

## 1. Company details

Name of entity:	Genetic Signatures Limited
ABN:	30 095 913 205
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

## 2. Results for announcement to the market

				<b>\$'000s</b>
Revenues from ordinary activities - total	up	16%	to	\$21,910
- Sale of goods	up	17%	to	\$21,838
Profit from ordinary activities after tax attributable to the owners of Genetic Signatures Limited	up	5%	to	\$4,701
Profit for the half-year attributable to the owners of Genetic Signatures Limited	up	5%	to	\$4,701

### *Dividends*

No dividend has been declared for the half-year ended 31 December 2021.

### *Comments*

- Half year sales \$21.8m, 17% increase on pcp and a record
- \$4.7m profit
- Improving gross margin
- Positive cashflow - \$7.4m, cash balance \$37.5m, no debt

Genetic Signatures has had an excellent half year with record sales, increased profit, and solid cash inflows that bolstered the Group's balance sheet. Profit increase was less than revenue in percentage terms largely due to investment in instrument development and growing the Group's market presence offshore.

Sales revenue for the half-year ended 31 December 2021 ("1H FY22") was A\$21,838,000, up 17% on the previous corresponding period ("pcp"). Testing for SARS-CoV-2 accounted for the largest proportion of these sales, due to the new Omicron variant taking hold around the world. This testing continued into January, but volumes are easing as the current wave passes. Enteric testing has returned to pre-pandemic levels, while other respiratory tests were considerably lower, though anticipated to increase in Australia as the winter months approach. Sales to European customers contributed 7% of sales and are expected to grow as a proportion of total sales in the following quarters. Whilst these were predominantly SARS-CoV-2 kit sales, orders were received from customers for Enteric test kits showing how COVID-19 testing can be used as a lead to convert customers to broader testing, a key goal of the sales teams. The US region was disappointing with no revenue recorded in the half. This is attributed largely to both reductions in testing numbers in the USA coupled with easing of supply chain constraints from the customers' primary suppliers. This meant that secondary testing methodologies implemented to supplement or ensure capacity was no longer required. The testing laboratories in the USA now have firsthand experience with Genetic Signatures workflows and are willing to act as reference sites in the future, as well as considering adopting the Enteric Protozoan product, which is currently in clinical trial in support of FDA clearance.

Genetic Signatures reported increased profit of \$4,701,000 (1H FY21: profit \$4,497,000). This was driven by higher sales volumes and improved gross margin on materials, which increased to 71.2% from 70.7%. Employee benefits expense was up 15% vs pcp as a result of increased headcount and includes \$949,000 share-based payment expense that is a non-cash item. Scientific consumables increased 26% vs 1H FY21 accounting for expenditure on both R&D activity and clinical trials, particularly for the Enteric Protozoan FDA trials. Other expenses were also higher and capture some of the early expenses related to concept and design phases of the next generation instrument development. Future costs on this project are likely to be capitalised.

**Genetic Signatures Limited**  
**Appendix 4D**  
**Half-year report**

Cash balance at 31 December 2021 was \$37,496,000, and the Group has no debt. Genetic Signatures was cash flow positive for both quarters in the financial half year, generating \$7.4m overall and \$7.9m positive operating cashflow. There was no cash refund under the Australian Tax Office Research and Development (“R&D”) tax incentive program this year due to sales exceeding the \$20m threshold for the tax rebate. Genetic Signatures will benefit under this program though as a tax deduction against future earnings.

SARS-CoV-2 testing has been beneficial to the Group and has contributed to the improved balance sheet and cash position. This has given Genetic Signatures the ability to pursue a number of investment opportunities to ensure a strong future post COVID. These include the abovementioned next generation instrument development that is expected to cost \$10-\$12m over the next 18-24 months; advancing additional products through the FDA clearance process – costs per product can be as high as \$2m to run trials and pay consultants –there are plans for three or more of the current suite of *EasyScreen*<sup>™</sup> detection kits to be taken through this process, starting this year; and investing in more people both overseas and locally in sales and field support roles, plus regulatory, clinical and R&D.

The changing nature of SARS-CoV-2 has both shown the benefits of **3base**<sup>®</sup> and demonstrated Genetic Signatures’ ability to develop new or adapt current tests to meet the demands of the pathology laboratories. Firstly, the *EasyScreen* SARS-CoV-2 Detection Kit can detect all known variants of SARS-CoV-2, including Omicron and Delta, as proven through *in silico* analysis and also through experimental wet testing. Secondly, during the year the Group improved the current test which reduced the time to result by 1 ½ - 2 hours. Additionally, a new test was developed that allows laboratories to specifically differentiate whether an infection is the Omicron, Delta or other variant. Genetic Signatures also received TGA registration for a saliva-based sample collection protocol; saliva swabs have been shown in a South African study to better detect the Omicron variant.

The *EasyScreen*<sup>™</sup> Enteric Protozoan Detection Kit FDA clearance process has been challenged by COVID-19 from both slower sample collection and clinical trial sites losing staff through infection or being redirected to process COVID-19 tests. The recruitment is now nearing its conclusion and is expected to be done by the end of the current quarter. 1,500 samples must be collected across three different sites with the results to accompany the FDA submission. Once this is done data will be collated and a review of discrepant results undertaken as well as DNA sequencing to be added to the application. Genetic Signatures is targeting 40% of the available Enteric Protozoan testing market within five years of launch, with potential for up to US\$88 million revenue per annum from the US. The US sales team has been charged with establishing a ready market for the **3base**<sup>®</sup> *EasyScreen*<sup>™</sup> Enteric Protozoan product once it clears FDA, building relationships with KOL’s, and identifying other revenue opportunities.

COVID-19 testing will continue to fluctuate in response to the appearance of new variants of concern, increased virulence in circulating variants and the way in which various governments choose to manage these. As such the Group is unable to determine whether testing volumes will change and/or by what proportion. Encouragingly, Genetic Signatures proprietary platform technology, **3base**<sup>®</sup> is less susceptible to variants and the company has confirmed that our current assay detects all known variants.

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	38.2	35.5

**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 2021 is attached.

**9. Signed**



John Melki  
Managing Director and CEO  
Sydney

Date: 18 February 2022



# **Genetic Signatures Limited**

**ABN 30 095 913 205**

**Half Year Report - 31 December 2021**

**Genetic Signatures Limited  
Directors' Report  
31 December 2021**

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 2021.

**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

**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**

Genetic Signatures has had an excellent half year with record sales, increased profit, and solid cash inflows that bolstered the Group's balance sheet

Sales revenue for the half-year ended 31 December 2021 ("1H FY22") was A\$21,838,000, up 17% on the previous corresponding period ("pcp"). Testing for SARS-CoV-2 accounted for the largest proportion of these sales, due to the new Omicron variant taking hold around the world.

Genetic Signatures reported increased profit of \$4,701,000 (1H FY21: profit \$4,497,000). This was driven by higher sales volumes and improved gross margin on materials, which increased to 71.2% from 70.7%. Employee benefits expense was up 15% vs pcp as a result of increased headcount and includes \$949,000 share-based payment expense that is a non-cash item. Scientific consumables increased 26% vs 1H FY21 accounting for expenditure on both R&D activity and clinical trials, particularly for the Enteric Protozoan FDA trials. Other expenses were also higher and capture some of the early expenses related to concept and design phases of the next generation instrument development. Future costs on this project are likely to be capitalised.

Cash balance at 31 December 2021 was \$37,496,000, and the Group has no debt. Genetic Signatures was cash flow positive for both quarters in the financial half year, generating \$7.4m overall and \$7.9m positive operating cashflow. There was no cash refund under the Australian Tax Office Research and Development ("R&D") tax incentive program this year due to sales exceeding the \$20m threshold for the tax rebate. Genetic Signatures will benefit under this program though as a tax deduction against future earnings.

**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.

**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 3.

**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.

**Genetic Signatures Limited**  
**Directors' report**  
**31 December 2017**

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

A handwritten signature in black ink that reads "John Melki". The signature is written in a cursive, slightly slanted style.

John Melki  
Managing Director & CEO

18 February 2022  
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 2021, 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, 18 February 2022

## **Genetic Signatures Limited**

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**31 December 2021**

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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 18 February 2022.



**Genetic Signatures Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>Revenue and other income</b>	4	21,910	18,928
<b>Expenses</b>			
Raw materials and consumables used		(6,283)	(5,459)
Freight on materials & finished goods		(607)	(627)
Employee benefits expense		(5,673)	(4,913)
Directors' and Consultancy fees		(211)	(218)
Depreciation and amortisation expense		(814)	(655)
Scientific consumables		(1,619)	(1,286)
Travel and accommodation		(162)	(90)
Other expenses		(1,840)	(1,183)
<b>Profit before income tax expense</b>	5	4,701	4,497
Income tax expense	7	-	-
<b>Profit after income tax expense for the half-year</b>		4,701	4,497
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency difference on translation of foreign operations		(147)	(94)
<b>Other comprehensive loss for the half-year</b>		(147)	(94)
<b>Total comprehensive income for the half-year</b>		<u>4,554</u>	<u>4,403</u>
Profit for the half-year is attributable to:			
Owners of Genetic Signatures Limited		<u>4,701</u>	<u>4,497</u>
		<u>4,701</u>	<u>4,497</u>
Total comprehensive income for the half-year is attributable to:			
Owners of Genetic Signatures Limited		<u>4,554</u>	<u>4,403</u>
		<u>4,554</u>	<u>4,403</u>
		<b>Cents</b>	<b>Cents</b>
Basic profit per share	12	3.29	3.15
Diluted profit per share	12	3.20	3.09

*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 2021**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	37,496	30,121
Trade and other receivables	7,072	5,373
Inventories	7,864	12,134
Total current assets	<u>52,432</u>	<u>47,628</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	5,710	5,659
Intangible assets	527	371
Right of use assets	6 216	389
Total non-current assets	<u>6,453</u>	<u>6,419</u>
<b>Total assets</b>	<u>58,885</u>	<u>54,047</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	2,573	3,352
Provisions	1,105	938
Lease liabilities	6 217	334
Total current liabilities	<u>3,895</u>	<u>4,624</u>
<b>Non-current liabilities</b>		
Provisions	31	18
Lease liabilities	6 2	65
Total non-current liabilities	<u>33</u>	<u>83</u>
<b>Total liabilities</b>	<u>3,928</u>	<u>4,707</u>
<b>Net assets</b>	<u>54,957</u>	<u>49,340</u>
<b>Equity</b>		
Issued capital	84,278	84,164
Reserves	4,136	3,334
Accumulated losses	(33,457)	(38,158)
Equity attributable to the owners of Genetic Signatures Limited	<u>54,957</u>	<u>49,340</u>
<b>Total equity</b>	<u>54,957</u>	<u>49,340</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 2021**

<b>Consolidated</b>	<b>Issued capital \$'000s</b>	<b>Share based payment Reserves \$'000s</b>	<b>Foreign currency translation reserve \$'000s</b>	<b>Accumulated losses \$'000s</b>	<b>Total equity \$'000s</b>
Balance at 1 July 2020	84,013	1,985	(155)	(39,914)	45,929
Profit after income tax expense for the half-year	-	-	-	4,497	4,497
Other comprehensive income	-	-	(94)	-	(94)
<b>Total comprehensive profit for the half-year</b>	<b>-</b>	<b>-</b>	<b>(94)</b>	<b>4,497</b>	<b>4,403</b>
Share issues on conversion of options, net of transaction costs (note 8)	128	-	-	-	128
Forfeiture of share-based payments	-	(15)	-	-	(15)
Share-based payments expense	-	762	-	-	762
<b>Balance at 31 December 2020</b>	<b>84,141</b>	<b>2,732</b>	<b>(249)</b>	<b>(35,417)</b>	<b>51,207</b>
<b>Consolidated</b>	<b>Issued capital \$'000s</b>	<b>Share based payment Reserves \$'000s</b>	<b>Foreign currency translation Reserves \$'000s</b>	<b>Accumulated losses \$'000s</b>	<b>Total equity \$'000s</b>
Balance at 1 July 2021	84,164	3,469	(135)	(38,158)	49,340
Profit after income tax expense for the half-year	-	-	-	4,701	4,701
Other comprehensive income	-	-	(147)	-	(147)
<b>Total comprehensive profit for the half-year</b>	<b>-</b>	<b>-</b>	<b>(147)</b>	<b>4,701</b>	<b>4,554</b>
Share issues on conversion of options, net of transaction costs (note 8)	114	-	-	-	114
Forfeiture of share-based payments	-	(118)	-	-	(118)
Share-based payments expense	-	1,067	-	-	1,067
<b>Balance at 31 December 2021</b>	<b>84,278</b>	<b>4,418</b>	<b>(282)</b>	<b>(33,457)</b>	<b>54,957</b>

*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 2021**

	<b>Note</b>	<b>Consolidated</b>	<b>Consolidated</b>
		<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		22,424	20,316
Payments to suppliers and employees (inclusive of GST)		(14,626)	(15,358)
Interest received		88	304
Interest paid		(9)	(20)
R&D grant		-	2,554
		<hr/>	<hr/>
Net cash provided by operating activities		7,877	7,796
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(280)	(2,521)
Payments for intangibles		(157)	(37)
		<hr/>	<hr/>
Net cash used in investing activities		(437)	(2,558)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	8	116	134
Share issue costs	8	(3)	(6)
Principal elements of lease payments		(180)	(169)
		<hr/>	<hr/>
Net cash used in financing activities		(67)	(41)
<b>Net increase in cash and cash equivalents</b>		<hr/>	<hr/>
		7,373	5,197
Cash and cash equivalents at the beginning of the financial half-year		30,121	31,176
Effects of exchange rate changes on cash and cash equivalents		2	(100)
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial half-year</b>		<b>37,496</b>	<b>36,273</b>
		<hr/> <hr/>	<hr/> <hr/>

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

**Genetic Signatures Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2021**

**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 2021 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 2021 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 are consistent with those of the previous financial year.

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 amending Accounting Standards and Interpretations adopted**

Any new, revised or amending 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 2021**

**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 identify diseases and disabilities predominantly based within one geographical location being Sydney, Australia.

**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. Operations are currently based in California, USA, with sales and support staff based throughout USA.

<b>Consolidated – Half year 2022</b>	<b>Asia Pacific</b> \$'000s	<b>EMEA</b> \$'000s	<b>Americas</b> \$'000s	<b>Eliminations</b> \$'000s	<b>Total</b> \$'000s
Trade sales to external customer	20,286	1,552	-	-	21,838
Intersegment sales	1,383	112	83	(1,578)	-
Total sales	21,669	1,664	83	(1,578)	21,838
Other revenue	-	-	-	-	-
Segment revenue	21,669	1,664	83	-	21,838
Segment result	6,826	33	(1,170)	-	5,689
Unallocated revenue less unallocated expenses					(988)
Profit before income tax					4,701
Income tax					-
Net profit					4,701

**Consolidated – Half year 2021**

Trade sales to external customers	15,110	2,960	623	-	18,693
Intersegment sales	1,541	-	-	(1,541)	-
Total sales	16,651	2,960	623	(1,541)	18,693
Other revenue	-	-	-	-	-
Segment revenue	16,651	2,960	623	(1,541)	18,693
Segment result	4,058	1,216	(42)	-	5,232
Unallocated revenue less unallocated expenses					(735)
Loss before income tax					4,497
Income tax					-
Net loss					4,497

**Genetic Signatures Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2021**

**Note 3: Disaggregation of revenue**

*Disaggregation of revenue*

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

<b>Consolidated – Half year 2022</b>	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
<i>Revenue lines</i>				
Reagents & consumables	19,741	1,454	-	21,195
Equipment sales & rental*	411	47	-	458
Service contracts	134	51	-	185
	<u>20,286</u>	<u>1,552</u>	<u>-</u>	<u>21,838</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	19,973	1,454	-	21,427
Services transferred over time	313	98	-	411
	<u>20,286</u>	<u>1,552</u>	<u>-</u>	<u>21,838</u>

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

<b>Consolidated – Half year 2021</b>	Asia Pacific \$'000s	EMEA \$'000s	Americas \$'000s	Total \$'000s
<i>Revenue lines</i>				
Reagents & consumables	14,776	2,374	615	17,765
Equipment sales & rental	315	586	8	909
Service contracts	19	-	-	19
	<u>15,110</u>	<u>2,960</u>	<u>623</u>	<u>18,693</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	14,951	2,960	615	18,526
Services transferred over time	159	-	8	167
	<u>15,110</u>	<u>2,960</u>	<u>623</u>	<u>18,693</u>

**Genetic Signatures Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2021**

**Note 4: Revenue**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<i>Sales revenue</i>		
Sale of goods	21,838	18,693
Interest	52	150
	<u>21,890</u>	<u>18,843</u>
<i>Other income</i>		
Other income	20	85
	<u>20</u>	<u>85</u>
Total revenue and other income	<u><u>21,910</u></u>	<u><u>18,928</u></u>

**Note 5: Expenses**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Raw materials & consumables used	6,283	5,459
Freight on materials and finished goods	607	627
	<u>6,890</u>	<u>6,086</u>
<i>Finance costs (included in Other expenses)</i>		
Interest and finance charges paid/payable for lease liabilities	9	20
	<u>9</u>	<u>20</u>
<i>Depreciation and amortisation expense</i>		
Depreciation of property, plant and equipment	641	482
Amortisation of right of use assets	173	173
	<u>814</u>	<u>655</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	295	217
	<u>295</u>	<u>217</u>





**Genetic Signatures Limited**  
**Notes to the consolidated financial statements**  
**For the half-year ended 31 December 2021**

**Note 9: Contingent liabilities**

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

**Note 10: Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to evolve and is dependent on measures imposed by authorities in countries where Genetic Signatures supplies test kits, such as vaccine uptake and effectiveness, quarantine, travel restrictions, and any of economic stimuli that may be provided.

Other than the above, 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 11: Dividends**

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

**Note 12: Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Profit after income tax	4,701	4,497
Profit after income tax attributable to the owners of Genetic Signatures Limited	4,701	4,497
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	142,994,328	142,716,650
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	3,708,500	3,015,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	146,702,828	145,731,650
	<b>Cents</b>	<b>Cents</b>
Basic profit per share	3.29	3.15
Diluted profit per share	3.20	3.09

**Note 13: Capital commitments**

There are no material current capital commitments.

**Genetic Signatures Limited**  
**Directors' declaration**  
**31 December 2021**

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 2021 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

18 February 2022  
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 2021, 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 2021 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 2021 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 letters 'BDO' in a cursive, handwritten font.

A handwritten signature in cursive script that reads 'Gareth Few'.

**Gareth Few**  
**Director**

Sydney, 18 February 2022