

Quarterly cash flow and activities report – 30 June 2015

Genetic Signatures (ASX: GSS) is pleased to report on its activities for the quarter ended 30 June 2015.

Highlights:

- Continued growth in sales of *EasyScreen™* Enteric Detection Kits and initial sales of *EasyScreen™* Respiratory Virus Detection Kits;
- The number of tests sold in Q4 FY15 grew 83% compared to the previous corresponding period (PCP). Full year FY15 number of tests sold grew 39% compared to FY14.
- Q4 FY15 growth due to increases in customer base and sales of new product.
- The company presented data generated with the respiratory test and showcased its products, via an exhibit, at the European Congress of Clinical Microbiology and Infectious Diseases (ECCMID) held in Copenhagen, Denmark.

Activities subsequent to end of quarter:

- Received US Food and Drug Administration listing of SP001 Sample Processing Kit, marking a significant step on the path to generating sales in the U.S.;
- Presented the respiratory data, mentioned above, and exhibited at the Australian Society of Microbiology (ASM) conference held in Canberra, Australia.

Upcoming activities:

- Expansion of *EasyScreen™* product range with anticipated commercial release of *EasyScreen™* MRSA (methicillin-resistant *Staphylococcus aureus* or 'Golden Staph') assay in CY15;
- Initial beta testing of the *EasyScreen™* Respiratory Bacteria test;
- Continued introduction of the *EasyScreen™* product range to high-value pathology laboratories.

Cumulative Tests Sold* (year to end June):

FY14	FY15	Growth
39,500	54,900	39%

* Test sales equals the number of different assay components sold e.g. Enteric assay is made up of three test components – bacterial, viral & protozoan

Commentary

Genetic Signatures recorded strong growth in tests sold for the quarter and the year ended 30 June, 2015. Pleasingly, Q4 growth was fueled by, both, new customers adopting the enteric test and initial sales of the respiratory kits.

During the quarter, the company launched the *EasyScreen™* Respiratory Virus Detection Kit, initially in a research use only (RUO) format. St Vincent's Pathology (SydPath) in Sydney was the product's

maiden customer. SydPath noted that the *EasyScreen™* Respiratory Virus Detection Kit identified significantly more viral respiratory infections than another noted molecular test they compared it to.

As part of the plan to expand the menu of tests available under the *EasyScreen™* brand, the Company has a number of products in the final stages of commercial beta testing and launch. These products include *EasyScreen™* MRSA Detection Kit; a product the company believes will do well in the U.S., where it will be sold into the RUO market. To this end, the company announced that it has received FDA listing of the SP001 Sample Processing Kit, a significant step and one required for U.S. market entry.

A number of significant one off costs were paid in Q4 2015 and will not have any further impact on cash flow. These include \$ 515,000 related to the company's IPO and \$165,000 for capital equipment required to increase product development throughput in the R&D laboratory. Without these expenditures, the company's net cash outflow for Q4 FY15 was \$1,336,000.

The company's expansion strategy is proceeding as planned and it looks forward to updating the market over the coming quarter as milestones are achieved. The company has three main goals, which it aims to pursue aggressively. These are to expand its customer base domestically and internationally, ensuring existing customers receive the highest level of customer service and increase the number of tests available to customers under *the EasyScreen™* brand.

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")

June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	351	865
1.2 Payments for (a) staff costs	(560)	(1,870)
(b) advertising and marketing	(8)	(50)
(c) research and development	(407)	(1,077)
(d) leased assets	-	-
(e) other working capital	(72)	(190)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Cost of Goods	(265)	(484)
Research & Development Tax Concession	-	607
Net operating cash flows	(944)	(2,158)

+ See chapter 19 for defined terms.

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admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(944)	(2,158)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	(1)	(1)
(c) intellectual property	(17)	(114)
(d) physical non-current assets	(455)	(558)
(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	(84)	(84)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	(557)	(757)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,501)	(2,915)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	7,500
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	(515)	(978)
Net financing cash flows	(515)	6,522
Net increase (decrease) in cash held	(2,016)	3,607
1.21 Cash at beginning of quarter/year to date	7,476	1,853
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	5,460	5,460

+ 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	152
1.25	Aggregate amount of loans to the parties included in item 1.11	84

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	-	-

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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	2,460	7,476
4.2 Deposits at call	3,000	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	5,460	7,476

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:



(Director & Company secretary)

Date: 30 July 2015

Print name: Robert Birrell

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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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