



## **Quarterly Cash Flow and Activities Report – 30 September 2016**

Genetic Signatures (ASX: GSS) is pleased to report on its activities for the quarter ended 30 September 2016.

### **Highlights**

- **Sales revenue growth of 18% on the previous corresponding period**
- **Oversubscribed \$15M capital raising to domestic and offshore institutional investors (Tranche 1 of \$5.1M received in September with the balance received in October)**
- **Validation data presented on the EasyScreen™ Sexually Transmitted Infection (STI) Kit**

### **Sales Growth of 18% over previous corresponding quarter**

- Total sales revenue of \$540,037, representing 18% growth on the previous corresponding period
- Cash receipts from customers of \$546,743
- Research and Development Tax Concession (grant income) of \$1.4M received from the Australian Federal Government
- Cash at 30 September: \$7.6M (including proceeds from recent capital raising of \$5.1M).

### **Global Market Expansion**

- Oversubscribed \$15M capital raising:
  - Significant contribution from domestic and international institutional investors in \$14M Placement
  - Strong support from existing shareholders via \$1M Share Purchase Plan
- GSS is now fully funded to implement its US and European strategy, which will include the opening of office and warehouse facilities in both regions, and the hiring of experienced sales teams.

### Product Range Expansion

- Validation commenced for the EasyScreen™ Sexually Transmitted Infection (STI) Kit. The preliminary clinical validation data have shown that the *EasyScreen*™ STI Detection Kit allows the simultaneous identification of 12 of the most significant and commonly encountered STIs with 100% concordance with traditional and confirmatory methods. The preliminary results also showed that the assay offers improved accuracy and sensitivity (true positive detection), with additional STI pathogens identified compared to existing testing techniques.
- Research and development on new kits and assays continues.

### Upcoming Activities

- The Company will exhibit at the American Society of Tropical Medicine and Hygiene conference in November. This annual meeting will bring together international parasitology experts and the Company will promote its ASRs for protozoan detection. This exhibition will also allow further qualification of interest for the *EasyScreen*™ Protozoan Detection Kit in preparation for FDA approval & release.
- Progress on full FDA approval for the first *EasyScreen*™ kits will continue. These approvals will remove marketing restrictions in the US and allow a sales program where our product advantages can be fully exploited.

### Commentary

Genetic Signatures recorded strong growth for the period ended 30 September 2016, with total sales revenue growth of 18% on the previous corresponding quarter. The quarter has benefited from domestic seasonal respiratory sales, which will decrease as the flu season ends.

During the quarter, the Company strengthened its balance sheet through the raising of \$14M via an institutional placement and \$1M via a Share Purchase Plan. A Research and Development Tax Concession (grant income) of \$1.4M was also received from the Australian Federal Government.

These funds will allow Genetic Signatures to accelerate its global expansion strategy, with a focus on the United States and Europe, and continue development of its current product range.

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

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

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

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

**Name of entity**

GENETIC SIGNATURES LIMITED

**ABN**

30 095 913 205

**Quarter ended ("current quarter")**

30 September 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	547	547
1.2 Payments for		
(a) research and development	(623)	(623)
(b) product manufacturing and operating costs	(187)	(187)
(c) advertising and marketing	(10)	(10)
(d) leased assets	(47)	(47)
(e) staff costs	(702)	(702)
(f) administration and corporate costs	(110)	(110)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,431	1,431
1.8 Other (provide details if material)	16	16
<b>1.9 Net cash from / (used in) operating activities</b>	<b>330</b>	<b>330</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(81)	(81)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) intellectual property	(29)	(29)
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(110)</b>	<b>(110)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	5,131	5,131
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(342)	(342)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>4,789</b>	<b>4,789</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,562	2,562
4.2 Net cash from / (used in) operating activities (item 1.9 above)	330	330
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(110)	(110)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,789	4,789

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>7,571</b>	<b>7,571</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,558	1,015
5.2	Call deposits	5,013	1,547
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,571</b>	<b>2,562</b>

**6. Payments to directors of the entity and their associates**

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

<b>Current quarter \$A'000</b>
180
-

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

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

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

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(670)
9.2 Product manufacturing and operating costs	(186)
9.3 Advertising and marketing	(101)
9.4 Leased assets	(146)
9.5 Staff costs	(1,046)
9.6 Administration and corporate costs	(118)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(2,308)</b>

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

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
Company secretary

Date: 28 October 2016

Print name: Anna Sandham

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.