the “Escrow Amount”) into a separate escrow account (referred to herein as the “Escrow Account”). The Escrow Agent hereby acknowledges receipt of the Escrow Amount, together with all products and proceeds thereof, including all interest, dividends, gains and other income (the “Escrow Earnings”) earned with respect thereto (the “Escrow Funds”), subject to the terms and conditions of this Agreement and the Purchase Agreement.
 - (b) For greater certainty, all Escrow Earnings shall be retained by the Escrow Agent and reinvested in the Escrow Funds and shall become part of the Escrow Funds and shall be disbursed as part of the Escrow Funds in accordance with the terms and conditions of this Agreement and the Purchase Agreement.
3. Investment of Escrow Funds.
 - (a) Unless otherwise instructed in accordance with a joint written instruction signed by an Authorized Signer of each of Buyer and Seller Party Representative, the Escrow Agent shall hold the Escrow Funds in a separate “non-interest-bearing deposit account” insured by the Federal Deposit Insurance Corporation (“FDIC”) to the applicable limits and applicable laws. The Escrow Funds shall at all times remain available for distribution in accordance with the terms and conditions of this Agreement and the Purchase Agreement.
 - (b) The Escrow Agent shall send an account statement to each of the Parties at the addresses set forth in Section 11 hereof on a monthly basis reflecting activity in the Escrow Account for the preceding month and also reflecting any change in interest rate when applicable.
 - (c) The Escrow Agent shall have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the escrowed property, as applicable, provided that the Escrow Agent has made such investment, reinvestment or liquidation of the escrowed property in accordance with the terms, and subject to the conditions, of this Agreement. The Escrow Agent does not have a duty nor will it undertake any duty to provide investment advice.

4. Disposition and Termination of the Escrow Funds.

- (a) If Buyer elects to assert a claim for adjustment of the purchase price or for indemnification under the Purchase Agreement, it must give written notice of such claim (an “Indemnity Escrow Claim”) to the Escrow Agent and Seller Party Representative prior to the date that is 12 months after the Closing Date. An Indemnity Escrow Claim shall (i) describe in good faith the matter in reasonable detail and (ii) indicate the amount (estimated in good faith, if necessary and to the extent feasible) of the Losses that have been or may be suffered by the applicable Buyer Indemnitee or the amount of the adjustment (including the Completion Deferred Revenue Cost) (the “Claim Amount”). Such Indemnity Escrow Claim is to be executed by an Authorized Signer of Buyer set forth in Exhibit A-2 hereto.
- (b) If Seller Party Representative wishes to object to the Indemnity Escrow Claim (including the Claim Amount), Seller Party Representative shall deliver to Buyer and Escrow Agent a notice within 20 Business Days of Escrow Agent’s receipt of the Indemnity Escrow Claim stating that Seller Party Representative objects to such Indemnity Escrow Claim, including a reasonably detailed description of the nature and basis for Seller Party Representative’s objection (a “Dispute Notice”). Such Dispute Notice is to be executed by an Authorized Signer of Seller Party Representative.
- (c) If no Dispute Notice is delivered with respect to an Indemnity Escrow Claim within such 20 Business Day period, then Seller Party Representative (on behalf of Vendor) shall be deemed to have accepted such Indemnity Escrow Claim, and Buyer and Seller Party Representative shall deliver a Joint Release Instruction to the Escrow Agent with respect to such Indemnity Escrow Claim setting forth the terms of release from the Escrow Account and instructing the Escrow Agent to release the Claim Amount from the Escrow Account.
- (d) If a Dispute Notice is delivered within such 20 Business Day period, then the Escrow Agent shall not deliver any portion of the Claim Amount to Buyer until the Escrow Agent receives a Joint Release Instruction or a Final Determination. Following receipt by Buyer of a Dispute Notice, Buyer and Seller Party Representative shall comply with the dispute resolution provisions set forth in Sections 14 and 18.9 of the Purchase Agreement. If Buyer and Seller Party Representative are able to reach agreement, Buyer and Seller Party Representative shall deliver a Joint Release Instruction to the Escrow Agent setting forth such agreement and, as applicable, instructing the Escrow Agent to release funds from the Escrow Funds. The Escrow Agent shall be entitled to conclusively presume that the delivery of any Indemnity Escrow Claim or Dispute Notice and the information set forth therein complies with the terms of the Purchase Agreement and that Seller Party Representative or Buyer, as applicable, contemporaneously received each Indemnity Escrow Claim and Dispute Notice received by the Escrow Agent.
- (e) If at any time either of the Parties receives a Final Determination, then upon receipt by the Escrow Agent of a copy of such Final Determination from any Party (which Final Determination shall also be contemporaneously delivered by such Party to the other Party), the Escrow Agent shall on the fifth Business Day following receipt by the Escrow Agent of the Final Determination (unless prior thereto the other Party objects to such, in a written notice delivered to both Escrow Agent and the non-objecting Party pursuant to the terms of Section 11 below, alleging that such release is not in accordance with a final non-appealable order of a court of competent jurisdiction) disburse as directed, part or all, as the case may be, of the Escrow Funds (but only to the extent funds are available in the Escrow Funds) of the Escrow Funds in accordance with such Final Determination. Subject to the terms of this Section 4(e), the Escrow Agent will act on such Final Determination without further inquiry.

- (f) Within two Business Days after the date that is 12 months after the Completion Date (the “Distribution Date”), Buyer and Seller Party Representative will deliver a Joint Release Instruction to the Escrow Agent instructing the Escrow Agent to release all of the remaining balance of the Escrow Funds to Seller Party Representative, minus the Claim Amounts of any Indemnity Escrow Account Claims which are Pending on the Distribution Date. Once all Indemnity Escrow Account Claims are no longer Pending, any amount previously withheld on the Distribution Date that has not been disbursed to Buyer in accordance with this Section 4 shall be disbursed to Seller Party Representative, in accordance to payment instructions executed by an Authorized Signer of Seller Party Representative. An Indemnity Escrow Account Claim will be considered “Pending” if either (i) the time period for delivery of Dispute Notice pursuant to Section 4(a) above has not yet expired, or (ii) Seller Party Representative has delivered a timely Dispute Notice and the Escrow Agent has not yet received a Joint Release Instruction or Final Determination with respect to such disputed Indemnity Escrow Claim.
- (g) All payments of any part of the Escrow Funds to Buyer or Seller Party Representative, or their designees, as the case may be, shall be made by wire transfer of immediately available funds as set forth in the Joint Release Instruction or Final Determination, as applicable.
- (h) Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of any funds on deposit in the Escrow Account under the terms of this Agreement must be in writing, executed by an authorized signer of the applicable Party or Parties as set forth on Exhibit A-1 with respect to Seller Party Representative, and/or Exhibit A-2 with respect to Buyer (an “Authorized Signer”), annexed hereto and delivered to the Escrow Agent either (A) by confirmed facsimile sent to the fax number of the Escrow Agent set forth in Section 11 below or (B) attached to an e-mail sent to the e-mail address of the Escrow Agent set forth in Section 11 below. For the avoidance of doubt, any instruction or correspondence to be delivered to the Escrow Agent under this Agreement shall require the written consent of an Authorized Signer of Seller Party Representative or any successor Seller Party Representative as appointed by a majority-in-interest of Vendor. In the event that a successor Seller Party Representative is appointed, such successor Seller Party Representative shall provide such necessary due diligence documentation as requested by the Escrow Agent. In the event a Joint Release Instruction or Final Determination is delivered to the Escrow Agent, whether by facsimile or by e-mail, the Escrow Agent is authorized to seek confirmation of such instruction by telephone call back to the person or persons designated in Exhibits A-1 and/or A-2 annexed hereto (the “Authorized Individuals”), and the Escrow Agent may rely upon the confirmations of anyone purporting to be an Authorized Individual. To ensure accuracy of the instructions it receives, the Escrow Agent may record such callbacks. If the Escrow Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it will not execute the instruction until all such issues have been resolved. The Escrow Agent and the Parties shall cooperate in good faith to resolve any such issues as soon as reasonably practicable. The persons and telephone numbers for callbacks may be changed only in writing, executed by an Authorized Signer of the applicable Party actually received and acknowledged by the Escrow Agent.

(i) Certain Definitions and Interpretation.

- (i) “Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in New York, New York.
- (ii) “Final Determination” means a final non-appealable order of any court of competent jurisdiction which may be issued, together with (A) a certificate executed by an Authorized Signer of the prevailing Party to the effect that such order is final and non-appealable and from a court of competent jurisdiction having proper authority and (B) the written payment instructions executed by an Authorized Signer of the prevailing Party to effectuate such order.
- (iii) “Joint Release Instruction” means the joint written instruction executed by an Authorized Signer of each of the Parties, to the Escrow Agent directing the Escrow Agent to disburse all or a portion of the Escrow Funds.
- (iv) “Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority or any department, agency or political subdivision thereof.
- (v) For the removal of any doubt, Buyer is entitled to give multiple Indemnity Escrow Claims in accordance with paragraph 4(a) and the provisions of this Section 4 shall apply to each such Indemnity Escrow Claim.

5. Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, which shall be deemed purely ministerial in nature, and no other duties, including but not limited to any fiduciary duties, shall be implied. The Escrow Agent has no knowledge of, nor any requirements to comply with, the terms and conditions of any other agreement, instrument or document between the Parties, in connection herewith, if any, including, without limitation, the Purchase Agreement, nor shall the Escrow Agent be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. Notwithstanding the terms of any other agreement between the Parties, the terms and conditions of this Agreement will control the actions of Escrow Agent. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any Joint Release Instruction or Final Determination furnished to it hereunder and believed by it to be genuine and to have been signed by an Authorized Signer for each Party or the Parties. Concurrent with the execution of this Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit A-1 and Exhibit A-2 attached hereto. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request; provided, however, that the Escrow Agent may not act upon instruction by either Buyer or Seller Party Representative alone where joint written instruction is required as provided herein. The Escrow Agent shall have no duty to solicit any payments which may be due it or the Escrow Funds. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its reasonable opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until (i) it shall be given a Joint Release Instruction which eliminates such conflict or (ii) it shall be directed in a Final Determination. The Escrow Agent may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder. The Escrow Agent will not be liable for any action taken, suffered or omitted to be taken by it in good faith with respect to the Escrow Funds except to the extent that the Escrow Agent's fraud, willful misconduct or gross negligence was the cause of any direct loss to either Party. To the extent practicable, the Parties agree to pursue any redress or recourse in connection with any dispute (other than with respect to a dispute involving the Escrow Agent) without making the Escrow Agent a party to the same. ANYTHING IN THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, IN NO EVENT SHALL THE ESCROW AGENT BE LIABLE FOR ANY SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

6. Resignation and Removal of Escrow Agent. The Escrow Agent (a) may resign and be discharged from its duties or obligations hereunder by giving 30 calendar days' advance notice in writing of such resignation to the Parties specifying a date when such resignation shall take effect or (b) may be removed, with or without cause, by Buyer and Seller Party Representative acting jointly at any time by providing to the Escrow Agent a joint written instruction signed by an Authorized Signer of each of Buyer and Seller Party Representative. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the escrow business of the Escrow Agent's line of business may be transferred, shall be the Escrow Agent under this Agreement without further act. The Escrow Agent's sole responsibility after such 30 day notice period expires or after receipt of written notice of removal shall be to hold and safeguard the Escrow Funds (without any obligation to reinvest the same) and to deliver the same (i) to a substitute or successor escrow agent pursuant to a joint written designation from the Parties, (ii) as set forth in a Joint Release Instruction or (iii) in accordance with the directions of a Final Determination, at which time of delivery, the Escrow Agent's obligations hereunder shall cease and terminate. In the event the Escrow Agent resigns, if the Parties have failed to appoint a successor escrow agent prior to the expiration of 30 calendar days following receipt of the notice of resignation, the Escrow Agent may petition any court of competent jurisdiction for the appointment of such a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the Parties hereto.
7. Fees and Expenses. All customary and reasonable fees and expenses of the Escrow Agent are described in Schedule 1 attached hereto and one-half of such fees and expenses shall be paid by Buyer and one-half of such fees and expenses shall be paid by Seller Party Representative. The fees agreed upon for the services to be rendered hereunder are intended as full compensation for the Escrow Agent services as contemplated by this Agreement.
8. Indemnity. Each of the Parties shall jointly and severally indemnify, defend and hold harmless the Escrow Agent and its affiliates and their respective successors, assigns, directors, officers, agents and employees (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, actions, suits, proceedings, litigation, investigations, costs or expenses (including the reasonable fees and expenses of one outside counsel and experts and their staffs and all expense of document location, duplication and shipment) (collectively "Escrow Agent Losses") arising out of or in connection with (a) the Escrow Agent's execution and performance of this Agreement, tax reporting or withholding, the enforcement of any rights or remedies under or in connection with this Agreement, or as may arise by reason of any act, omission or error of the Indemnatee, except to the extent that such Escrow Agent Losses, as adjudicated by a court of competent jurisdiction, have been caused by the fraud, gross negligence or willful misconduct of the Escrow Agent or any such Indemnatee, or (b) the Escrow Agent following any instructions or other directions from Seller Party Representative or Buyer, except to the extent that the Escrow Agent following any such instruction or direction is expressly forbidden by the terms hereof. It is understood and agreed that the Escrow Agent does not have a contractual right of set-off or a contractual security interest under this Agreement; provided, however, that nothing herein shall be construed as a waiver of any statutory or common law rights to which the Escrow Agent may otherwise be entitled with respect thereto. The Parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. Notwithstanding anything to the contrary herein, Buyer and Seller Party Representative agree, solely as between themselves, that any obligation for indemnification under this Section 8 (or for reasonable fees and expenses of the Escrow Agent described in Section 7) shall be borne by the Party or Parties determined by a court of competent jurisdiction to be responsible for causing the loss, damage, liability, cost or expense against which the Escrow Agent is entitled to indemnification or, if no such determination is made, then one-half by Buyer and one-half by Seller Party Representative. The provisions of this Section 8 shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement.

9. Tax Matters.

- (a) Seller Party Representative (on behalf of Vendor) shall be responsible for and the taxpayer on all taxes due on the interest or income earned, if any, on the Escrow Funds for the calendar year in which such interest or income is earned. The Escrow Agent shall report any interest or income earned on the Escrow Funds to the IRS or other taxing authority on IRS Form 1099. Prior to the date hereof, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 as applicable and such other forms and documents that the Escrow Agent may reasonably request.
- (b) The Escrow Agent shall be responsible only for income reporting to the Internal Revenue Service with respect to income earned on the Escrow Funds. The Escrow Agent shall withhold any taxes required to be withheld by applicable law, including but not limited to required withholding in the absence of proper tax documentation, and shall remit such taxes to the appropriate authorities.
- (c) The Escrow Agent, its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup, Inc. and its affiliates. This Agreement and any amendments or attachments hereto are not intended or written to be used, and may not be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

10. Covenant of Escrow Agent. The Escrow Agent hereby agrees and covenants with Buyer and Seller Party Representative that it shall perform all of its obligations under this Agreement and shall not deliver custody or possession of any of the Escrow Funds to anyone except pursuant to the express terms of this Agreement or as otherwise required by law.

11. Notices. All notices, requests, demands, claims and other communications required under this Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) on the day of transmission if sent by electronic mail ("e-mail") with a PDF attachment executed by an authorized signed of the Party/Parties to the e-mail address given below, and written confirmation of receipt is obtained promptly after completion of the transmission, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five Business Days after the date such notice is deposited with the United States Postal Service. If notice is given to a Party, it shall be given at the address for such Party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes.

if to Buyer, then to:

Genetic Technologies Limited
60-66 Hanover Street
Fitzroy, Victoria 3065 , Australia
Attention: Michael Tonroe
E-mail: mike.tonroe@gtglabs.com

Statement Recipient: Yes

with a copy (which shall not constitute notice or service of process) to:

BioMeltzer Pty Limited
13 Wilgah Street
St Kilda East VIC 3183, Australia
Attention: Amos Meltzer
E-mail: amos@biomeltzer.com

Statement Recipient: No

or, if to Seller Party Representative, then to:

General Genetics Corporation
c/o BelHealth Investment Partners
401 E. Las Olas Boulevard, Suite 1400
Fort Lauderdale, FL 33301
Attention: Harold Blue
Email: hblue@belhealth.com

Statement Recipient: Yes

with a copy (which shall not constitute notice or service of process) to:

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, NY 10019-6022
Attention: Steven I. Suzzan
E-mail: steven.suzzan@nortonrosefulbright.com

Statement Recipient: No

or, if to the Escrow Agent, then to:

Citibank, N.A.
c/o Citi Private Bank
Preferred Custody Services
388 Greenwich Street, 29th FL
New York, NY 10013
Attention: Rola Tseng-Pappalardo
E-mail: rola.tsengpappalardo@citi.com
Telephone No.: (212)783-7030
Facsimile No.: (212) 783-7131

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to the foregoing clause (i) through (v) of this Section 11, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate.

12. Termination. This Agreement shall terminate on the first to occur of (a) the distribution of all of the amounts in the Escrow Funds in accordance with this Agreement or (b) delivery to the Escrow Agent of a written notice of termination executed jointly by Buyer and Seller Party Representative after which this Agreement shall be of no further force and effect except that the provisions of Section 8 hereof shall survive termination.
13. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any party hereto, except as provided in Sections 6 and 16, without the prior consent of the other parties hereto. This Agreement shall be governed by and construed under the laws of the State of New York, without giving effect to any choice or conflict of law provisions or rules that would cause the application of the laws of any other jurisdiction. Each party hereto irrevocably waives any objection on the grounds of venue, forum non conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the exclusive jurisdiction of any state or federal court located in the State of New York. The parties hereto hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Agreement. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the parties to this Agreement may be transmitted by facsimile or electronic transmission in portable document format (.pdf), and such facsimile or .pdf will, for all purposes, be deemed to be the original signature of such party hereto whose signature it reproduces, and will be binding upon such party hereto. If any provision of this Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to the Escrow Agent shall comply with applicable laws and regulations. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written. Except as expressly provided in Section 7 and Section 8, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than the Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of this Agreement or any funds escrowed hereunder.

14. Compliance with Court Orders. In the event that any escrow property shall be attached, garnished or levied upon by any court order, governmental orders or the delivery thereof shall be stayed or enjoined by an order of a court, government order or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other Person, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated. The Escrow Agent shall promptly notify Buyer and Seller Party Representative in writing (which shall include a copy of the writ, order or decree), upon receipt of such writ, order or decree, to the extent legally permissible.
15. Further Assurances. Following the date hereof, each party hereto shall deliver to the other parties such further information and documents and shall execute and deliver to the other parties such further instruments and agreements as any other parties shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure to any other party the benefits hereof.
16. Assignment. No assignment of the interest of any of the Parties hereto shall be binding upon the Escrow Agent unless and until written notice of such assignment shall be filed with and acknowledged by the Escrow Agent.
17. Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control including, but not limited to, any provision of any present or future law or regulation or any act of any governmental authority, any act of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; acts of civil or military authority or governmental action, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility), it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

18. Compliance with Federal Law. To help the U.S. Government fight the funding of terrorism and money laundering activities and to comply with Federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the Parties agree to provide the Escrow Agent with the name, address, taxpayer identification number, and remitting bank for all Parties depositing funds at Citibank pursuant to the terms and conditions of this Agreement. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

19. Use of Citibank Name. No publicly distributed printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions “Citibank” by name or the rights, powers, or duties of the Escrow Agent under this Agreement shall be issued by any other parties hereto, or on such party’s behalf, without the prior written consent of the Escrow Agent.

20. Publication; Disclosure. By executing this Agreement, the Parties and the Escrow Agent acknowledge that this Agreement (including all related attachments) contains certain information that is sensitive and confidential in nature and agree that such information needs to be protected from improper disclosure, including the publication or dissemination of this Agreement and related information to individuals or entities not a party to this Agreement. The Parties further agree to take reasonable measures to mitigate any risks associated with the publication or disclosure of this Agreement and information contained therein. If any Party becomes aware of any threatened or actual unauthorized disclosure, publication or use of this Agreement, that Party shall promptly notify in writing the other Parties and the Escrow Agent and shall be liable for any unauthorized release or disclosure on its part. The parties hereto agree and acknowledge that the Escrow Agent’s or a Party’s disclosure of information as may be required by law or by regulatory auditor shall not be considered an unauthorized release or disclosure.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth above.

BUYER:

GENETIC TECHNOLOGIES LIMITED

By: /s/ Simon Morriss
Name: Simon Morriss
Its: Chief Executive Officer

SELLER PARTY REPRESENTATIVE

GENERAL GENETICS CORPORATION

By: /s/ Inder Tallur
Name: Inder Tallur
Its: President

ESCROW AGENT:

CITIBANK, N.A.

By: _____
Name: _____
Its: _____

Schedule 1

ESCROW AGENT FEE PROPOSAL
Citibank, N.A., Escrow Agent

Acceptance Fee

To cover the acceptance of the Escrow Agency appointment, the study of the Agreement, and supporting documents submitted in connection with the execution and delivery thereof, and communication with other members of the working group:

Fee: WAIVED

Administration Fee

The annual administration fee covers maintenance of the Escrow Account including safekeeping of assets in the escrow accounts, normal administrative functions of the Escrow Agent, including maintenance of the Escrow Agent's records, follow-up of the Escrow Agreement's provisions, and any other safekeeping duties required by the Escrow Agent under the terms of the Escrow Agreement. Fee is based on Escrow Amounts being deposited in a non-interest bearing deposit account with a duration of at least a year, FDIC insured to the applicable limits.

Fee: WAIVED

Tax Preparation Fee

To cover preparation and mailing of Form 1099-INT, (or any other applicable tax reporting) for the applicable escrow party and in respect of the Escrow Funds for each calendar year:

Fee: WAIVED

Transaction Fees

To cover all required disbursements from an escrow account, including disbursements made via check and/or wire transfers, payments to all parties as designated by client, fees associated with postage and overnight delivery charges incurred by the Escrow Agent as required under the terms and conditions of the Escrow Agreement:

Fee: WAIVED

Other Fees

Material amendments to the Agreement: additional fee(s), if any, to be discussed at time of amendment

TERMS AND CONDITIONS: The above schedule of fees does not include charges for reasonable out-of-pocket expenses or for any services of an extraordinary nature that we or our legal counsel may be called upon from time to time to perform in either an agency or fiduciary capacity. Our participation in the transactions contemplated by the Agreement is subject to internal approval of the third party depositing monies into the escrow account. Error! Unknown document property name.

EXHIBIT A-1

Certificate as to Seller Party Representative’s Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Seller Party Representative and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under this Agreement, on behalf of Seller Party Representative. The below listed persons (must list at least two individuals) have also been designated Authorized Individuals and may be notified by Citibank N.A. prior to the release of Escrow Funds from the escrow account(s) unless an original “Standing or Predefined Instruction” letter is on file with the Escrow Agent.

Name / Title /Telephone #	Specimen Signature
Inder Tallur	
Name	
Authorized Person	Signature
Title	
(347) 308-7018	
Telephone #	
Joseph P. Wynne	
Name	
Authorized Person	Signature
Title	
347-308-7015	
Telephone #	

EXHIBIT A-2

Certificate as to Buyer’s Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Buyer and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under this Agreement, on behalf of Buyer. The below listed persons (must list at least two individuals) have also been designated Authorized Individuals and may be notified by Citibank N.A. prior to the release of Escrow Funds from the escrow account (s) unless an original “Standing or Predefined Instruction” letter is on file with the Escrow Agent.

Name / Title /Telephone #	Specimen Signature
Simon Morriss	
Name	
Chief Executive Officer	
Title	Signature
+61 408 579 593	
Telephone #	
Michael Tonroe	
Name	
Chief Financial Officer	
Title	Signature
+61 415 750 996	
Telephone #	

Exhibit 12.01

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, Simon Morriss, certify that:

1. I have reviewed this annual report on Form 20-F of Genetic Technologies Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 31, 2021

/s/ Simon Morriss

Simon Morriss
Chief Executive Officer

Exhibit 12.02

SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, Mike Tonroe, certify that:

1. I have reviewed this annual report on Form 20-F of Genetic Technologies Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarise and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 31, 2021

/s/ Mike Tonroe

Mike Tonroe
Chief Financial Officer

Exhibit 13.01

CERTIFICATION PURSUANT TO 18 U.S.C
SECTION 1350 AS ADOPTED
PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Genetic Technologies Limited (the “Company”) on Form 20-F for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Simon Morriss, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

August 31, 2021

By: /s/ Simon Morriss

Simon Morriss
Chief Executive Officer

* The originally executed copy of this Certification will be maintained at the Company’s offices and will be made available for inspection upon request.

Exhibit 13.02

CERTIFICATION PURSUANT TO 18 U.S.C
SECTION 1350 AS ADOPTED
PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Genetic Technologies Limited (the “Company”) on Form 20-F for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mike Tonroe, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

August 31, 2021

By: /s/ Mike Tonroe

Mike Tonroe
Chief Financial Officer

* The originally executed copy of this Certification will be maintained at the Company’s offices and will be made available for inspection upon request.

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333-237152) of Genetic Technologies Limited of our report dated August 31, 2021 relating to the financial statements, which appears in this Form 20-F.

/s/ Grant Thornton
Melbourne, Australia
August 31, 2021

Exhibit 15.2

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Exhibit 15.3

Appendix 4E
Preliminary final report for the twelve months to June 30, 2021

Genetic Technologies Limited
ABN 17 009 212 328

1. Reporting period

Report for the financial year ended	June 30, 2021
Previous corresponding period is the financial year ended	June 30, 2020

2. Results for announcement to the market

	Up/down	%		Amount reported for the year ended June 30, 2021
				\$
Revenues from ordinary activities (item 2.1)	Up	1,122%	to	120,554
Loss from ordinary activities after tax attributable to members (item 2.2)	Up*	12.4%	to	(7,077,619)
Net loss for the period attributable to members (item 2.3)	Up*	12.4%	to	(7,077,619)

*increase in loss

There are no dividends being proposed or declared for the period (item 2.4 and 2.5)

Commentary related to the above results

Please refer to ‘Item 5.A Operating results’ within the Form 20-F for the year ended June 30, 2021.

3. Net tangible assets per security

	June 30, 2021	June 30, 2020
Net tangible asset backing per ordinary security ⁽¹⁾	0.24 cents	0.17 cents

(1) Net tangible assets exclude the right-of-use assets under AASB 16 Leases.

4. Other documents accompanying this Appendix 4E

This Appendix 4E should be read in conjunction with the Genetic Technologies Limited annual report on the form 20-F, which includes:

- Item 18 Financial Statements; and
- Other sections as tabled below.

This preliminary final report and the associated Directors’ Report are found throughout the various sections of the accompanying Genetic Technologies Limited annual report on the form 20-F.

The following table has been provided to assist readers to locate each section of the Directors’ Report within the accompanying annual report on the form 20-F.

Sections of Directors’ Report	Form 20-F Reference
Principal activities	Item 5.A Operating Results See subheading – “Overview”
Review of operations and activities	Item 4.B Business Overview Item 5.A Operating Results
Business strategies and prospects for future years	Item 4.B Business Overview
Business risks	Item 3.D Risk Factors
Significant changes in the state of affairs	Item 5.A Operating Results See subheading – “Significant changes in the state of affairs”
Matters subsequent to the end of the financial year	Item 8.B Significant Changes Item 5.A Operating Results See subheading – “Likely developments and expected results of operations”
Likely developments and expected results of operations	Item 5.A Operating Results See subheading – “Likely developments and expected results of operations”
Environmental regulations	Item 5.A Operating Results See subheading – “Environmental regulations”
Dividends	Item 4.B Business Overview See subheading – “Dividends”
Information on directors	Item 6.A Directors and Senior Management
Remuneration report	The Remuneration report starts at Item 6 and ends after Item 6.B as indicated
Indemnification of officers	Item 6.B Compensation See subheading – “Indemnification and Insurance with respect to Directors”
Proceedings on behalf of the group	Item 8.A Consolidated Statements and Other Financial Information See subheading – “Legal Proceedings”
Non-Audit Services	Item 16.C Principal Accountant Fees and Services
Auditor’s independence declaration	Exhibit 15.4 Auditor’s Independence Declaration
Directors’ Resolution	Item 6.B Compensation See subheading – “Directors’ Resolution”

5. Audited Financial Report 2021

This preliminary final report has been based on accounts which have been audited.

A copy of the audited Financial Statements for the year ended June 30, 2021 is included in Item 18 Financial Statements within the Form 20-F.

- End of Appendix 4E -



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W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Genetic Technologies Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Genetic Technologies Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 31 August 2021

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Independent Auditor's Report

To the Members of Genetic Technologies Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Genetic Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021 the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, 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:

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional 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.

Key audit matter

How our audit addressed the key audit matter

Share-Based Payments – Note 23

During the year ended June 30, 2021, the Company issued a significant number of warrants, employee options and performance rights. Under IFRS 2 *Share-based Payments*, these issuances are to be recognised over the vesting period, and recorded as a liability or equity depending on the employees' nomination of cash or shares.

Share-based payment arrangements are a complex accounting area which rely on assumptions applied in the determination of fair value and estimation regarding the number of options that are expected to become exercisable. Additionally, a number of share-based awards were granted to related parties. As a result, share-based payment arrangements were considered a key audit matter.

Our procedures included, amongst others:

- Obtaining an understanding of the process applied to determine the appropriate accounting treatment and calculate the share-based payments;
- Evaluating the accounting treatment of the awards for compliance with IFRS 2;
- Agreeing a sample of awards to the relevant contractual grant agreements;
- Critically assessing the appropriateness of the valuation methods applied by:
 - Evaluating the competence, capabilities and objectivity of the valuation specialist engaged by the Company to perform the valuations;
 - Assessing inputs and assumptions utilised in the valuation models for accuracy and reasonableness; and
 - Utilising internal valuation specialists to assess the appropriateness of valuation methodologies applied, reasonableness of key assumptions, and accuracy of mathematical calculations;
- Recalculating the deferral of the fair value of share-based payment expense over the vesting period; and
- Assessing the adequacy of the Company's disclosures in relation to share-based payments.

Research and Development Tax Incentive – Note 11

Under the research and development (R&D) tax incentive scheme, the Company receives a 43.5% refundable tax offset of eligible expenditure if its turnover is less than \$20 million per annum, provided it is not controlled by income tax exempt entities. A registration of R&D Activities Application is filed with AusIndustry in the following financial year and, based on this filing, the Company receives the incentive in cash.

Management engaged an R&D expert to perform a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation. The R&D receivable for the period ended June 30, 2021 was \$984,872. This represents an estimated claim for the period from July 1, 2020 to June 30, 2021.

This is a key audit matter due to the size of the receivable and because there is a degree of judgment and interpretation of the R&D tax legislation required to assess eligibility of the R&D expenditure under the scheme.

Our procedures included, amongst others:

- Obtaining an understanding of the process undertaken to calculate the R&D tax incentive;
- Evaluating the competence, capabilities and objectivity of the specialist engaged by the Company to review the R&D expenditure;
- Utilising an internal R&D tax specialist in:
 - Reviewing the methodology used by the Company for consistency with the R&D tax offset rules; and
 - Considering the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to assess whether the expenses included in the estimate were likely to meet the eligibility criteria;
- Inspecting supporting documentation for a sample of expenses claimed to assess validity of the claimed amount and eligibility against the R&D tax incentive scheme criteria;
- Comparing the nature of R&D expenditure included in the current year estimate to the prior year claim;
- Considering the Company's history of successful claims;
- Inspecting copies of relevant correspondence with AusIndustry and the Australian Taxation Office related to the claims; and
- Assessing the adequacy of the Company's disclosures in relation to the R&D tax incentive.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. The other information obtained included Part I, Part II and Part III of the Form 20F included in the annual report.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 at: https://www.auasb.gov.au/auditors_responsibilities/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 pages 37 to 52 of the Directors' report for the year ended 30 June 2021.

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

Responsibilities

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 31 August 2021

Shareholder Information

A Distribution of equity securities

The number of shareholders, by size of holding, of quoted fully paid ordinary shares as at August 19, 2021 was as follows:

Range	Number of holders	Fully paid ordinary shares
		Number of shares
1 - 1,000	293	155,107
1,001 - 5,000	651	1,905,493
5,001 - 10,000	340	2,759,387
10,001 - 100,000	1,789	99,674,471
100,001 Over	1,661	9,121,595,685
Total	4,734	9,226,090,143

There were 2,456 holders of less than a marketable parcel of ordinary shares.

B Twenty Largest Shareholders

The names of the 20 largest holders of quoted fully paid ordinary shares and their respective holdings at August 19, 2021 are:

Security holder	Number held	Percentage of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,854,987,321	74.30
MJGD NOMINEES PTY LTD	200,849,309	2.18
DOMA 193 PTY LTD <DOMA 193 A/C>	144,551,379	1.57
RIP OPPORTUNITIES PTY LTD <PIR SUPER FUND A/C>	124,999,999	1.35
IRWIN BIOTECH NOMINEES PTY LTD <BIOA A/C>	75,849,310	0.82
MONUMENT HILL PTY LTD	42,000,001	0.46
MISS SUSAN SPITERI	41,142,778	0.45
HILCOR TRADING PTY LTD <ZECEVIC SUPER FUND A/C>	40,000,000	0.43
MR WARWICK WRIGHT	33,000,000	0.36
MR JOHN CHRISTOPOLOUS <CHRISAND FAMILY A/C>	26,000,000	0.28
MR BILL GIANOULAS	25,000,000	0.27
AQUASAFE INVESTMENTS PTY LTD <WHITE SUPERFUND A/C>	24,248,154	0.26
SAYCA PTY LTD <HOM SOUPHAN & MING LI SF AC>	22,500,000	0.24
S H RAYBURN NOMINEES PTY LTD	21,800,000	0.24
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	20,206,182	0.22
MR CAN ODABAS	20,000,000	0.22
AP 300 PTY LTD <AP INVEST A/C>	18,750,000	0.20
BLR CRANES PTY LTD	18,397,239	0.20
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	15,897,780	0.17
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	15,620,011	0.17
Subtotal	7,785,799,463	84.39
Total remaining holders balance	1,440,290,680	15.61

C Substantial Shareholders

The following information is current at August 19, 2021 based on information extracted from the substantial shareholding notices given to the Company by shareholders who hold relevant interests in more than 5 per cent of the Company's voting shares:

	Number held
The Bank of New York Mellon Corporation and Associates	6,857,924,911

D Voting Rights

The voting rights attracting to each class of equity securities are set out below:

- a) Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- b) Options and Warrants: no voting rights.



Corporate Directory

Directors

Mr Peter Rubinstein
Independent Non-Executive Director
and Chairman

Dr Jerzy Muchnicki
Executive Director and Chief Medical Officer

Dr Lindsay Wakefield
Independent Non-Executive Director

Mr Nicholas Burrows
Independent Non-Executive Director

Company Secretary

Mr Michael Tonroe

Registered office and principal place of business

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Share register

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Facsimile: +61 0(3) 9473 2500

Auditor

Grant Thornton

Collins Square
727 Collins Street, Melbourne VIC 3008
Australia

Telephone: +61 (0)3 8603 1000
Facsimile: +61 (0)3 8603 1999

Bankers

National Australia Bank

Level 2, 151 Rathdowne Street
Carlton VIC 3053

Stock exchange listings

Genetic Technologies Limited securities are listed on the Australian Securities Exchange (ASX: GTG) and NASDAQ (GENE)

