ASX Announcement 26 February 2025

Positive Momentum For The First Half Result

Genetic Signatures [ASX:GSS] ("GSS" or "the Company)**,** a global molecular diagnostics company is pleased to announce the results for the half year ended 31 December 2024 (1H FY25).

HIGHLIGHTS

- 136% improvement in sales during 1H FY25 of $8.5 million (1H FY24: $3.6 million);
- Improvement in gross margin to 59% in 1H FY25 (1H FY24: 42%);
- 20% improvement in underlying loss for 1H FY25 of $8.4 million (1H FY24: $10.5 million);
- Statutory loss of $15.2 million recorded for 1H FY25 (1H FY24: $10.5 million) which includes $6.8 million impairment expenses;
- Cash and cash equivalents $40.8 million as of 31 December 2024 (30 June 2024 $36.3 million);
- Completion of a strategic assessment of the technology landscape for an automated solution to deliver improved end user experience at a lower development cost for GSS; *and*
- Secured first signed US commercial contract in February 2025.

"It has been an exciting start for me with GSS that I am truly proud of. Our financial goals are on a positive trajectory in the first half. In addition, it gives me great pleasure to share that we have received the first signed US commercial contract", said **Allison Rossiter, Chief Executive Officer Genetic Signatures.**

"We have established a strong focus on commercial outcomes throughout the organisation and have set a new strategic direction to deliver a solution that will be faster to market and offers a higher level of automation at a lower development cost than the originally proposed Next Generation instrument. This will enable us to add a larger syndromic menu of infectious disease tests using **3base**® *technology for customers, large and small, that will provide actionable insights for healthcare professionals and patients alike."*

Operational overview

GSS recorded sales of $8.5 million during 1H FY25 (1H FY24: $3.6 million). The increase in revenue was primarily a result of strong respiratory sales in Australia during the half year. The prior period revenue was impacted by a temporary sales reduction as the *EasyScreen*™ Respiratory Pathogen Detection Kit was undergoing redesign to improve detection of influenza B. International sales accounted for 9.4% of revenue and were primarily to customers in the UK and Ireland.

The gross margin on sales increased to 59% during the 1H FY25 (1H FY24: 42%). The increase in margin was primarily the result of decreased inventory obsolescence expenses ($0.2 million v 1H FY24: $0.5 million) achieved through improved inventory management.

Underlying loss of $8.4 million for 1H FY25 (1H FY24: $10.5 million), which is an improvement of 20% due to leveraging the cost base of increased sales in the period.

The Group reported a statutory loss of $15.2 million for the 1H FY25 (1H FY24: $10.5 million), which includes a one-off impairment expense of $6.8 million recognised during the period.

Impairment of Next Generation instrument

GSS has completed a thorough assessment of the competitive landscape, customer needs and capabilities of available instruments and software solutions for molecular diagnostic testing in the market. As a result, it was determined that the proposed Next Generation instrument was no longer considered the best commercial option for GSS and it was decided to cease development. An impairment expense of $6.5 million was recognised in the half year.

In addition, an impairment charge of $0.3 million was recognised for obsolete instruments included under property, plant and equipment.

New strategic direction for automated technology solution

During the assessment process it was identified that customisation of commercially available instruments would provide a bespoke solution in a shorter timeframe at a lower development cost. GSS intends to commence work immediately to bring the solution to market.

The hardware and software development is expected to be completed within 24 months at an estimated cost of A$4.0 – 5.0 million. This represents a considerable saving in both time and cost compared to the ongoing internal development of the Next Generation instrument.

In addition, GSS will undertake a market assessment to define the syndromic infectious disease menu using **3base**® technology, which will be launched with the new hardware and software solution, in key global markets, to better serve customers and patients.

GSS continues to make improvements to existing workflows for current customers to increase automation and ease of operation of current instrumentation while the new solutions are being developed.

Commercial update

A key focus for GSS during the period was preparations for the commencement of commercial sales of the *EasyScreen*™ Gastrointestinal Parasite Detection Kit in the US, with procurement activities well-progressed with several customers which could then commence once FDA Clearance was received.

In February 2025, GSS received its first commercial US contract. The customer will begin test validation, with the aim of commencing patient sample testing in the next two months. While the contract is not considered material under ASX listing rules, it represents a significant milestone for GSS as it expands its presence in the US market. The focus in the second half is to continue to build momentum to convert more of the opportunities in the US sales pipeline.

In addition to growing the customer pipeline, the US sales team has continued to build market awareness around the *EasyScreen*™ Gastrointestinal Parasite Detection Kit. During the half year, GSS participated in several key US industry conferences where the *EasyScreen*™ Gastrointestinal Parasite Detection Kit was showcased.

During the half year, the Company continued to build inventory to ensure appropriately packaged and labelled products are on-hand to support the anticipated initial stocking and sales orders once they are placed.

The Australian sales was a key contributor to the half year result. The addition of experienced sales staff in this region will focus on securing additional opportunities in this market. The EMEA team are also building on the positive momentum experienced during the half in these respective markets. The Company also undertook a program of streamlining the product portfolio to focus on syndromic tests to meet global needs and ensure a solid foundation and a global mindset.

Capital management

At 31 December 2024, GSS held $40.8 million in cash and equivalents (30 June 2024: $36.3 million). During the period, the Company received $5.0 million under the Research and Development Tax Incentive program for eligible expenditures that were incurred during the financial year ended 30 June 2024. The Company also received proceeds of approximately $8.0 million from a fully-underwritten entitlement offer to shareholders which was completed in July 2024.

Leadership changes

Allison Rossiter, formerly the Managing Director of Roche Diagnostics Australia, was appointed as CEO, commencing in late September 2024. Consequently, Dr Neil Gunn concluded his role as Interim CEO but continues as a Non-Executive Director of the Company.

During the half year, the Company completed its planned Board renewal, with the transition of Chair from Dr Nick Samaras to Ms Caroline Waldron, and the appointment of Ms Anne Lockwood and Dr Jenny Harry to the Board. As part of this renewal process, Dr Tony Radford and Mr Stephane Chatonsky respectively retired and resigned from the Board.

– END –

Announcement authorised by Genetic Signatures' Board of Directors

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

Allison Rossiter
Chief Executive Officer
allison.rossiter@geneticsignatures.com
T: +61 (0)2 9870 7580

Karl Pechmann
Chief Financial Officer
karl.pechmann@geneticsignatures.com

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

Genetic Signatures Ltd ABN 30 095 913 205
7 Eliza Street, Newtown NSW 2042
Telephone + 61 (2) 9870 7580
Email: investors@geneticsignatures.com