

1. Company details

Name of entity:	Genetic Signatures Limited
ABN:	30 095 913 205
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

				\$'000s
Revenues from ordinary activities	down	65%	to	\$3,604
Loss from ordinary activities after tax attributable to the owners of Genetic Signatures Limited	up	62%	to	(\$10,469)
Loss for the half-year attributable to the owners of Genetic Signatures Limited	up	62%	to	(\$10,469)

Dividends

No dividend has been declared for the half-year ended 31 December 2023.

Comments

- Recorded revenue of \$3.6 million for H1 FY24
- Sales of products that were not solely for the detection of COVID (Core GSS syndromic test products) accounted for 86% sales revenue (\$3.1 million);
- Submitted 510(k) application to the FDA for regulatory clearance of *EasyScreen™* Gastrointestinal Parasite Detection Kit in September 2023;
- Completed successful \$15.9 million capital raise by way of a Placement in December 2023 and a fully underwritten Rights Issue that closed in January 2024.

Further information on the results is detailed in the 'Review of operations' section of the Directors' report which is part of the Half-Year Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	20.9	30.8

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

Details of review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

8. Attachments

Details of attachments (if any):

The Half Year Report of Genetic Signatures Limited for the half-year ended 31 December 2023 is attached.

9. Signed



John Melki
Managing Director and CEO
Sydney

Date: 22 February 2024



Genetic Signatures Limited

ABN 30 095 913 205

Half Year Report - 31 December 2023

Genetic Signatures Limited
Directors' Report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Genetic Signatures Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Genetic Signatures Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nickolaos Samaras
John Melki
Michael Aicher
Anthony Radford AO
Neil Gunn
Caroline Waldron
Stephane Chatonsky (appointed as a non-executive Director from 4 December 2023)

Principal activities

During the financial half-year, the principal continuing activities of the consolidated entity consisted of the research and commercialisation of identifying individual genetic signatures to identify diseases and the sale of associated products into the diagnostic and research marketplaces.

Review of operations

Comments

- Recorded revenue of \$3.6 million for 1H 24
- Sales of products that were not solely for the detection of COVID (Core GSS syndromic test products) accounted for 86% sales revenue (\$3.1 million);
- Submitted 510(k) application to the FDA for regulatory clearance of *EasyScreen*™ Gastrointestinal Parasite Detection Kit in September 2023;
- Completed successful \$15.9 million capital raise by way of a Placement in December 2023 and a fully underwritten Rights Issue that closed in January 2024.

Genetic Signatures recorded sales of \$3.6 million during 1H 24 (\$10.4 million: 1H 23). The lower sale recorded in this period reflected the anticipated decline in molecular testing for SARS-CoV-2 in combination with an unanticipated reduction in respiratory revenue as detailed below. Sales of syndromic testing products were \$3.1 million and accounted for 86% of sales during 1H 24, with SARS-CoV-2 revenue accounting for 14% of sales during the period. International sales generated 14% of revenue and were primarily to UK and European customers.

In August, Genetic Signatures advised the ASX that it had become aware that the *EasyScreen*™ Respiratory Pathogen Detection Kit was not detecting low levels of influenza B virus in a minority of patient samples. The Company made changes to the assay design which have restored detection in these samples with low concentration of the influenza B virus. This has been confirmed through clinical testing and analytical studies and an updated application for the *EasyScreen*™ Respiratory Pathogen Detection Kit was submitted to the Australian Therapeutic Goods Administration in December 2023.

The Group reported a loss of \$10.5 million for the half year (1H 23: \$6.5 million). The gross margin on sales decreased during the period to 42% (1H 23 64%). This reduction was primarily due to the lower volume of product sold during the period in along with an additional expense incurred as a provision for stock obsolescence in the period of \$538k, to a total of \$898k. During the current period there has been an increase in operating expenses, primarily driven by the increase in employee benefits expense of \$7.7m in 1H 24 compared to \$6.9m in 1H 23. This increase is attributable to restructuring costs incurred in the current half, together with the impact of increases in employee salaries and on-costs in the current period compared to the prior period. The company also recorded a non-cash share-based payment expense of \$0.6 million.

In September, Genetic Signatures submitted a 510(k) application to the FDA for regulatory clearance to market its *EasyScreen*™ Gastrointestinal Parasite Detection Kit and automated workflow in the US. The Company has been in regular and ongoing dialogue with the FDA and has already received and responded to a number of additional information requests

Genetic Signatures Limited
Directors' report
31 December 2023

and clarifications with respect to this application. Genetic Signatures is currently finalising material to address the queries from the FDA which it expects to submit in April 2024 and expects that the FDA will review and provide its response to this additional information once received.

The US represents a significant commercial opportunity for EasyScreen™ Gastrointestinal Parasite Detection Kit, with an estimated Total Addressable Market (TAM) of 5.5 million tests per annum. Genetic Signatures' EasyScreen™ Gastrointestinal Parasite Detection Kit provides a unique syndromic solution for the assessment of gastrointestinal infections by providing a much more rapid molecular test format that is focussed on the eight most relevant gastrointestinal pathogens. The clinical and workflow advantages of this product have been demonstrated at several leading testing laboratories in Australia where customers have highlighted the rapid turnaround, improved detection and operational cost-savings associated with using this kit.

Genetic Signatures is well advanced in its preparations for the anticipated commercial launch of its *EasyScreen*™ Gastrointestinal Parasite Detection Kit once it is cleared by the FDA. This has included investment in local warehousing and in demonstration laboratory facilities. The Company has engaged and commenced working with several carefully selected, pre-qualified customer experience sites in the US to evaluate the *EasyScreen*™ Gastrointestinal Parasite Detection Kit and workflow. Genetic Signatures has installed instruments at six of its selected customer-experience sites and expects to install instruments at an additional three sites during the current quarter. Training has been completed at all installed sites and will immediately follow the completion of installation at the remaining three sites. These sites span a range of customer groups which includes hospitals, health departments and corporate pathology providers. The Company has received very positive feedback from these customer experience sites and consequently expects they will become initial customers for this syndromic solution once it is cleared for sale by the FDA.

Genetic Signatures is also conducting a clinical trial to support a 510(k) application for its second product in the US, the *EasyScreen*™ Essentials Respiratory Detection Kit. The Company has extended recruitment for this trial to include additional clinical samples collected during the US winter season.

The Company's Research & Development program includes over 5 product groupings at various stages of development, and the development its Next Generation sample-to-answer instrument. In view of the reduced cash inflows during the H1 FY24, non-critical investment into these R&D programs was temporarily paused but they are expected to recommence shortly after 510(k) clearance.

In December 2023, Genetic Signatures appointed Mr Stephane Chatonsky to the Board as a Non-Executive Director. Mr Chatonsky has over 25 years of international experience in venture capital, private equity, investment banking, strategy and strategic advisory services. Mr Chatonsky has held senior executive roles with global organisations such as Lazard, McKinsey & Co., Macquarie Bank and Leapfrog Investments and has held Non-Executive Director, Chair, and advisory positions for several leading pathology, healthcare and technology companies, including Primary Healthcare (now Helius) and 4Cyte Pathology.

Genetic Signatures had \$18.1 million in cash and equivalents as at 31 December 2023. During the half, the Company received \$6.9m under the Research and Development Tax Incentive program for expenditure incurred in the year ended 30 June 2023. The Company also received proceeds of approximately \$8 million from a placement (before expenses) to sophisticated and professional investors that the Company conducted in December 2023. Subsequent to the half-year, Genetic Signatures has received an additional \$8 million (before expenses) from a fully underwritten, entitlement offer to shareholders which closed in January 2024.

Significant changes in the state of affairs

No significant change in the state of affairs of the Group has occurred since the close of the period.

Genetic Signatures Limited
Directors' report
31 December 2023

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Rounding of Amounts

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



John Melki
Managing Director & CEO

22 February 2024
Sydney

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

As lead auditor for the review of Genetic Signatures Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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



Gareth Few
Director

BDO Audit Pty Ltd

Sydney, 22 February 2024

Genetic Signatures Limited
Contents
31 December 2023

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Genetic Signatures Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

7 Eliza Street
Newtown NSW 2042

Principal place of business

7 Eliza Street
Newtown NSW 2042

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2024.

Genetic Signatures Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$'000s	\$'000s
Revenue	4	3,604	10,405
Other income	4	1,632	392
Expenses			
Raw materials and consumables used		(2,078)	(3,759)
Freight on materials & finished goods		(465)	(716)
Employee benefits expense		(7,672)	(6,945)
Directors' and Consultancy fees		(545)	(597)
Depreciation and amortisation expense		(781)	(702)
Scientific consumables & clinical trials		(1,734)	(2,097)
Travel and accommodation		(618)	(645)
Software expenses		(318)	(258)
Other expenses		(1,494)	(1,558)
(Loss) before income tax expense	5	(10,469)	(6,480)
Income tax expense	8	-	-
(Loss) after income tax expense for the half-year		(10,469)	(6,480)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency difference on translation of foreign operations		4	(214)
Other comprehensive loss for the half-year		4	(214)
Total comprehensive income for the half-year		<u>(10,465)</u>	<u>(6,694)</u>
(Loss) for the half-year is attributable to:			
Owners of Genetic Signatures Limited		<u>(10,469)</u>	<u>(6,480)</u>
		<u>(10,469)</u>	<u>(6,480)</u>
Total comprehensive income for the half-year is attributable to:			
Owners of Genetic Signatures Limited		<u>(10,465)</u>	<u>(6,694)</u>
		<u>(10,465)</u>	<u>(6,694)</u>
		Cents	Cents
Basic profit per share	13	(7.29)	(4.52)
Diluted profit per share	13	(7.29)	(4.52)

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

Genetic Signatures Limited
Consolidated statement of financial position
As at 31 December 2023

		Consolidated	
		31 Dec 2023	30 Jun 2023
		\$'000s	\$'000s
Assets			
Current assets			
Cash and cash equivalents		18,124	16,349
Trade and other receivables	6	2,339	4,386
Inventories		8,103	8,753
Government Grant receivable		2,309	6,877
Total current assets		<u>30,875</u>	<u>36,365</u>
Non-Current Assets			
Property, plant and equipment		7,570	7,224
Intangible assets	7	5,998	5,489
Right of use assets		12	-
Total non-current assets		<u>13,580</u>	<u>12,713</u>
Total assets		<u>44,455</u>	<u>49,078</u>
Liabilities			
Current liabilities			
Trade and other payables		2,673	4,803
Provisions		1,145	1,266
Lease liabilities		12	-
Total current liabilities		<u>3,830</u>	<u>6,069</u>
Non-current liabilities			
Provisions		124	95
Lease liabilities		-	-
Total non-current liabilities		<u>124</u>	<u>95</u>
Total liabilities		<u>3,954</u>	<u>6,164</u>
Net assets		<u>40,501</u>	<u>42,914</u>
Equity			
Issued capital		91,917	84,438
Reserves		8,200	7,623
Accumulated losses		<u>(59,616)</u>	<u>(49,147)</u>
Total equity		<u>40,501</u>	<u>42,914</u>

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

Genetic Signatures Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$'000s	Share based payment Reserves \$'000s	Foreign currency translation reserve \$'000s	Accumulated losses \$'000s	Total Equity \$'000s
Balance at 1 July 2022	84,428	5,384	85	(35,095)	54,802
Loss after income tax expense for the half-year	-	-	-	(6,480)	(6,480)
Other comprehensive income	-	-	(214)	-	(214)
Total comprehensive profit for the half-year	-	-	(214)	(6,480)	(6,694)
Share issues on conversion of options, net of transaction costs (note 9)	10	-	-	-	10
Forfeiture of share-based payments	-	(106)	-	-	(106)
Share-based payments expense	-	1,067	-	-	1,067
Balance at 31 December 2022	84,438	6,345	(129)	(41,575)	49,079

Consolidated	Issued capital \$'000s	Share based payment Reserves \$'000s	Foreign currency translation Reserves \$'000s	Accumulated losses \$'000s	Total Equity \$'000s
Balance at 1 July 2023	84,438	7,357	266	(49,147)	42,914
Loss after income tax expense for the half-year	-	-	-	(10,469)	(10,469)
Other comprehensive income	-	-	4	-	4
Total comprehensive profit for the half-year	-	-	4	(10,469)	(10,465)
Contribution of equity, net of transaction costs (note 9)	7,479	-	-	-	7,479
Forfeiture of share-based payments	-	(190)	-	-	(190)
Share-based payments expense	-	763	-	-	763
Balance at 31 December 2023	91,917	7,930	270	(59,616)	40,501

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

Genetic Signatures Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,864	11,741
Payments to suppliers and employees (inclusive of GST)		(15,405)	(17,298)
Interest received		205	252
Interest paid		-	(1)
Government grant received		6,877	-
		<u> </u>	<u> </u>
Net cash provided by operating activities		(2,459)	(5,306)
Cash flows from investing activities			
Payments for property, plant and equipment		(792)	(1,769)
Payments for intangibles		(2,448)	(2,959)
		<u> </u>	<u> </u>
Net cash used in investing activities		(3,240)	(4,728)
Cash flows from financing activities			
Proceeds from issue of shares	8	7,959	11
Share issue costs	8	(480)	(1)
Principal elements of lease payments		-	(32)
		<u> </u>	<u> </u>
Net cash used in financing activities		7,479	(22)
Net increase in cash and cash equivalents		1,780	(10,057)
Cash and cash equivalents at the beginning of the financial half-year		16,349	36,897
Effects of exchange rate changes on cash and cash equivalents		(5)	8
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year		<u>18,124</u>	<u>26,849</u>

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

Note 1. Significant accounting policies

Basis of preparation of half-year report

These general-purpose financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 30 June 2023.

These financial statements have been prepared on the going concern basis which contemplates the consolidated entity's ability to pay its debts as and when they become due and payable for a period of at least 12 months from the date of authorising the financial report for issue.

New, revised or amended Accounting Standards and Interpretations adopted

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 2: Financial Reporting Segments

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

Geographic locations

Asia Pacific

The Group's head office and manufacturing operation is based in Sydney, Australia.

The Australian entity is responsible for sales into all regions not covered by the regions defined below. All intellectual property is held within the Australian entity.

EMEA

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

Americas

The Group's North American business includes the United States and Canada. The Group proposes to sell products in this region and has submitted an application to the US FDA in September 2023 for its first product to be cleared for sale. Operations are currently based in California, USA.

	Asia Pacific	EMEA	Americas	Eliminations	Total
Consolidated – Half year ending 31 Dec 2023	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade sales to external customer	3,113	491	-	-	3,604
Intersegment sales	200	59	11	(270)	-
Total sales	3,313	550	11	(270)	3,604
Other revenue	-	-	-	-	-
Segment revenue	3,313	550	11	(270)	3,604
Segment result	(7,759)	(1,487)	(1,990)	-	(11,236)
Unallocated revenue less unallocated expenses					767
Loss before income tax					(10,469)
Income tax					-
Net Loss					(10,469)
Segment assets	66,498	2,923	3,604	(28,570)	44,455
Segment liabilities	(3,570)	(10,460)	(18,876)	28,952	(3,954)
Consolidated – Half year ending 31 Dec 2022					
Trade sales to external customers	9,422	983	-	-	10,405
Intersegment sales	1,241	32	71	(1,344)	-
Total sales	10,663	1,015	71	(1,344)	10,405
Other revenue	-	-	-	-	-
Segment revenue	10,663	1,015	71	(1,344)	10,405
Segment result	(2,973)	(874)	(1,809)	-	(5,656)
Unallocated revenue less unallocated expenses					(824)
Loss before income tax					(6,480)
Income tax					-
Net Loss					(6,480)
Segment assets	69,205	3,771	2,733	(22,154)	53,555
Segment liabilities	(4,535)	(8,043)	(13,460)	21,562	(4,476)

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 3: Disaggregation of revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated – Half year ending 31 Dec 2023	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
<i>Revenue lines</i>				
Reagents & consumables	2,872	434	-	3,306
Equipment sales & rental*	186	57	-	243
Service contracts	55	-	-	55
	<u>3,113</u>	<u>491</u>	<u>-</u>	<u>3,604</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	2,872	434	-	3,306
Services transferred over time	241	57	-	298
	<u>3,113</u>	<u>491</u>	<u>-</u>	<u>3,604</u>

* includes the standalone selling price for rental of equipment placed through bundled contractual arrangements.

Consolidated – Half year ending 31 Dec 2022	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
<i>Revenue lines</i>				
Reagents & consumables	9,226	937	-	10,163
Equipment sales & rental	187	46	-	233
Service contracts	9	-	-	9
	<u>9,422</u>	<u>983</u>	<u>-</u>	<u>10,405</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	9,226	937	-	10,163
Services transferred over time	196	46	-	242
	<u>9,422</u>	<u>983</u>	<u>-</u>	<u>10,405</u>

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 4: Revenue and Other Income

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000s	\$'000s
<i>Sales revenue</i>		
Sale of goods & services	3,604	10,405
<i>Other income</i>		
Interest	192	240
Research & Development Tax Incentive	1,430	-
Other	10	152
	<u>1,632</u>	<u>392</u>
Total revenue and other income	<u>5,236</u>	<u>10,797</u>

Note 5: Expenses

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000s	\$'000s
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Raw materials & consumables used	1,540	3,040
Provision for stock obsolescence*	538	719
Freight on materials and finished goods	<u>465</u>	<u>715</u>
<i>Finance costs (included in Other expenses)</i>		
Interest and finance charges paid/payable for lease liabilities	<u>-</u>	<u>1</u>
<i>Depreciation and amortisation expense</i>		
Depreciation of property, plant and equipment	780	673
Amortisation of right of use assets	<u>1</u>	<u>29</u>
	<u>781</u>	<u>702</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>525</u>	<u>388</u>

*An assessment of inventory with an expiry date of less than 12 months was undertaken during the period. Provision was taken for products that have a lower probability of being used before their expiry.

Note 6: Trade and other receivables

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000s	\$'000s
Trade receivables	1,297	3,194
Prepayments	1,023	1,155
Other debtors	<u>19</u>	<u>37</u>
	<u>2,399</u>	<u>4,386</u>

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 7: Intangible Assets

	Consolidated	
	31 Dec 2023	30 June 2023
	\$'000s	\$'000s
At cost	6,210	5,701
Less: accumulated amortisation	(212)	(212)
	<u>5,998</u>	<u>5,489</u>

Movement in intangibles is as follows:

	Software	Instrument	Total
	\$'000s	Development	\$'000s
	\$'000s	\$'000s	\$'000s
Cost at 1 July 2022	880	978	1,858
Additions	1,244	5,055	6,299
R&D tax incentive	(532)	(1,924)	(2,456)
Disposals	-	-	-
Cost at 30 June 2023	<u>1,592</u>	<u>4,109</u>	<u>5,701</u>
Accumulated amortisation at 1 July 2022	(212)	-	(212)
Amortisation expense	-	-	-
Accumulated amortisation at 30 June 2023	<u>(212)</u>	<u>-</u>	<u>(212)</u>
Carrying value 30 June 2023	<u>1,380</u>	<u>4,109</u>	<u>5,489</u>
Cost at 1 July 2023	1,592	4,109	5,701
Additions	495	892	1,387
R&D tax incentive	(215)	(663)	(878)
Disposals	-	-	-
Cost at 31 December 2023	<u>1,872</u>	<u>4,338</u>	<u>6,210</u>
Accumulated amortisation at 1 July 2023	(212)	-	(212)
Amortisation expense	-	-	-
Accumulated amortisation at 31 December 2023	<u>(212)</u>	<u>-</u>	<u>(212)</u>
Carrying value 31 December 2023	<u>1,660</u>	<u>4,338</u>	<u>5,998</u>

Intellectual property comprises capitalised costs associated with the development of new knowledge and encompasses both development of a new sample to result instrument, and software projects related to workflow and instrument control. They include only those costs directly attributable to the development phase. No amortisation of intangibles are recorded until the development work is in a form that future economic benefit may be derived. As neither instrument development nor the current software project have progressed to this stage, no amortisation has been recognised to date.

Note 8: Tax losses

The consolidated entity has recorded a loss during the half-year ended 31 December 2023. The consolidated entity currently has carried forward losses of \$4,907,042 from prior years in respect to its Australian operations, approximately GBP1,427,113 in respect to Genetic Signatures UK Ltd and approximately US\$6,247,347 in respect to its North American operations. The utilisation of these carried forward losses is conditional on the consolidated entity meeting the conditions for deductibility imposed by the law in the period in which the consolidated entity derives sufficient taxable income in order to utilise these losses. The consolidated entity has not recognised any deferred tax assets or carried forward income tax losses and will not until the probability of recoupment is sufficiently certain.

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 9: Equity – Share issue

Share issues and associated costs during the half-year were as follows:

	31 Dec 2023	30 June 2023	Consolidated	30 June 2023
	Shares	Shares	31 Dec 2023	30 June 2023
			\$'000s	\$'000s
Proceeds from the issue of shares				
- share placement	21,510,899	-	7,959	-
- employee share option exercise	-	20,000	-	11
Share issue costs	-	-	(480)	(1)
Net proceeds from the issue of shares	<u>21,510,899</u>	<u>20,000</u>	<u>7,479</u>	<u>10</u>

Note 10: Contingent liabilities

The consolidated entity does not have any material contingent liabilities at period-end.

Note 11: Events after the reporting period

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

Note 12: Dividends

The consolidated entity has not declared or paid a dividend during the half-year.

Genetic Signatures Limited
Notes to the consolidated financial statements
For the half-year ended 31 December 2023

Note 13: Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000s	\$'000s
Loss after income tax	(10,469)	(6,480)
Loss after income tax attributable to the owners of Genetic Signatures Limited	(10,469)	(6,480)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	143,639,810	143,392,626
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	272,500	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	143,912,310	143,392,626
	Cents	Cents
Basic loss per share	(7.29)	(4.52)
Diluted loss per share	(7.29)	(4.52)

Note 14: Capital commitments

There are no material current capital commitments.

Genetic Signatures Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



John Melki
Managing Director and CEO

22 February 2024
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Genetic Signatures Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Genetic Signatures Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A stylized signature of the BDO firm, written in a dark blue ink.

A handwritten signature in dark blue ink, which appears to read 'Gareth Few'.

Gareth Few
Director

Sydney, 22 February 2024