



## Quarterly Cash Flow and Activities Report – 31 March 2017

Genetic Signatures (ASX: GSS) is pleased to report on its activities for the quarter ended 31 March 2017.

### Highlights

- **Sales revenue growth of 9% on the previous corresponding period.**
- **Launch of 3base™ *EasyScreen*™ Sexually Transmitted Infection (STI) Detection Kit, which includes routine detection of dangerous Chlamydia serovars (LGV), with delivery to first customer.**
- **Successful completion of 3base™ Flavivirus and Alphavirus Detection Kit prototype and trial, a kit that simultaneously screens for a variety of Flavivirus/Alphavirus viral families including Zika and West Nile virus.**

### Sales Growth of 9% Over Previous Corresponding Quarter

- Total sales revenue of \$460,000 representing 9% growth on the previous corresponding period.
- Cash receipts from customers of \$360,000.
- Cash at 31 March 2017: \$14.4M.

### Global Market Product Expansion

- Launched and commenced first sales during the quarter of the company's *EasyScreen*™ Sexually Transmitted Infection (STI) Genital Pathogen Detection Kit. The launch followed a highly successful trial and validation period that demonstrated the kit's capability to simultaneously and more effectively detect 12 of the world's most commonly encountered STIs including chlamydia, gonorrhoea and syphilis.
- Global addressable market for STI testing estimated at \$US550M in 2017<sup>1</sup>. Clinical validation study completed for the *EasyScreen*™ Flavivirus and Alphavirus Detection Kit prototype. Study conducted jointly with Port Villa Central Hospital following 2016 dengue outbreak.

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<sup>1</sup> Source: World Market for Molecular Diagnostics, 5th. Edition (Infectious Disease, Oncology, Blood Screening, Pre-Natal and Other Areas) Kalorama Information, Published: 1/9/2013, page 168

## Product Range Expansion

- Presentation at the 27th European Congress of Clinical Microbiology and Infectious Diseases in April, where Genetic Signatures' Chief Scientific Officer highlighted the improved detection of Flaviviruses with our proprietary **3base™** technology following successful Vanuatu dengue detection clinical trial.
- The results demonstrate strong performance across 15 of the most common variants of the Flaviviruses and Alphaviruses (including Zika, West Nile virus and all four dengue serotypes) in a single real-time polymerase chain reaction (PCR) primer test. This validation study will become part of the Company's application for regulatory approval.
- The Company's Analyte Specific Reagents (ASRs) product portfolio has been expanded in the United States. The range now includes reagents for Enteric, Respiratory and STI pathogens (disease causing microorganisms).
- Research and development on new kits and assays continues, including kits for atypical respiratory infections, antibiotic resistance and meningitis.

## Upcoming Activities

- The Company focus remains sales growth, product range extension and market share expansion in existing and new territories.
- The Company is preparing its **3base™ EasyScreen™** Flavivirus and Alphavirus Detection Kit for commercial release. Targets for flavivirus and alphavirus are now being prepared for sale as ASRs in the United States.
- In the United States, Genetic Signatures continues to have progressive dialogue with the FDA for securing full regulatory approval for our first product. The pre-submission dialogue is now satisfactorily concluded. The Company will now focus on the required scientific validation and clinical trials required for full FDA approval.

## Commentary

Genetic Signatures recorded revenue growth for the period ended 31 March 2017, with total sales revenue growth of 9% on the previous corresponding quarter.

During the quarter, the Company continued to build on the proceeds of the recent \$15M capital raising, strengthening its balance sheet and laying a strong foundation for future growth. With an estimated US\$2.1B addressable global market in 2017, these funds are being directed to accelerate the Company's global expansion strategy, which will prioritise existing as well as new territories within the United States and Europe.

In addition to growing our international client base, the Company will focus on furthering molecular diagnostic approvals for existing and new products in key global markets that will drive revenue further in other product categories along with shareholder value.

The Company is also focusing on accelerated validation and development of its current and new product range, including advancing research and development of three new diagnostic products as well as launching the new *EasyScreen*<sup>™</sup> Flavivirus and Alphavirus Detection Kit.

Collectively this supports the Company's long-term goal of continuing to target health conditions where faster and more accurate diagnosis plays a pivotal role in improving community health in Australia and across the globe.

At 31 March 2017, the company held \$14,442,000 in cash and equivalents.

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**<sup>™</sup>. 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*<sup>™</sup> brand. Genetic Signatures' proprietary MDx **3base**<sup>™</sup> 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")

31 March 2017

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	360	1,379
1.2	Payments for		
	(a) research and development	(513)	(1,552)
	(b) product manufacturing and operating costs	(265)	(629)
	(c) advertising and marketing	(54)	(127)
	(d) leased assets	(101)	(206)
	(e) staff costs	(637)	(1,915)
	(f) administration and corporate costs	(165)	(351)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	25	105
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,430
1.8	Other (provide details if material)	(18)	(3)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,368)</b>	<b>(1,869)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(195)	(423)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(d) intellectual property	-	(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>(195)</b>	<b>(452)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	15,028
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	-	(798)
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>-</b>	<b>14,230</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	16,008	2,564
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,368)	(1,869)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(195)	(452)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	14,230

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(3)	(31)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>14,442</b>	<b>14,442</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	442	989
5.2	Call deposits	14,000	15,019
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>14,442</b>	<b>16,008</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>
106
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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. Financing facilities available**

Add notes as necessary for an understanding of the position

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. Estimated cash outflows for next quarter****\$A'000**

9.1 Research and development

(816)

9.2 Product manufacturing and operating costs

(297)

9.3 Advertising and marketing

(80)

9.4 Leased assets

(65)

9.5 Staff costs

(1,166)

9.6 Administration and corporate costs

(144)

9.7 Other (provide details if material)

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**9.8 Total estimated cash outflows****(2,568)**

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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 April 2017

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.