

Quarterly cash flow and activities report – 31 March 2016

Genetic Signatures (ASX: GSS) is pleased to report on its activities for the quarter ended 31 March 2016.

Highlights

Sales Growth of 71% for the quarter

- Total sales revenue of \$423,000, representing 71% growth on the previous corresponding period
- Cash receipts from customers of \$392,000
- Cash at 31 March: \$3,374,000
- Ongoing sales activities, including several product trials and tender opportunities, in Australia, Europe and North America

Global Market Expansion

- Genetic Signatures' Quality Management System (QMS) has been certified by a Health Canada approved registrar, clearing the way for registered *in vitro* diagnostics (IVD) sales into the Canadian market.
- We continue to follow our USA regulatory strategy, with the imminent release of a range of ASR (Analyte Specific Reagents). The ASRs allow clinical laboratories to access Genetic Signatures proprietary *3base*[™] reagents for the detection of infectious diseases.
- The UCLA collaboration began with a trial to investigate increased detection of enteric protozoan infections with *3base*[™] technology when compared to traditional methods. UCLA experienced some internal hardware issues delaying the early phase of this study, however, the equipment was replaced and testing of 200 specimens was just completed. Further analysis is currently being carried out and a report should be completed in the current quarter.
- Ronald Burggrave has been appointed as European Director, Sales and Support. This full-time appointment will support and expand the European distribution network. Ronald brings a deep knowledge of the European market and many years experience in diagnostics sales & marketing.
- Genetic Signatures' product performance was endorsed via two independent scientific presentations at the Australian Molecular Microbiology Meeting held in March 2016. The presentations demonstrated (i) superior *D. fragilis* performance over other PCR assays with 100% sensitivity and specificity, and (ii) an increased number of infections detected with the *EasyScreen*[™] Respiratory Detection Kit as compared to another respiratory assay.
- A full time sales and support professional for Victoria and South Australia commenced in February, in order to provide local support for existing customers, while also giving the company's products greater exposure to a wider array of potential customers.

Product Range Expansion

- The product development team has been expanded and the additional resources will allow for more rapid development of new products. Products that are in development include, a second generation respiratory assay, a sexually transmitted infection panel, an antibiotic resistance

panel, including extended spectrum beta-lactamase (ESBL) and carbapenemase producing organisms (CPO) and a meningitis panel.

Activities Subsequent to 31 March 2016

- Exhibition & scientific presentation at the 26th European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) in Amsterdam, Netherlands. Key distribution opportunities were identified and results of the initial ESBL and CPO validation work were presented.
- ISO 9001/13485 re-certification was achieved after audit by a Conformity Assessment Body (CAB) affiliated with the International Accreditation Forum (IAF).

Upcoming Activities

- The focus for Q4 2016 remains sales growth, market share expansion, and product range extension.
- Expansion of the European distribution network and sales are expected due to the additional resources and expertise.
- Genetic Signatures' USA market presence will be increased by exhibiting at the largest USA Microbiology meeting, ASMMicrobe, in June, which will include the formal launch of Genetic Signatures' ASRs.

Commentary

Genetic Signatures recorded another quarter of strong growth for the period ended 31 March 2016, with total sales revenue growth of 71% on the previous corresponding quarter.

Expansion activities for the quarter were focused on increasing the revenue generating potential of the company via market share growth and in expanding the available product range.

The Company looks forward to updating the market over the coming quarter as additional milestones are achieved.

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

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About Genetic Signatures: Genetic Signatures is a specialist molecular diagnostics (MDx) company focused on the development and commercialisation of its proprietary platform technology, *3Base*[™]. Founded in 2001 by the late Dr Geoffrey Grigg, the former Chief of Molecular Biology at CSIRO, Genetic Signatures has released a suite of real-time PCR based products for the routine detection of infectious diseases under the *EasyScreen*[™] brand. Molecular diagnostics (MDx) is a modern technique increasingly used by hospitals and pathology laboratories to detect specific sequences of the genome, the DNA or RNA that define an organism.

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.

The *EasyScreen*[™] Enteric Detection Kits were the first product line launched as part of the *EasyScreen*[™] product range in 2012. This panel of assays supports hospitals and laboratories to screen for a wide range of infectious agents including viral, bacterial and protozoan agents. The *EasyScreen*[™] Respiratory Virus Detection Kits detects 15 viral causes of respiratory infection.

Genetic Signatures' current target markets are major hospital and pathology laboratories undertaking infectious disease screening. As the spread of infectious diseases around the world continues to grow, the Company plans to launch additional products for the detection of pathogens associated with MRSA, sexual health infections, tuberculosis and meningitis.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

GENETIC SIGNATURES LIMITED

ABN

30 095 913 205

Quarter ended ("current quarter")

March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	392	1,140
1.2 Payments for (a) staff costs	(744)	(2,216)
(b) advertising and marketing	(8)	(24)
(c) research and development	(327)	(916)
(d) leased assets	-	-
(e) other working capital	(58)	(161)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	59
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Cost of Goods	(138)	(672)
Research & Development Tax Concession	-	968
Foreign Currency Gain	18	38
Net operating cash flows	(846)	(1,785)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(846)	(1,785)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(58)	(271)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	(58)	(271)
Net investing cash flows		
1.14 Total operating and investing cash flows	(904)	(2,056)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Listing & Share Issue Expenses	-	(30)
Net financing cash flows	-	(30)
Net increase (decrease) in cash held	(904)	(2,086)
1.21 Cash at beginning of quarter/year to date	4,277	5,460
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	3,374	3,374

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	128
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,347	1,277
4.2 Deposits at call	2,027	3,000
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	3,374	4,277

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 28 April 2016
 Company secretary

Print name: Anna Sandham

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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