



# Annual Report 2023

A leader in personalised  
predictive genetics



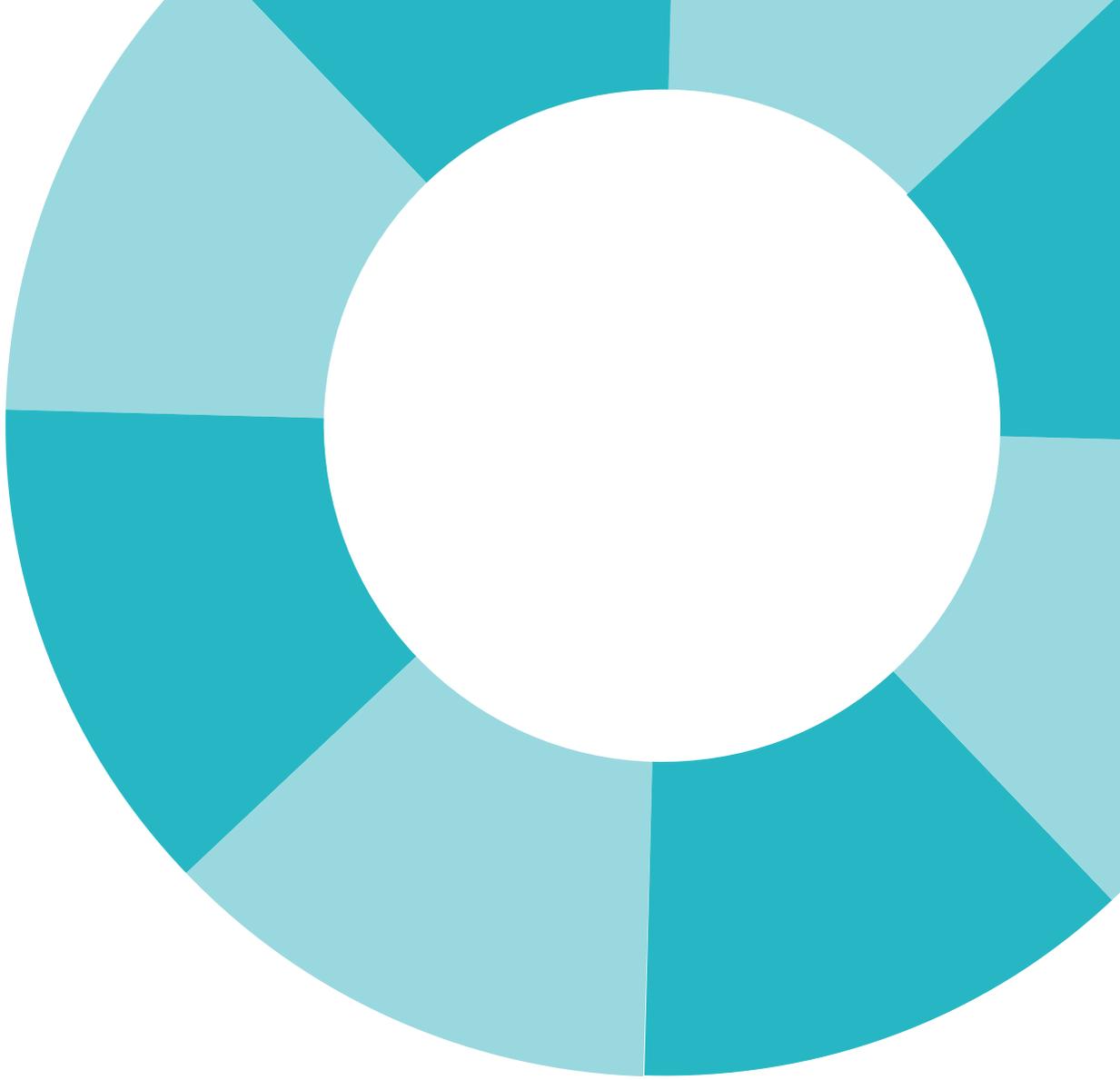


## Corporate Governance

Genetic Technologies Limited and its Board of Directors are committed to implementing and achieving an effective corporate governance framework. Our Corporate Governance Statement can be found on our website – [genotype.com](http://genotype.com)

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## Letter from the Chair

Dear Shareholders,

On behalf of the Board of Genetic Technologies Limited (GTG), I am pleased to present the annual report for the 2023 financial year.

I may have become somewhat repetitive over the years however I, and our loyal staff and shareholders, still firmly believe that Genomics is indeed a revolution, with GTG leading the way. GTG is bringing 'life changing' genomic tests to the masses for common serious diseases to which 1 in 2 people will succumb during their lifetime.

In the past 12 months we have launched the geneType test in clinical practices covering 9 serious diseases and had 7 peer reviewed supportive study data published in peer reviewed medical journals. Furthermore, we have developed the world's first comprehensive risk test for breast and ovarian cancers, combining familial, non-familial and clinical risk in one easy to use saliva test.

This test not only provides risk assessment of the rare BRCA genetic mutation that only affects 1 in 20 women who develop breast cancer, the gene that has become well known following the well documented challenges faced by Angelina Jolie when she was diagnosed with breast cancer, but also addresses the other 17 out of the 20 women who develop breast cancer with no family history. Almost half of these women who were deemed to be at high risk according to our test would have had no prior avenue to gain the awareness that they were at high risk. This leads to more targeted screening, opportunity for active intervention and early detection. Screening can save millions of dollars, if not billions globally, in the cost of treating serious disease for both individuals and governments funding the public system. Above all, ultimately, this test saves lives!

GTG's share price is not something I usually highlight however this year was a true outlier. In general, the median share price falls over the past 12 months for Market Caps in the \$20m-\$100m range has seen a staggering 57% decline, while the S&P 100 index fell only 7% during that period. Biotech companies such as GTG have fared even worse. It has been one of the toughest periods in my 30 years of investing in biotech with many going to the wall, merging, or raising capital on extremely toxic terms just to survive.

In February this year GTG raised AU\$7m at a premium to the 15-day VWAP; a testament to our long-standing relationship with our U.S. bankers and Investors H.C. Wainright and to the significant investor base in the U.S. that has actively supported GTG (or Gene as we are known in the USA) over many years.

Our CEO Simon Morriss joined the company some 2.5 years ago and continues to establish the foundations for a shift in market awareness and acceptance of our revolutionary geneType platform. Additional acquisitions, key staff additions and interactions with payers and medical practitioners in both Australia and the U.S. remains time consuming and costly but it is starting to bring rewards. The timing of success at scale remains uncertain, however we are committed to achieving profitability over the next 18 months. Simon will outline our operational progress in more detail in his CEO letter.

Finally, on behalf of the Board, I would like to thank our employees, both new and old for their perseverance during this challenging year. We are also grateful to our shareholders for your ongoing support throughout a difficult year. We look forward to engaging with you throughout the year and at our 2023 Annual General Meeting.

Sincerely,

Mr Peter Rubinstein

Chairman, Genetic Technologies Limited

August 30, 2023





Our Corporate Values

# Dynamic

Proactive, Striving,  
Responsive, Motivated

Cutting edge innovation that creates  
an aspirational place to work.



# Collaborative

Cooperative, Receptive,  
Informative, Transparent

Unity and diversity drives us  
to make a positive impact on  
the community.

# Professional

**Trustworthy, Respectful,  
Punctual, Accountable**

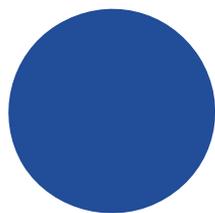
Leveraging our collective skills and knowledge to create global partnerships.



# Passionate

**Enthusiastic, Inspiring,  
Dedicated, Energetic**

A place where you can apply your skills and realise your career goals.



## Letter from the CEO

Dear Shareholders,

GTG has had an exciting period of commercial growth over the last 12 months in our Business to Business (B2B) channel led by geneType and our Direct to Consumer (DTC) channel led by our EasyDNA and AffinityDNA brands. Our commitment to transforming healthcare through personalized genetic insights continues driving meaningful advancements, revolutionizing medical practices across the globe.

This year we have continued the transformational journey from an R&D organisation with one polygenic risk test to an organisation with revenues anchored in 3 brands: geneType, EasyDNA, and AffinityDNA.

Highlighting our commercial progress, the company announces revenues for the 12 months ending June 30, 2023, of A\$8.686 million, an increase of +A\$1.891m; +28% when compared with 2022.

### Momentum building - Growth and Partnerships:

The dedication of our team, and the power of geneType, have ignited a revolution in healthcare. We are seeing encouraging growth in our commercial volumes for geneType, a testament to the value and trust we are building in the medical community. Twenty medical practices in both the US and Australia are now routinely referring patients for geneType testing, with new practices joining our network every week. This is laying the foundation for a healthcare landscape that embraces precision medicine and individualized care.

### Empowering Precision Medicine Centers:

Our vision extends beyond testing; we are leading the way establishing partnerships in Precision Medicine Centers of Excellence. Paving the way for a transformative approach to patient care, harnessing the potential of geneType, creating centres that redefine medical practices and deliver more precise diagnoses and personalized treatment strategies.

### Innovating for the Future:

We were proud to announce the development of the world's first Comprehensive Breast & Ovarian Cancer Risk Test, a true testament to our dedication to innovation. This groundbreaking test, showcased at the annual BRCA (BReast CAncer) conference in Montreal, will empower women to understand their risk profile for these deadly diseases through a simple saliva sample.

### Pioneering Research and Clinical Impact:

Our ground-breaking work is gaining recognition on a global scale. The science team have successfully published seven peer reviewed manuscripts and publications in prestigious journals across the world. These publications provide the evidence that the implementation of the patented geneType test will identify more at risk patients, detect the disease early and save lives.

### Expanding the Frontiers of screening:

Our geneType Multi-Test Panel now encompassing an impressive nine life threatening diseases. In phase 2 of our rollout plan, we have expanded the panel to include melanoma, pancreatic cancer, and atrial fibrillation. This expansion enhances the test's utility, offering risk assessments for six cancers, two cardiovascular diseases, and one metabolic disease, all from a single saliva sample, covering up to 70% of mortalities and morbidities annually.

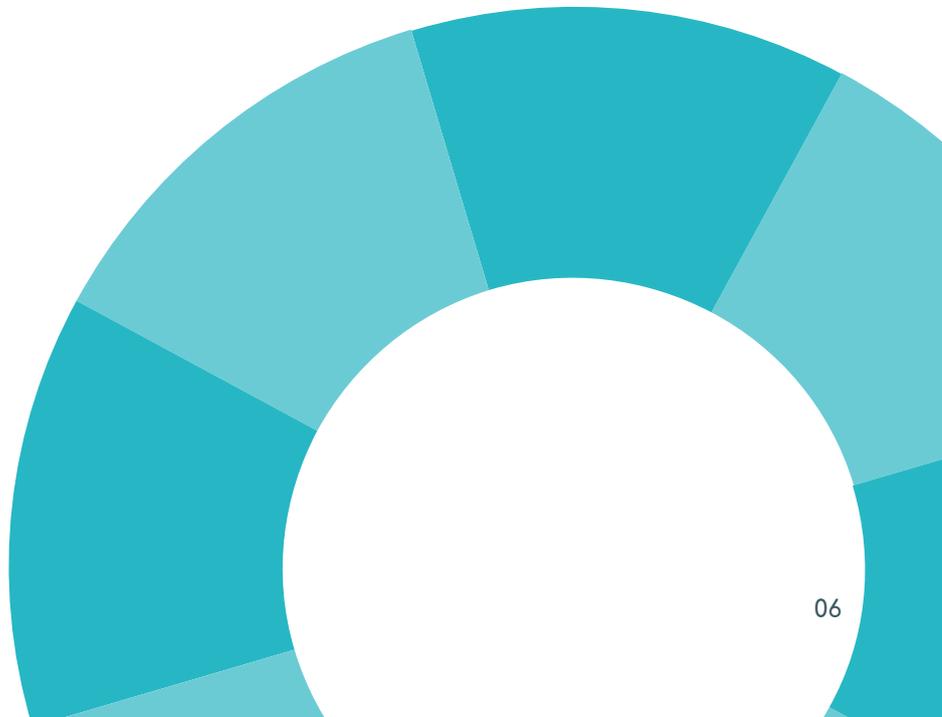
### Championing Partnerships:

Our strategic alliance with QIAGEN marks a monumental step forward. Together, we are establishing a "Centre of Excellence" facility in Australasia, uniting our life science and diagnostics expertise. This partnership amplifies our capabilities, driving commercial opportunities, enhanced automation, and increased capacity. Our shared goal is to make geneType accessible to a wider audience, accelerating the identification and intervention for at-risk patients.

### Our Medical Leadership:

Dr. Joel Evans, joined our team in the U.S. and is a leader in clinical and functional medicine whose expertise and passion for personalised medicine align perfectly with our mission. His appointment underscores our commitment to bringing cutting-edge medical insights to our patients, reinforcing our dedication to advancing healthcare.

None of our achievements would have been possible without the unwavering support of Key Opinion Leaders (KOLs) who are driving change in their fields. Their endorsement of geneType has opened doors to new medical practices, expanding our reach and impact. We are honored to collaborate with KOLs such as Dr. Carolyn Young, Dr. William Stanford, and Dr. Lisa Larkin, whose contributions are shaping the future of healthcare.



### Looking Ahead:

As we reflect on these remarkable milestones, we are invigorated by the promise that lies ahead. The journey of GeneType Group is one of transformation, empowerment, and relentless pursuit of a healthier future. We are pioneering a new era of healthcare, where every patient's genetic makeup is harnessed to inform personalized treatments and interventions. Thank you for being a part of our incredible journey.

Our team has dedicated two decades to relentlessly advancing the forefront of genetic testing, introducing the most innovative solutions to the global stage. Over the last 18 months, Genetic Technologies has transitioned to an organization earning significant revenues and have identified the pivotal clinical and commercialization pathways for continued success. Looking ahead to the next 18 months, we are embarking on a determined journey towards attaining profitability.

Sincerely,

Mr Simon Morriss

Chief Executive Officer

Genetic Technologies Limited

August 30, 2023





Our Brand Values



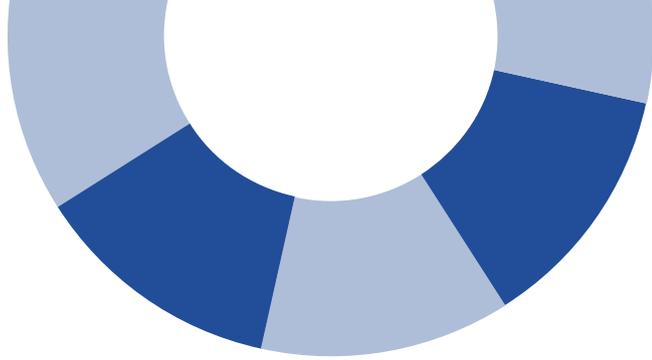
## Unequaled experience

Scientific team leveraging their extensive research track record in breast and colorectal to expand our medical-grade genetic test portfolio into further cancers and chronic conditions.

## Leading integrated technology

The proprietary integration of genomic and clinical risk factors deliver the most complete risk assessments for serious diseases in the world – the foundation of geneType.





## Relentless innovation

Accelerating the world's transition to personalised, preventative health care by converting genetic data into actionable solutions for consumers and doctors.

## Setting new standards

Setting clinical, safety and ethical standards to ensure the best health outcomes.





# FORM 20-F



**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington D.C. 20549

**FORM 20-F**

<input type="checkbox"/>	<b>REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934</b>
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OR

<input checked="" type="checkbox"/>	<b>ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934</b>  For the fiscal year ended June 30, 2023
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OR

<input type="checkbox"/>	<b>TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934</b>  For the transition period from            to
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OR

<input type="checkbox"/>	<b>SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934</b>
--------------------------	--

Date of event requiring this shell company report .....

# GENETIC TECHNOLOGIES LIMITED

(Exact name of Registrant as specified in its charter  
and translation of Registrant's name into English)

## Australia

(Jurisdiction of incorporation or organization)

**60-66 Hanover Street, Fitzroy, Victoria, 3065, Australia**

(Address of principal executive offices)

**Simon Morriss,  
Chief Executive Officer**

**60-66 Hanover Street, Fitzroy, Victoria, 3065, Australia**

**Telephone: +61 3 8412 7000**

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered or to be registered pursuant to Section 12(g) of the Act: American Depositary Shares, each representing 600 Ordinary Shares.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. There were 11,541,658,143 Ordinary Shares outstanding as of June 30, 2023.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

<input type="checkbox"/>	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>
<input type="checkbox"/>			Emerging growth company <input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.”

Yes  No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Yes  No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Yes  No

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP <input type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
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If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.  Yes  No

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## **INTRODUCTION**

In this Annual Report, the “Company,” “Genetic Technologies,” “GTG”, “the Group”, “we,” “us” and “our” refer to Genetic Technologies Limited and its consolidated subsidiaries.

Our consolidated financial statements are set out beginning on page F1 of this Annual Report (refer to Item 18 “Financial Statements”).

References to the “ADSs” are to our ADSs described in Item 12.D “American Depositary Shares” and references to the “Ordinary Shares” are to our Ordinary Shares described in Item 10.

Our fiscal year ends on June 30 and references in this Annual Report to any specific fiscal year are to the twelve-month period ended on June 30 of such year.

## **FORWARD-LOOKING STATEMENTS**

This Annual Report contains forward-looking statements that involve risks and uncertainties. We use words such as “anticipates”, “believes”, “plans”, “expects”, “future”, “intends” and similar expressions to identify such forward-looking statements. This Annual Report also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of Genetic Technologies and related markets and spending. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Annual Report. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described below under the caption “Risk Factors” and elsewhere in this Annual Report.

Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations are contained in cautionary statements in this Annual Report including, without limitation, in conjunction with the forward-looking statements included in this Annual Report and specifically under Item 3.D “Risk Factors”.

All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

## **AUSTRALIAN DISCLOSURE REQUIREMENTS**

Our ordinary shares are primarily quoted on the Australian Securities Exchange (“ASX”) in addition to our listing of our ADSs on the NASDAQ Global Select Market. As part of our ASX listing, we are required to comply with various disclosure requirements as set out under the Australian Corporations Act 2001 and the ASX Listing Rules. Information furnished under the sub-heading “Australian Disclosure Requirements” is intended to comply with ASX listing and Corporations Act 2001 disclosure requirements and is not intended to fulfill information required by this Annual report on Form 20-F.

## **ENFORCEMENT OF LIABILITIES AND SERVICE OF PROCESS**

We are incorporated under the laws of Western Australia in the Commonwealth of Australia. All of our directors and executive officers, and any experts named in this Annual Report, reside outside the U.S. Substantially all of our assets, our directors’ and executive officers’ assets and such experts’ assets are located outside the U.S. As a result, it may not be possible for investors to affect service of process within the U.S. upon us or our directors, executive officers or such experts, or to enforce against them or us in U.S. courts, judgments obtained in U.S. courts based upon the civil liability provisions of the federal securities laws of the U.S. In addition, we have been advised by our Australian solicitors that there is doubt that the courts of Australia will enforce against us, our directors, executive officers and experts named herein, judgments obtained in the U.S. based upon the civil liability provisions of the federal securities laws of the U.S. or will enter judgments in original actions brought in Australian courts based upon the federal securities laws of the U.S.

## **PART I**

### **Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable

### **Item 2. Offer Statistics and Expected Timetable**

Not applicable.

### **Item 3. Key Information**

#### **Item 3.A Reserved**

#### **Item 3.B Capitalisation and Indebtedness**

Not applicable.

#### **Item 3.C Reasons for the Offer and Use of Proceeds**

Not applicable.

#### **Item 3.D Risk Factors**

Before you purchase our ADSs, you should be aware that there are risks, including those described below. You should consider carefully these risk factors together with all of the other information contained elsewhere in this Annual Report before you decide to purchase our ADSs.

#### **Risk Factor Summary**

##### ***Risk Related to our Business***

- A variety of risks associated with commercializing our products and product candidates internationally could materially adversely affect our business.
- Our Company has a history of incurring losses.
- We may not be successful in transitioning from our existing product portfolio to our next generation of risk assessment tests, and our newly developed approach to marketing and distribution of such products may not generate revenues.
- Our products may never achieve significant market acceptance.
- We face additional risks as a result of the EasyDNA and AffinityDNA acquisitions and may be unable to integrate our businesses successfully and realize the anticipated synergies and related benefits of these acquisitions or do so within the anticipated time frame.
- Failure to demonstrate the clinical utility of our products could have a material adverse effect on our financial condition and results of operations.
- If our competitors develop superior products, our operations and financial condition could be affected.
- We have important relationships with external parties over whom we have limited control.
- We may be subject to liability and our insurance may not be sufficient to cover damages.
- Security breaches, privacy issues, loss of data and other incidents could compromise sensitive or personal information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.
- We use potentially hazardous materials, chemicals and patient samples in our business and any disputes relating to improper handling, storage or disposal of these materials could be time consuming and costly.
- Our industry is subject to rapidly changing technology and new and increasing amounts of scientific data related to genes and genetic variants and their role in disease.
- We depend on the collaborative efforts of our academic and corporate partners for research, development and commercialization of our products. A breach by our partners of their obligations, or the termination of the relationship, could deprive us of valuable resources and require additional investment of time and money.
- If our sole laboratory facility becomes inoperable, we may be unable to perform our tests and our business will be harmed.
- The loss of key members of our senior management team or our inability to attract and retain highly skilled scientists, clinicians and salespeople could adversely affect our business.

- Changes in the way that the Food & Drug Administration (FDA) regulates our tests could result in the delay or additional expense in offering our tests and tests that we may develop in the future.
- Our business could be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or changing interpretations of, Clinical Laboratory Improvements Amendments (CLIA) or state laboratory licensing laws to which we are subject.
- Failure to establish and comply with appropriate quality standards to assure that the highest level of quality is observed in the performance of our testing services and in the design, manufacture and marketing of our products could adversely affect the results of our operations and adversely impact our reputation.
- We could be adversely affected by violations of the Foreign Corrupt Practices Act (FCPA) and other worldwide anti-bribery laws.
- If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.
- Failure to comply with health information privacy laws, including Health Insurance Portability and Accountability Act of 1996 (HIPAA) or other U.S. federal or state health information privacy and security laws, as applicable, may negatively impact our business.
- If we or our partners fail to comply with the complex federal, state, local and foreign laws and regulations to the extent that apply to our business, we could suffer severe consequences that could materially and adversely affect our operating results and financial condition.
- A failure to comply with any of federal or state laws to the extent such are applicable to our business, particularly laws related to the elimination of healthcare fraud, may adversely impact our business.
- We face risks associated with currency exchange rate fluctuations, which could adversely affect our operating results.
- Government regulation of genetic research or testing may adversely affect the demand for our services and impair our business and operations.
- Failure in our information technology systems could significantly increase testing turn-around times or impact on the billing processes or otherwise disrupt our operations.
- Any significant disruption in service on our website or in our computer or logistics systems, whether due to a failure with our information technology systems or that of a third-party vendor, could harm our reputation and may result in a loss of customers.
- Breaches of network or information technology, natural disasters or terrorist attacks could have an adverse impact on our business.
- Ethical and other concerns surrounding the use of genetic information may reduce the demand for our services.
- Risks associated with our intellectual property.
- We rely heavily upon patents and proprietary technology that may fail to protect our business.
- We may face difficulties in certain jurisdictions in protecting our intellectual property rights, which may diminish the value of our intellectual property rights in those jurisdictions.
- Our operations may be adversely affected by the effects of extreme weather conditions or other interruptions in the timely transportation of specimens.
- Our Consumer Initiated Testing (CIT) Platform will expose us to various risks.
- Discontinuation or recalls of existing testing products or our customers using new technologies to perform their own tests could adversely affect our business.
- The Polygenic Risk Score (PRS) test may not be able to obtain necessary regulatory clearance, and therefore we may not generate any revenue.
- If the PRS test is required to obtain and maintain FDA approvals, it will be subject to continuing governmental regulations and additional foreign regulations.
- Declining general economic or business conditions may have a negative impact on our business.

#### ***Risk Related to our Securities***

- Our ADSs may be delisted from the NASDAQ Capital Market.
- Our stock price is volatile and can fluctuate significantly based on events not in our control and general industry conditions. As a result, the value of your investment may decline significantly.
- The fact that we do not expect to pay cash dividends may lead to decreased prices for our stock.
- You may have difficulty in effecting service of legal process and enforcing judgments against us and our management.

- Because we are not required to provide you with the same information as an issuer of securities based in the United States, you may not be afforded the same protection or information you would have if you had invested in a public corporation based in the United States.
- As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards and these practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.
- As a result of being a U.S. public company, we are subject to additional regulatory compliance requirements, including Section 404, and if we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.
- We will incur significant costs as a result of operating as a company with ADSs that are publicly traded in the United States, and our management will be required to devote substantial time to new compliance initiatives.
- The dual listing of our ordinary shares and the ADSs may negatively impact the liquidity and value of the ADSs.
- Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares or ADSs.
- Our Constitution and Australian laws and regulations applicable to us may adversely affect our ability to take actions that could be beneficial to our shareholders.
- A lack of significant liquidity for our ADSs may negatively affect your ability to resell our securities.
- In certain circumstances, holders of ADSs may have limited rights relative to holders of Ordinary Shares.

#### ***Risk Related to Taxation***

- We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences for U.S. holders.
- If a United States person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.
- Changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.
- Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.

#### **Risks Related to our Business**

***A variety of risks associated with commercializing our products and product candidates internationally could materially adversely affect our business.***

We, or our licensing partners, may seek regulatory approval for our products or product candidates in multiple jurisdictions, accordingly, we expect that we will be subject to additional risks for our products and product candidates related to operating in foreign countries if we obtain the necessary approvals, including:

- differing regulatory requirements in foreign countries;
- the potential for so-called parallel importing, when a local seller, faced with high or higher local prices, opts to import goods from a foreign market (with low or lower prices) rather than buying them locally;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in Australia or the U.S.;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as in Australia or the U.S.;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with our or our licensing partners' international operations may materially adversely affect our ability to attain or maintain profitable operations.

***Our Company has a history of incurring losses.***

We have incurred operating losses in every year since the year ended June 30, 2011. As at June 30, 2023, the Company had accumulated losses of A\$156,715,687 and the extent of any future losses and whether or not the Company can generate profits in future years remains uncertain. The Company currently does not generate sufficient revenue to cover its operating expenses. We expect our capital outlays and operating expenditures to remain constant for the foreseeable future as we continue to focus on R&D and new product development, IP creation and the introduction of predictive genetic testing products. If we fail to generate sufficient revenue and eventually become profitable, or if we are unable to fund our continuing losses by raising additional financing when required, our shareholders could lose all or part of their investments.

***We may not be successful in expanding our revenues, and therefore improving operational profitability, of the recently acquired EasyDNA and AffinityDNA businesses or achieve significant commercial sales of the portfolio to our next generation of geneType risk assessment tests.***

Although GTG have recently achieved a significant increase in product revenues, which are largely attributable to the recently acquired EasyDNA and AffinityDNA businesses and the Company has recently developed, launched and marketed our geneType Multi-risk test, we believe that our future success is dependent upon our ability to grow revenues from our existing product offerings and to successfully introduce and sell our newly developed products including our innovative hereditary breast and ovarian cancer test, due for launch in financial year 2024. Although we believe that we now have world class products that are poised to be an important part of making predictive genetic testing a mainstream healthcare activity, we may not be successful in transitioning from our existing products to these products, and there can be no assurance that the demand for these new products will develop. Furthermore, we plan to introduce our new products to healthcare providers through a global network of distribution partners instead of through our own sales force. Although we believe that we are building worthwhile sales and distribution relationships with experienced distribution firms, there can be no assurance that we will be able to enter into distribution arrangements on terms satisfactory to us, and that our marketing strategy will be successful and result in significant revenues.

***Our products may never achieve significant market acceptance.***

We may expend substantial funds and management effort on the development and marketing of our predictive genetic testing products with no assurance that we will be successful in selling our products or services. Our ability to enter into distribution arrangements to successfully sell our molecular risk assessment and predictive genetic testing products and services will depend significantly on the perception that our products and services can reduce patient risk and improve medical outcomes, and that our products and services are superior to existing tests. Our business could also be adversely affected if we expend money without any return.

***We face additional risks as a result of the EasyDNA and AffinityDNA acquisitions. We may be unable to integrate our businesses successfully and realize the anticipated synergies and related benefits of these acquisitions or do so within our anticipated timeframes. Including:***

- difficulties in integrating and managing the combined operations of EasyDNA and AffinityDNA, and realizing the anticipated economic, operational, and other benefits in a timely manner, which could result in substantial costs and delays or other operational, technical, or financial problems;
- disruptions to the EasyDNA and AffinityDNA businesses and their operations and relationships with service providers and other third parties;
- loss of key employees of EasyDNA and AffinityDNA and other challenges associated with integrating new employees into our culture, as well as reputational harm if integration is not successful;
- diversion of management time and focus from operating our business to addressing the EasyDNA and AffinityDNA operations integration challenges;
- diversion of significant resources from the ongoing development of our existing products, services, and operations;
- failure to successfully realize our intended business strategy;
- increase in the operating losses that we expect to incur in future periods;
- regulatory complexities of integrating or managing the combined operations or expanding into other industries or parts of the healthcare industry;
- regulatory developments or enforcement trends focusing on corporate practice of medicine;
- greater than anticipated costs related to the integration of the EasyDNA and AffinityDNA businesses and operations;
- increase in compliance and related costs associated with the addition of a regulated business;

- responsibility for the liabilities of EasyDNA and AffinityDNA, including those that were not disclosed to us or exceed our estimates, as well as, without limitation, liabilities arising out of their failure to maintain effective data protection and privacy practices controls and comply with applicable regulations; and
- potential accounting charges to the extent intangibles recorded in connection with the EasyDNA and AffinityDNA acquisitions, such as goodwill, trademarks, client relationships, or intellectual property, are later determined to be impaired and written down in value.

***Failure to demonstrate the clinical utility of our geneType products could have a material adverse effect on our financial condition and results of operations.***

The Company believes that its current GeneType risk assessment tests, along with the pipeline of new tests for additional disease indications under development have the capacity to transform health outcomes for entire populations. However, it is critical for the Company to demonstrate the clinical utility of its new products at scale. Clinical utility is the usefulness of a test for clinical practice. If the Company is unable to demonstrate clinical utility, or if the data is deemed insufficient to validate utility, there may be insufficient demand for the Company's products.

***If our competitors develop superior products, our operations and financial condition could be affected.***

We are currently subject to increased competition from biotechnology and diagnostic companies, academic and research institutions and government or other publicly-funded agencies that are pursuing products and services which are substantially similar to our molecular risk assessment testing products, or which otherwise address the needs of our customers and potential customers.

Our competitors in the predictive genetic testing and assessment market include private and public sector enterprises located in Australia, the U.S. and elsewhere. Many of the organizations competing with us are much larger and have more ready access to needed resources. In particular, they would have greater experience in the areas of finance, research and development, manufacturing, marketing, sales, distribution, technical and regulatory matters than we do. In addition, many of the larger current and potential competitors have already established name / brand recognition and more extensive collaborative relationships.

Our competitive position in the molecular risk assessment and predictive testing area is based upon, amongst other things, our ability to:

- continue to strengthen and maintain scientific credibility through the process of obtaining scientific validation through clinical trials supported by peer-reviewed publication in medical journals;
- create and maintain scientifically advanced technology and offer proprietary products and services;
- continue to strengthen and improve the messaging regarding the importance and value that our cancer risk assessment tests provide to patients and physicians;
- diversify our product offerings in disease types;
- obtain and maintain patent or other protection for our products and services;
- obtain and maintain required government approvals and other accreditations on a timely basis; and
- successfully market our products and services.

If we are not successful in meeting these goals, our business could be adversely affected. Similarly, our competitors may succeed in developing technologies, products or services that are more effective than any that we are developing or that would render our technology, products and services obsolete, noncompetitive or uneconomical.

***We have important relationships with external parties over whom we have limited control.***

We have relationships with academic consultants, research collaborators at other institutions and other advisers who are not employed by us. Accordingly, we have limited control over their activities and can expect only limited amounts of their time to be dedicated to our activities. These persons may have consulting, employment or advisory arrangements with other entities that may conflict with or compete with their obligations to us. Our consultants typically sign agreements that provide for confidentiality of our proprietary information and results of studies. However, we may not be able to maintain the confidentiality of our technology, the dissemination of which could hurt our competitive position and results of operations. To the extent that our scientific consultants, collaborators or advisers develop inventions or processes that may be applicable to our proposed products, disputes may arise as to the ownership of the proprietary rights to such information, and we may not be successful with any dispute outcomes.

***We may be subject to liability and our insurance may not be sufficient to cover damages.***

Our business exposes us to potential liability risks that are inherent in the testing, manufacturing, marketing and sale of molecular risk assessment and predictive tests. The use of our products and product candidates, whether for clinical trials or commercial sale, may expose us to professional and product liability claims and possible adverse publicity. We may be subject to claims resulting from incorrect results of analysis of genetic variations or other screening tests performed using our products. Litigation of such claims could be costly. Further, if a court were to require us to pay damages to a plaintiff, the amount of such damages could be significant and severely damage our financial condition. Although we have public and product liability insurance coverage under broad form liability and professional indemnity policies, the level or breadth of our coverage may not be adequate to fully cover any potential liability claims. In addition, we may not be able to obtain additional liability coverage in the future at an acceptable cost. A successful claim or series of claims brought against us in excess of our insurance coverage and the effect of professional and/or product liability litigation upon the reputation and marketability of our technology and products, together with the diversion of the attention of key personnel, could negatively affect our business.

***Security breaches, privacy issues, loss of data and other incidents could compromise sensitive or personal information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.***

In the ordinary course of our business, we collect and store sensitive data, including Protected Health Information, (PHI), personally identifiable information, genetic information, credit card information, intellectual property and proprietary business information owned or controlled by ourselves or our customers, payers and other parties. We manage and maintain our applications and data utilizing a combination of on-site systems, managed data center systems and cloud-based systems. We also communicate PHI and other sensitive patient data through our various customer tools and platforms. In addition to storing and transmitting sensitive data that is subject to multiple legal protections, these applications and data encompass a wide variety of business-critical information including research and development information, commercial information, and business and financial information. We face a number of risks relative to protecting this critical information, including loss of access risk, inappropriate disclosure, inappropriate modification, and the risk of our being unable to adequately monitor and modify our controls over our critical information. Any technical problems that may arise in connection with our data and systems, including those that are hosted by third-party providers, could result in interruptions to our business and operations or exposure to security vulnerabilities. These types of problems may be caused by a variety of factors, including infrastructure changes, intentional or accidental human actions or omissions, software errors, malware, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In addition, there has recently been a significant increase in ransomware and cyber security attacks related to the ongoing conflict between Russia and Ukraine, which could result in substantial harm to internal systems necessary for running our critical operations and revenue generating services.

The secure processing, storage, maintenance and transmission of this critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take what we believe to be reasonable and appropriate measures, including a formal, dedicated enterprise security program, to protect sensitive information from various compromises (including unauthorized access, disclosure, or modification or lack of availability), our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance or other disruptions. For example, we have been subject to phishing incidents in the past, and we may experience additional incidents in the future. Any such breach or interruption could compromise our networks, and the information stored therein could be accessed by unauthorized parties, altered, publicly disclosed, lost or stolen.

Unauthorized access, loss or dissemination could also disrupt our operations (including our ability to conduct our analyses, provide test results, bill payers or patients, process claims and appeals, provide customer assistance, conduct research and development activities, collect, process and prepare company financial information, provide information about our tests and other patient and physician education and outreach efforts through our website, and manage the administrative aspects of our business) and damage our reputation, any of which could adversely affect our business.

In addition to data security risks, we also face privacy risks. Should we actually violate, or be perceived to have violated, any privacy commitments we make to patients or consumers, we could be subject to a complaint from an affected individual or interested privacy regulator, such as the FTC, a state Attorney General, an EU Member State Data Protection Authority, or a data protection authority in another international jurisdiction. This risk is heightened given the sensitivity of the data we collect.

Any security compromise that causes an apparent privacy violation could also result in legal claims or proceedings; liability under federal, state, foreign, or multinational laws that regulate the privacy, security, or breach of personal information, such as but not limited to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, state data security and data breach notification laws, the European Union's General Data Protection Regulation, or GDPR, and the UK Data Protection Act of 2018; and related regulatory penalties. Penalties for failure to comply with a requirement of HIPAA or HITECH vary significantly, and, depending on the knowledge and culpability of the HIPAA-regulated entity, may include civil monetary penalties of up to US\$1.5 million per calendar year for each provision of HIPAA that is violated. A person who knowingly obtains or discloses individually identifiable health information in violation of HIPAA may face a criminal penalty of up to US\$50,000 and up to one-year imprisonment.

The criminal penalties increase if the wrongful conduct involves false pretenses or the intent to sell, transfer or use identifiable health information for commercial advantage, personal gain or malicious harm. Penalties for unfair or deceptive acts or practices under the FTC Act or state Unfair and Deceptive Acts and Practices, or UDAP, statutes may also vary significantly.

There has been unprecedented activity in the development of data protection regulation around the world. As a result, the interpretation and application of consumer, health-related and data protection laws in the United States, Europe and elsewhere are often uncertain, contradictory and in flux. The GDPR took effect on May 25, 2018. The GDPR applies to any entity established in the EU as well as extraterritorially to any entity outside the EU that offers goods or services to, or monitors the behavior of, individuals who are located in the EU. The GDPR imposes strict requirements on controllers and processors of personal data, including enhanced protections for “special categories” of personal data, which includes sensitive information such as health and genetic information of data subjects. The GDPR also grants individuals various rights in relation to their personal data, including the rights of access, rectification, objection to certain processing and deletion. The GDPR provides an individual with an express right to seek legal remedies if the individual believes his or her rights have been violated. Failure to comply with the requirements of the GDPR or the related national data protection laws of the member states of the EU, which may deviate from or be more restrictive than the GDPR, may result in significant administrative fines issued by EU regulators. Maximum penalties for violations of the GDPR are capped at 20M euros or 4% of an organization’s annual global revenue, whichever is greater.

Additionally, the implementation of GDPR has led other jurisdictions to either amend or propose legislation to amend their existing data privacy and cybersecurity laws to resemble the requirements of GDPR. For example, on June 28, 2018, California adopted the California Consumer Privacy Act of 2018, or the CCPA. The CCPA regulates how certain for-profit businesses that meet one or more CCPA applicability thresholds collect, use, and disclose the personal information of consumers who reside in California. Among other things, the CCPA confers to California consumers the right to receive notice of the categories of personal information that will be collected by a business, how the business will use and share the personal information, and the third parties who will receive the personal information. The CCPA also confers rights to access, delete, or transfer personal information; and the right to receive equal service and pricing from a business after exercising a consumer right granted by the CCPA. In addition, the CCPA allows California consumers the right to opt out of the “sale” of their personal information, which the CCPA defines broadly as any disclosure of personal information to a third party in exchange for monetary or other valuable consideration. The CCPA also requires a business to implement reasonable security procedures to safeguard personal information against unauthorized access, use, or disclosure. The CCPA does not apply to PHI collected by certain parties subject to HIPAA, or to de-identified data as defined under HIPAA. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches resulting from a business’s failure to implement and maintain reasonable data security procedures that is expected to increase data breach litigation. On January 1, 2023, the California Privacy Rights Act, or CPRA, is scheduled to go into effect and will substantially amend the CCPA. The CPRA would, among other things, amend the CCPA to give California residents the ability to limit the use of their sensitive information, provide for penalties for CPRA violations concerning California residents under the age of 16, and establish a new California Privacy Protection Agency to implement and enforce the law.

Virginia, Colorado, and Utah have recently enacted similar privacy acts, and dozens of other states in the United States are currently considering similar consumer data privacy laws, which could impact our operations if enacted. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and adversely affect our business, results of operations, and financial condition.

It is possible the GDPR, CCPA and other emerging United States and international data protection laws may be interpreted and applied in a manner that is inconsistent with our practices. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. In addition, these privacy laws and regulations may differ from country to country and state to state, and our obligations under these laws and regulations vary based on the nature of our activities in the particular jurisdiction, such as whether we collect samples from individuals in the local jurisdiction, perform testing in the local jurisdiction, or process personal information regarding employees or other individuals in the local jurisdiction. Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business. We can provide no assurance that we are or will remain in compliance with diverse privacy and data security requirements in all of the jurisdictions in which we do business. Failure to comply with privacy and data security requirements could result in a variety of consequences, including civil or criminal penalties, litigation, or damage to our reputation, any of which could have a material adverse effect on our business.

***We use potentially hazardous materials, chemicals and patient samples in our business and any disputes relating to improper handling, storage or disposal of these materials could be time consuming and costly.***

Our research and development, production and service activities involve the controlled use of hazardous laboratory materials and chemicals, including small quantities of acid and alcohol, and fluid (i.e. saliva, blood) as well as tissue samples from customers. We do not knowingly deal with infectious samples. We, our collaborators and service providers are subject to stringent Australian federal, state and local laws and regulations governing occupational health and safety standards, including those governing the use, storage, handling and disposal of these materials and certain waste products.

However, we could be liable for accidental contamination or discharge or any resultant injury from hazardous materials, and conveyance, processing, and storage of and data on patient samples. If we, our collaborators or service providers fail to comply with applicable laws or regulations, we could be required to pay penalties or be held liable for any damages that result and this liability could exceed our financial resources. Further, future changes to environmental health and safety laws could cause us to incur additional expense or restrict our operations.

In addition, our collaborators and service providers may be working with these same types of hazardous materials, including hazardous chemicals, in connection with our collaborations. In the event of a lawsuit or investigation, we could be held responsible for any injury caused to persons or property by exposure to, or release of, these hazardous materials or customer samples that may contain infectious materials. The cost of this liability could exceed our resources. While we maintain broad form liability insurance coverage for these risks, the level or breadth of our coverage may not be adequate to fully cover potential liability claims.

***Our industry is subject to rapidly changing technology and new and increasing amounts of scientific data related to genes and genetic variants and their role in disease.***

Our failure to develop tests to keep pace with these changes could make us obsolete. In recent years, there have been numerous advances in methods used to analyze very large amounts of genomic information and the role of genetics and gene variants in disease and treatment therapies. Our industry has and will continue to be characterized by rapid technological change, increasingly larger amounts of data, frequent new testing service introductions and evolving industry standards, all of which could make our tests obsolete. Our future success will also depend on our ability to keep pace with the evolving needs of our customers on a timely and cost-effective basis and to pursue new market opportunities that develop as a result of technological and scientific advances. Our tests could become obsolete and our business adversely affected unless we continually update our offerings to reflect new scientific knowledge about genes and genetic variations and their role in diseases and treatment therapies.

***We depend on the collaborative efforts of our academic and corporate partners for research, development and commercialization of our products. A breach by our partners of their obligations, or the termination of the relationship, could deprive us of valuable resources and require additional investment of time and money.***

Our strategy for research, development and commercialization of our products has historically involved entering into various arrangements with academic, corporate partners and others. As a result, the success of our strategy depends, in part, upon the strength of those relationships and these outside parties undertaking their responsibilities and performing their tasks to the best of their ability and responding in a timely manner. Our collaborators may also be our competitors. We cannot necessarily control the amount and timing of resources that our collaborators devote to performing their contractual obligations and we have no certainty that these parties will perform their obligations as expected or that any revenue will be derived from these arrangements.

If our collaborators breach or terminate their agreement with us or otherwise fail to conduct their collaborative activities in a timely manner, the development or commercialization of the product candidate or research program under such collaborative arrangement may be delayed. If that is the case, we may be required to undertake unforeseen additional responsibilities or to devote unforeseen additional funds or other resources to such development or commercialization, or such development or commercialization could be terminated. The termination or cancellation of collaborative arrangements could adversely affect our financial condition, intellectual property position and general operations. In addition, disagreements between collaborators and us could lead to delays in the collaborative research, development, or commercialization of certain products or could require or result in formal legal process or arbitration for resolution. These consequences could be time-consuming and expensive and could have material adverse effects on the Company.

We rely upon scientific, technical and clinical data supplied by academic and corporate collaborators, licensors, licensees, independent contractors and others in the evaluation and development of potential therapeutic methods. There may be errors or omissions in this data that would materially adversely affect the development of these methods.

***If our sole laboratory facility becomes inoperable, we may be unable to perform our tests and our business will be harmed.***

We rely heavily upon our sole laboratory facilities in Melbourne, Australia, which has been certified under the U.S. CLIA. Our current lease of laboratory premises expires February 28, 2025. The facility and the equipment we use to perform our tests would be costly to replace and could require substantial lead time to repair or replace. If we were to lose our CLIA certification or other required certifications or licenses, or if the facility is harmed or rendered inoperable by natural or man-made disasters, including flooding and power outages, it will be difficult or impossible for us to perform our tests for some period of time. The inability to perform our tests or the backlog of tests that could develop if our facility is inoperable for even a short period of time may result in the loss of customers or harm our reputation, and we may be unable to regain those customers in the future.

If we no longer had our own facility and needed to rely on a third party to perform our tests, we could only use another facility with established state licensure and CLIA accreditation. We cannot assure you that we would be able to find another CLIA certified facility willing to comply with the required procedures, that this laboratory would be willing to perform the tests on commercially reasonable terms, or that it would be able to meet our quality standards.

In order to establish a redundant clinical reference laboratory facility, we would have to spend considerable time and money securing adequate space, constructing the facility, recruiting and training employees, and establishing the additional operational and administrative infrastructure necessary to support a second facility. We may not be able, or it may take considerable time, to replicate our testing processes or results in a new facility. Additionally, any new clinical reference laboratory facility would be subject to certification under CLIA and licensing by several states, including California and New York, which could take a significant amount of time and result in delays in our ability to begin operations.

***The loss of key members of our senior management team or our inability to attract and retain highly skilled scientists, clinicians and salespeople could adversely affect our business.***

Our success depends largely on the skills, experience and performance of key members of our executive management team and others in key management positions. The efforts of each of these persons together will be critical as we continue to develop our technologies and testing processes, continue our international expansion and transition to a company with multiple commercialized products. If we were to lose one or more of these key employees, we may experience difficulties in competing effectively, developing our technologies and implementing our business strategies.

Our research and development programs and commercial laboratory operations depend on our ability to attract and retain highly skilled scientists and technicians, including licensed laboratory technicians, chemists, biostatisticians and engineers. We may not be able to attract or retain qualified scientists and technicians in the future due to the competition for qualified personnel among life science businesses. In addition, if there were to be a shortage of clinical laboratory scientists in coming years, this would make it more difficult to hire sufficient numbers of qualified personnel. We also face competition from universities and public and private research institutions in recruiting and retaining highly qualified scientific personnel. Our success also depends on our ability to attract and retain salespeople with extensive experience in oncology and have close relationships with medical oncologists, pathologists and other hospital personnel. We may have difficulties sourcing, recruiting or retaining qualified salespeople, which could cause delays or a decline in the rate of adoption of our tests. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that could adversely affect our ability to support our research and development and sales programs.

***Changes in the way that the FDA regulates our tests could result in the delay or additional expense in offering our tests and tests that we may develop in the future.***

Historically, the U.S. Food and Drug Administration (“FDA”) has exercised enforcement discretion with respect to most Laboratory Developed Tests (“LDTs”) and has not required laboratories that furnish LDTs to comply with the agency’s requirements for medical devices (e.g., establishment registration, device listing, quality systems regulations, premarket clearance or premarket approval, and post-market controls). In recent years, however, the FDA publicly announced its intention to regulate certain LDTs and issued two draft guidance documents that set forth a proposed phased-in risk-based regulatory framework that would apply varying levels of FDA oversight to LDTs. However, these guidance documents were withdrawn at the end of the Obama administration and replaced by an informal discussion paper reflecting some of the feedback that FDA had received on LDT regulation. The FDA acknowledged that the discussion paper in January 2017 does not represent the formal position of the FDA and is not enforceable. Nevertheless, the FDA wanted to share its synthesis of the feedback that it had received in the hope that it might advance public discussion on future LDT oversight. Notwithstanding the discussion paper, the FDA continues to exercise enforcement discretion and may decide to regulate certain LDTs on a case-by-case basis at any time, which could result in delay or additional expense in offering our tests and tests that we may develop in the future.

As a matter of policy, the FDA generally does not review Direct-to-Consumer LDTs that are created and performed in a single laboratory, if they are offered to patients only when prescribed by a health care provider.

Legislative proposals addressing the FDA’s oversight of LDTs have been introduced in the current and previous Congresses, and we expect that new legislative proposals will be introduced from time-to-time. On May 17, 2022, the Senate Health, Education, Labor and Pensions (HELP) Committee released an FDA user fees reauthorization legislative package, which incorporates contents from the Verifying Accurate Leading-edge IVCT Development (VALID) Act that would establish a new category of in vitro clinical tests (IVCTs) comprised of traditional in vitro diagnostics and LDTs, and grant the FDA authority to review and approve them pre-market. Such arrangement increased the likelihood for Congress to pass a legislation that will give the FDA clear authority to regulate LDTs, but the eventual result is difficult to predict at this time.

If the FDA ultimately regulates certain LDTs, whether via final guidance, final regulation, or as instructed by Congress, our tests may be subject to certain additional regulatory requirements. Complying with the FDA’s requirements can be expensive, time-consuming, and subject us to significant or unanticipated delays. Insofar as we may be required to obtain premarket clearance or approval to perform or continue performing an LDT, we cannot assure you that we will be able to obtain such authorization. Even if we obtain regulatory clearance or approval where required, such authorization may not be for the intended uses that we believe are commercially attractive or are critical to the commercial success of our tests. As a result, the application of the FDA’s requirements to our tests could materially and adversely affect our business, financial condition, and results of operations.

***Our business could be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or changing interpretations of, CLIA or state laboratory licensing laws to which we are subject.***

The clinical laboratory testing industry is subject to extensive federal and state regulation. The regulations implementing CLIA set out federal regulatory standards that apply to virtually all clinical laboratories operating in the U.S. (regardless of the location, size or type of laboratory), including those operated by physicians in their offices, by requiring that they be certified by the federal government or by a federally approved accreditation agency. CLIA is a U.S. federal law regulating clinical laboratories that perform testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention or treatment of disease. CLIA is intended to ensure the quality and reliability of clinical laboratories in the U.S. by mandating specific standards in the areas of personnel qualifications, administration, and participation in proficiency testing, patient test management, quality control, quality assurance and inspections.

Certain US States also require state laboratory licenses in order to test specimens received from patients residing in those states or requests received from ordering physicians in those states. We currently hold out-of-state laboratory licenses in California, New York, Maryland, Rhode Island, and Pennsylvania.

Further, CLIA does not pre-empt state law, which in some cases may be more stringent than federal law and require additional personnel qualifications, quality control, record maintenance and proficiency testing. The sanction for failure to comply with CLIA and state requirements may be suspension, revocation or limitation of a laboratory's CLIA certificate, which is necessary to conduct business, as well as significant fines, civil and criminal penalties, the imposition of directed plan of correction, and on-site monitoring. If we were to be found out of compliance with CLIA program requirements and subjected to sanctions, our business and reputation could be harmed. Several states have similar laws, and we may be subject to similar penalties. If the CLIA certification of one laboratory owned by the Company is suspended or revoked that may preclude the Company from owning or operating any other CLIA regulated laboratory for two years. Further, even if it were possible for us to bring our laboratory back into compliance, we could incur significant expenses and potentially lose revenue in doing so.

We cannot assure you that applicable statutes and regulations will not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect our business. Potential sanctions for violation of these statutes and regulations include significant fines and the suspension or loss of various licenses, certificates and authorizations, which could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us, which may be costly.

***Failure to establish and comply with appropriate quality standards to assure that the highest level of quality is observed in the performance of our testing services and in the design, manufacture and marketing of our products could adversely affect the results of our operations and adversely impact our reputation.***

The provision of clinical testing services, and the design, manufacture and marketing of diagnostic products involve certain inherent risks. The services that we provide and the products that we design, manufacture and market are intended to provide information for healthcare providers in providing patient care. Therefore, users of our services and products may have a greater sensitivity to errors than the users of services or products that are intended for other purposes. Similarly, negligence in performing our services can lead to injury or other adverse events. We may be sued under common law, physician liability or other liability law for acts or omissions by our laboratory personnel. We are subject to the attendant risk of substantial damages awards and risk to our reputation.

***We could be adversely affected by violations of the FCPA and other worldwide anti-bribery laws.***

We are subject to the FCPA, which prohibits companies and their intermediaries from making payments in violation of law to non-U.S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage. We are increasing our direct sales and operations personnel outside the United States, in which we have limited experience. We use a limited number of independent distributors to sell our tests internationally, which requires a high degree of vigilance in maintaining our policy against participation in corrupt activity, because these distributors could be deemed to be our agents, and we could be held responsible for their actions. Other U.S. companies in the medical device and pharmaceutical fields have faced criminal penalties under the FCPA for allowing their agents to deviate from appropriate practices in doing business with these individuals. We are also subject to similar anti-bribery laws in the jurisdictions in which we operate, including anti-bribery laws in Australia which also prohibits commercial bribery and makes it a crime for companies to fail to prevent bribery. These laws are complex and far-reaching in nature, and, as a result, we cannot assure you that we would not be required in the future to alter one or more of our practices to be in compliance with these laws or any changes in these laws or the interpretation thereof. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, involve significant costs and expenses, including legal fees, and could result in a material adverse effect on our business, prospects, financial condition or results of operations. We could also incur severe penalties, including criminal and civil penalties, disgorgement and other remedial measures.

***If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.***

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to design and implement an effective system of internal control may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of the ADSs and our Ordinary Shares.

As of June 30, 2020, we had identified a material weakness in our internal control over financial reporting in relation to segregation of duties. Such material weakness was remedied as of June 30, 2021.

As of June 30, 2023, our Chief Executive Officer and Chief Financial Officer assessed the effectiveness of our internal control over financial reporting. We did not identify any material weakness in our internal control over financial reporting during the year. However, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to prevent potential future material weaknesses.

***Failure to comply with health information privacy laws, including HIPAA or other U.S. federal or state health information privacy and security laws, as applicable, may negatively impact our business.***

Pursuant to the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, covered entities (including health plans, healthcare clearinghouses, and certain healthcare providers), as well as their respective “business associates” that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. Individuals and entities who are subject to HIPAA must comply with comprehensive privacy and security standards with respect to the use and disclosure of protected health information, as well as standards for electronic transactions, including specified transaction and code set rules. Under HITECH, HIPAA was expanded, including requirements to provide notification of certain identified data breaches, direct patient access to laboratory records, the extension of certain HIPAA privacy and security standards directly to business associates, and heightened penalties for noncompliance, and enforcement efforts. Failure to comply with HIPAA or other U.S. federal and state health information privacy and security laws, as applicable, could result in significant penalties

***If we or our partners fail to comply with the complex federal, state, local and foreign laws and regulations to the extent that apply to our business, we could suffer severe consequences that could materially and adversely affect our operating results and financial condition.***

Our operations are subject to extensive federal, state, local and foreign laws and regulations, all of which are subject to change. The U.S. laws and regulations that may apply to our business include, among other things:

- CLIA, which requires that laboratories obtain certification from the federal government, and state licensure laws;
- FDA laws and regulations;
- HIPAA, which imposes comprehensive federal standards with respect to the privacy and security of protected health information and requirements for the use of certain standardized electronic transactions; amendments to HIPAA under HITECH, which strengthen and expand HIPAA privacy and security compliance requirements, increase penalties for violators, extend enforcement authority to state attorneys general and impose requirements for breach notification;
- state laws regulating genetic testing and protecting the privacy of genetic test results, as well as state laws protecting the privacy and security of health information and personal data and mandating reporting of breaches to affected individuals and state regulators;
- federal and state fraud and abuse laws, such as false claims and anti-kickback laws, and prohibitions on self-referral;
- Section 216 of the federal Protecting Access to Medicare Act of 2014 (“PAMA”), which requires applicable laboratories to report private payer data in a timely and accurate manner;
- state laws that impose reporting and other compliance-related requirements; and
- similar foreign laws and regulations that apply to us in the countries in which we operate.

These laws and regulations are complex and are subject to interpretation by the courts and by government agencies. Our failure to comply could lead to significant administrative civil or criminal penalties, exclusion from participation in state and federal health care programs, imprisonment, disgorgement, and prohibitions or restrictions on our laboratory’s ability to provide or receive payment for our services. We believe that we are in material compliance with all statutory and regulatory requirements that apply to us, but there is a risk that one or more government agencies could take a contrary position, or that a private party could file suit under the qui tam provisions of the federal False Claims Act or a similar state law. Such occurrences, regardless of their outcome, could damage our reputation and adversely affect important business relationships with third parties, including managed care organizations, and other private third-party payers.

***A failure to comply with any of federal or state laws to the extent such are applicable to our business, particularly laws related to the elimination of healthcare fraud, may adversely impact our business.***

The healthcare industry is subject to changing political, economic, and regulatory influences that may affect our business. During the past several years, the healthcare industry has been subject to an increase in governmental regulation and subject to potential disruption due to legislative initiatives and government regulation, as well as judicial interpretations thereof. While these regulations may not directly impact us or our offerings in every instance, they will affect the healthcare industry as a whole and may impact patient use of our services. We currently accept payments only from our customers not any third-party payers, such as government healthcare programs or health insurers. Because of this approach, we are not subject to many of the laws and regulations that impact many other participants in the healthcare industry.

If the government asserts broader regulatory control over companies like ours or if we determine that we will change our business model and accept payment from and/or participate in third-party payer programs, the complexity of our operations and our compliance obligations will materially increase. Failure to comply with any applicable federal, state, and local laws and regulations could have a material adverse effect on our business, financial condition, and results of operations.

While we seek to conduct our business in compliance with all applicable healthcare laws and regulations, regulatory or law enforcement authorities may not agree with our interpretation of these laws and regulations and may seek to enforce legal remedies or penalties against us for violations. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of the federal, state, fraud and abuse or other healthcare laws and regulations that apply to us, we may be subject to penalties, including significant criminal, civil, and administrative penalties, damages and fines, disgorgement, additional reporting requirements and oversight, and imprisonment for individuals, as well as contractual damages and reputational harm. We could also be required to curtail or cease our operations. Any of the foregoing consequences could seriously harm our business and our financial results. From time to time we may need to change our operations, particularly pricing or billing practices, in response to changing interpretations of these laws and regulations or regulatory or judicial determinations with respect to these laws and regulations. These occurrences, regardless of their outcome, could damage our reputation and harm important business relationships that we have with healthcare providers, payers and others.

***We face risks associated with currency exchange rate fluctuations, which could adversely affect our operating results.***

We receive a portion of our revenues and pay a portion of our expenses in currencies other than the Australian dollar, such as the U.S. dollar, the Euro and the British pound. As a result, we are at risk for exchange rate fluctuations between such foreign currencies and the Australian dollar, which could affect the results of our operations. If the Australian dollar strengthens against foreign currencies, the translation of these foreign currency denominated transactions will result in decreased revenues and operating expenses. We may not be able to offset adverse foreign currency impact with increased revenues. Other than holding foreign currency bank accounts in which revenues from foreign currency denominated sales are held, offering a natural hedge against some foreign currency expenditures, we do not currently utilize other hedging strategies to mitigate foreign currency risk. Even if we were to implement hedging strategies to mitigate foreign currency risk, these strategies might not eliminate our total exposure to foreign exchange rate fluctuations and would involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategies and potential accounting implications.

***Government regulation of genetic research or testing may adversely affect the demand for our services and impair our business and operations.***

In addition to the regulatory framework governing healthcare, genetic research and testing has been the focus of public attention and regulatory scrutiny. From time to time, federal, state and/or local governments adopt regulations relating to the conduct of genetic research and genetic testing. In the future, these regulations could limit or restrict genetic research activities as well as genetic testing for research or clinical purposes. In addition, if such regulations are adopted, these regulations may be inconsistent with, or in conflict with, regulations adopted by other government bodies. Regulations relating to genetic research activities could adversely affect our ability to conduct our research and development activities. Regulations restricting genetic testing could adversely affect our ability to market and sell our products and services. Accordingly, any regulations of this nature could increase the costs of our operations or restrict our ability to conduct our testing business.

***Failure in our information technology systems could significantly increase testing turn-around times or impact on the billing processes or otherwise disrupt our operations.***

Our laboratory operations depend, in part, on the continued performance of our information technology systems. Our information technology systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. Sustained system failures or interruption of our systems in our laboratory operations could disrupt our ability to process laboratory requisitions, perform testing, and provide test results in a timely manner and/or billing process. Failure of our information technology systems could adversely affect our business and financial condition.

***Any significant disruption in service on our website or in our computer or logistics systems, whether due to a failure with our information technology systems or that of a third-party vendor, could harm our reputation and may result in a loss of customers.***

Customers purchase and access our services through our websites. Our reputation and ability to attract, retain and serve our customers, patients, and members is dependent upon the reliable performance of our website, network infrastructure and content delivery processes. Interruptions in any of these systems, whether due to system failures, computer viruses or physical or electronic break-ins, could affect the security or availability of our website, including our databases, and prevent our customers, patients, and members from accessing and using our services.

Our systems and operations are also vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, acts of war, electronic and physical break-ins, earthquake and similar events. For example, our headquarters are located in Melbourne, Australia where increased bush fire and flood activity has recently been experienced. In the event of any catastrophic failure involving our website, we may be unable to serve our web traffic. In addition, our sole laboratory in Melbourne, Australia is responsible for a significant portion of our operations of our geneType risk assessment tests, these operations would be materially disrupted in the event any of these events were to occur. The occurrence of any of the foregoing risks could result in damage to our systems or could cause them to fail completely, and our insurance may not cover such risks or may be insufficient to compensate us for losses that may occur.

Additionally, our business model is dependent on our ability to deliver kits to customers and have kits processed and returned to us. This requires coordination between our logistics providers and third-party shipping services. Operational disruptions may be caused by factors outside of our control such as hostilities, political unrest, terrorist attacks, natural disasters, pandemics (such as COVID-19) and public health emergencies, affecting the geographies where our operations and customers are located. We may not be effective at preventing or mitigating the effects of such disruptions, particularly in the case of a catastrophic event. In addition, operational disruptions may occur during the holiday season, causing delays or failures in deliveries of our kits. Any such disruption may result in lost revenues, a loss of customers and reputational damage, which would have an adverse effect on our business, results of operations and financial condition.

***Breaches of network or information technology, natural disasters or terrorist attacks could have an adverse impact on our business.***

Cyber-attacks or other breaches of information technology security, natural disasters, or acts of terrorism or war may result in hardware failure or disrupt our product testing or research and development activities. There has been a substantial increase in frequency of successful and unsuccessful cyber-attacks on companies in recent years. Such an event may result in our inability, or the inability of our collaborative partners, to operate the facilities to conduct and complete the necessary activities, which even if the event is for a limited period of time, may result in significant expenses and/ or significant damage or delay to our commercial or research activities. While we maintain insurance cover for some of these events, the potential liabilities associated with these events could exceed the cover we maintain.

***Ethical and other concerns surrounding the use of genetic information may reduce the demand for our services.***

Public opinion regarding ethical issues related to the confidentiality and appropriate use of genetic testing may influence government authorities to call for limits on, or regulation of the use of, genetic testing. In addition, such authorities could prohibit testing for genetic predisposition to certain conditions, particularly for those that have no known cure. Furthermore, adverse publicity or public opinion relating to genetic research and testing, even in the absence of any governmental regulation, could reduce the potential markets for our products and services.

***Risks associated with our intellectual property.***

The patenting of genes and issues surrounding access to genetic knowledge are the subjects of extensive and ongoing public debate in many countries. By way of example, the Australian Law Reform Commission has previously conducted two inquiries into the social uses of genetic information. The patents we hold in respect of “non-coding” DNA have broad scope and have also been the subject of debate and some criticism in the media. Individuals or organizations, in any one of the countries in which these patents have issued, could take legal action to seek their amendment, revocation or invalidation, something which has happened previously, on several occasions in various jurisdictions, though we have prevailed in all such cases. Furthermore, any time that we initiate legal action against parties that infringe our patents we face a risk that the infringer will defend itself through a counterclaim of patent invalidity or other such claims. Subsequent legal action could potentially overturn, invalidate or limit the scope of our patents.

***We rely heavily upon patents and proprietary technology that may fail to protect our business.***

We rely upon our portfolio of patent rights, patent applications and exclusive licenses to patents and patent applications relating to genetic technologies. We expect to aggressively patent and protect our proprietary technologies. However, we cannot be certain that any additional patents will be issued to us because of our domestic or foreign patent applications or that any of our patents will withstand challenges by others. Patents issued to, or licensed by us may be infringed or third parties may independently develop the same or similar technologies. Similarly, our patents may not provide us with meaningful protection from competitors, including those who may pursue patents which may prevent, limit or interfere with our products or which may require licensing and the payment of significant fees or royalties by us to such third parties in order to enable us to conduct our business. We may sue or be sued by third parties regarding our patents and other intellectual property rights. These suits are often costly and would divert valuable funds, time and technical resources from our operations and cause a distraction to management.

We also rely upon unpatented proprietary technologies and databases. Although we require employees, consultants and collaborators to sign confidentiality agreements, we may not be able to adequately protect our rights in such unpatented proprietary technologies and databases, which could have a material adverse effect on our business. For example, others may independently develop substantially equivalent proprietary information or techniques or otherwise gain access to our proprietary technologies or disclose our technologies to our competitors.

***We may face difficulties in certain jurisdictions in protecting our intellectual property rights, which may diminish the value of our intellectual property rights in those jurisdictions.***

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the United States and Australia and many companies have encountered significant difficulties in protecting and defending such rights in such other jurisdictions. If we or our collaboration partners encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights for our business in such jurisdictions, the value of those rights may be diminished and we may face additional competition from others in those jurisdictions. In addition, many countries limit the enforceability of patents against governments agencies or government contractors. In those countries, the patent owner may have limited remedies, which could materially diminish the value of such patent.

***Our operations may be adversely affected by the effects of extreme weather conditions or other interruptions in the timely transportation of specimens.***

We may be required to transport specimens from the U.S. or other distant locations to our laboratory located in Melbourne, Australia. Our operations may be adversely impacted by extreme weather conditions or other interruptions such as was the case with the COVID pandemic in the timely transportation of such specimens or otherwise to provide our services, from time to time. The occurrence of any such event and/or a disruption to our operations as a result may harm our reputation and adversely impact our results of operations.

***Our CIT Platform will expose us to various risks.***

Our Consumer Initiated Testing platform (CIT), allows consumers to directly request any of our tests online with a practitioner involved in the process, will be subject to various risks, including:

- The risk of failure to protect personal medical information;
- The risk of breach of cyber security for the platform; and
- The risk that the platform will fail to perform as expected.

Our ability to conduct our services in a particular U.S. state or non-U.S. jurisdiction is dependent upon the applicable laws governing remote healthcare, the practice of medicine and healthcare delivery in general in such location which are subject to changing political, regulatory and other influences, and corporate practice of medicine limitations. Some state medical boards have established new rules or interpreted existing rules in a manner that limits or restricts the practice of telemedicine. The extent to which a U.S. state or non-U.S. jurisdiction considers particular actions or relationships to constitute practicing medicine is subject to change and to evolving interpretations by (in the case of U.S. states) medical boards and state attorneys general, among others, and (in the case of non-U.S. jurisdictions) the relevant regulatory and legal authorities, each with broad discretion. Accordingly, we must monitor our compliance with law in every jurisdiction in which we operate, on an ongoing basis, and we cannot provide assurance that our activities and arrangements, if challenged, will be found to be in compliance with the law. If a successful legal challenge or an adverse change in the relevant laws were to occur, we could be subject to significant penalties. Further, if we were unable to adapt our business model to comply with such laws, our operations in the affected jurisdictions would be disrupted, which could have a material adverse effect on our business, financial condition and results of operations.

***Discontinuation or recalls of existing testing products or our customers using new technologies to perform their own tests could adversely affect our business.***

Discontinuation or recalls of existing testing products or our customers using new technologies to perform their own tests could adversely affect the Company's business. Manufacturers may discontinue or recall reagents, test kits or instruments used by us to perform laboratory testing. Such discontinuations or recalls could adversely affect our costs, testing volume and revenue. In addition, advances in technology may lead to the development of more cost-effective technologies such as point-of-care testing equipment that can be operated by physicians or other healthcare providers in their offices or by patients themselves without requiring the services of freestanding clinical laboratories. Development of such technology and its use by our customers could reduce the demand for our laboratory testing services and the utilization of certain tests offered by us and negatively impact our revenues.

***The PRS test may not be able to obtain necessary regulatory clearance, we may not generate any revenue.***

All of our existing products are subject to regulation in Australia by the Therapeutic Goods Association (TGA), the U.S. by the FDA and/or other domestic and international governmental, public health agencies, regulatory bodies or non-governmental organizations. The process of obtaining required approvals or clearances for a potential new product varies according to the nature of and uses for a specific product. These processes can involve lengthy and detailed laboratory testing, human clinical trials, sampling activities, and other costly, time-consuming procedures. The submission of an application to a regulatory authority does not guarantee that the authority will grant an approval or clearance for the product. Each authority may impose its own requirements and can delay or refuse to grant approval or clearance, even though a product has been approved in another country. The time taken to obtain approval or clearance varies depending on the nature of the application and may result in the passage of a significant period of time from the date of submission of the application. Delays in the approval or clearance processes increase the risk that we will not succeed in introducing or selling the subject products, and we may be required to abandon the PRS after devoting substantial time and resources to its development.

***If our PRS test is required to obtain and maintain FDA approvals, it will be subject to continuing governmental regulations and additional foreign regulations.***

If the FDA determines that enforcement discretion is not appropriate or that LDTs are generally subject to FDA regulation and that premarket review, including clearance or approval, is required for our PRS tests or any of our future tests, diagnostic test kits that we may develop, or other products that would be classified as medical devices, the process of obtaining regulatory clearances or approvals to market a medical device can be costly and time consuming, and we may not be able to obtain these clearances or approvals on a timely basis, if at all. In particular, the FDA permits commercial distribution of a new medical device only after the device has received clearance under Section 510(k) of the Federal Food, Drug and Cosmetic Act, or is the subject of an approved premarket approval application, or PMA or reclassification of the device through the De Novo classification process, unless the device is specifically exempt from those requirements. The FDA will clear marketing of a lower risk medical device through the 510(k) process if the manufacturer demonstrates that the new product is substantially equivalent to other 510(k)-cleared products. High risk devices deemed to pose the greatest risk, such as life-sustaining, life-supporting, or implantable devices, or devices not deemed substantially equivalent to a previously cleared device, require the approval of a PMA. The PMA process is more costly, lengthy and uncertain than the 510(k)-clearance process. A PMA application must be supported by extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing and labeling data, to demonstrate to the FDA's satisfaction the safety and efficacy of the device for its intended use. The De Novo classification process is an alternate pathway to classify medical devices that are automatically classified into Class III but which are low to moderate risk. A manufacturer can submit a petition for direct De Novo review if the manufacturer is unable to identify an appropriate predicate device and the new device or new use of the device presents moderate or low risk. De Novo classification may also be available after receipt of a "not substantially equivalent" letter following submission of a 510(k) to FDA. Our currently commercialized products have not received FDA clearance or approval, as they are marketed under the FDA's enforcement discretion for LDTs. Even if regulatory clearance or approval of a product is required and granted, such clearance or approval may be subject to limitations on the intended uses for which the product may be marketed and reduce our potential to successfully commercialize the product and generate revenue from the product. If the FDA determines that our promotional materials, labeling, training or other marketing or educational activities constitute promotion of an unapproved use, it could request that we cease or modify our training or promotional materials or subject us to regulatory enforcement actions.

We are also subject to other federal, state, and foreign regulation concerning the manufacture and sale of our products. Our failure to comply with U.S. federal, state and foreign governmental regulations could lead to the issuance of warning letters or untitled letters, government investigation, the imposition of injunctions, suspensions or loss of regulatory clearance or approvals, product recalls, termination of distribution, product seizures or civil penalties. In the most extreme cases, criminal sanctions or closure of our manufacturing facility are possible, any of which could adversely affect our business, operating results and prospects.

The FDA and similar foreign governmental authorities have the authority to require the recall of regulated products in the event of material deficiencies or defects in design or manufacture. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture.

Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. The FDA requires that certain classifications of recalls be reported to FDA within 10 working days after the recall is initiated. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA. We may initiate voluntary recalls involving our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement action for failing to report the recalls when they were conducted.

***Declining general economic or business conditions may have a negative impact on our business.***

If the current economic climate deteriorates, our business, including our access to patient samples and the addressable market for diagnostic tests that we may successfully develop, as well as the financial condition of our suppliers and our third-party payers, could be adversely affected, resulting in a negative impact on our business, financial condition, results of operations and cash flows.

## **RISKS RELATED TO OUR SECURITIES**

***Our ADSs may be delisted from the NASDAQ Capital Market.***

On March 13, 2020, the Company received a determination letter (the “Letter”) from NASDAQ indicating that we did not comply with the stockholders’ equity rule. The Letter indicated that Listing Rule 5815(d)(4)(B) does not permit an issuer that is deficient in stockholders’ equity to present a plan of compliance to the NASDAQ Staff if such issuer has failed to comply with that provision within one year of a Hearing Panel (the “Panel”) determination of compliance. The Letter stated that since the Company was not compliant with the equity rule within one year of the Compliance Letter, the Staff cannot allow us to submit a plan of compliance. We requested an appeal hearing with the Panel to review the delisting determination. Upon NASDAQ’s receipt of the hearing request by the Company, NASDAQ stayed the suspension of our securities and the filing of the Form 25-NSE pending the Panel’s decision. An oral hearing took place on April 30, 2020 and in a letter dated May 12, 2020, the Panel granted the Company the full 180-day extension until September 9, 2020, to publicly disclose full compliance with the minimum shareholder equity requirement under NASDAQ rules. The Company subsequently regained compliance with NASDAQ Listing Rule 5550(b)(1) as of August 25, 2020.

On July 21, 2020, we closed a registered direct offering of 1,025,000 ADSs, each representing six hundred (600) of the Company’s ordinary shares, at a purchase price of United States Dollars (US\$) US\$5.00 per ADS - or in Australian dollars A\$0.012 per ordinary share. The gross proceeds for this offering were approximately US\$5.1 million. Against the offering, the Company agreed to issue 39,975,000 warrants exercisable at US\$0.0104 each, expiring in 5 years from issue date, to H.C. Wainwright & Co which would form part of cost of raising capital.

On January 25, 2021, we closed a registered direct offering of 1,250,000 ADSs, each representing six hundred (600) of the Company’s ordinary shares, at a purchase price of United States Dollars (US\$) US\$5.25 per ADS - or in Australian dollars A\$0.01125 per ordinary share. The gross proceeds for this offering were approximately US\$6.56 million. Against the offering, the Company agreed to issue 48,750,000 warrants exercisable at US\$0.010938 each, expiring in 5 years from issue date, to H.C. Wainwright & Co which would form part of cost of raising capital. The said warrants were subject to shareholder approval, which was granted by shareholders at the Company’s Annual General Meeting (AGM) held 24 November 2021.

On February 8, 2023, we closed a registered direct offering of 3,846,155 ADSs, each representing six hundred (600) of the Company’s ordinary shares, at a purchase price of United States Dollars (US\$) US\$1.30 per ADS. The gross proceeds for this offering were approximately US\$5 million. Against the offering, the Company agreed to issue 250,000 warrants exercisable at US\$1.625 each, expiring in 5 years from issue date, to H.C. Wainwright & Co which would form part of cost of raising capital. The said warrants are subject to shareholder approval.

On July 17, 2023, the Company received notification from The Nasdaq Stock Market LLC that it is not in compliance with the minimum bid price requirement of Nasdaq Listing Rule 5550(a)(2) for continued listing on the Nasdaq Capital Market, since the closing bid price for the Company’s American Depositary Shares (ADS) on the Nasdaq Capital Market was below US\$1.00 for 34 consecutive trading days. Nasdaq Listing Rule 5550(a)(2) requires the ADS to maintain a minimum bid price of US\$1.00 per share (the “Minimum Bid Requirement”), and Nasdaq Listing Rule 5810(c)(3)(A) provides that failure to meet such requirement exists if the deficiency continues for a period of 30 consecutive business days. The Notification has no immediate effect on the listing of the Company’s ADS on the Nasdaq Capital Market. Under Nasdaq Listing Rule 5810(c)(3)(A), the Company has a period of 180 calendar days from the date of Notification, which was July 17, 2023, to regain compliance with the minimum bid requirement, during which time the ADS will continue to trade on the Nasdaq Capital Market. If at any time before January 15, 2024, the bid price of the ADS closes at or above US\$1.00 per ADS for a minimum of 10 consecutive business days, the Company will regain compliance with the Minimum Bid Requirement. In the event the Company does not regain compliance with the Minimum Bid Requirement by January 15, 2024, the Company may be eligible for an additional period of 180 calendar days to regain compliance or may be subject to delisting of the ADS from the Nasdaq Capital Market. The Company will continuously monitor the closing bid price of its ADS between now and January 15, 2024, and will evaluate its options to regain compliance with Nasdaq Listing Rule 5550(a)(2) before such date.

However, there can be no assurance that the Company will continue to be successful in maintaining net assets and minimum bid compliance and that our securities will remain listed on the NASDAQ Capital Market. The delisting of our ADSs by NASDAQ would have material negative impacts on the liquidity of our securities and our ability to raise future capital.

***Our stock price is volatile and can fluctuate significantly based on events not in our control and general industry conditions. As a result, the value of your investment may decline significantly.***

The biotechnology sector can be particularly vulnerable to abrupt changes in investor sentiment. Stock prices of companies in the biotechnology industry, including ours, can swing dramatically, with little relationship to operating performance. Our stock price may be affected by a number of factors including, but not limited to:

- global economic uncertainty and financial market volatility caused by political instability, changes in international trade relationships and international conflicts, such as the conflict between Russia and Ukraine;
- product development events;
- the outcome of litigation;
- decisions relating to intellectual property rights;
- the entrance of competitive products or technologies into our markets;
- new medical discoveries;
- the establishment of strategic partnerships and alliances;
- changes in pricing policies or other practices related to the healthcare industry; or
- other industry and market changes or trends.

Since our listing on the Australian Securities Exchange in August 2000, the price of our Ordinary Shares has ranged from a low of A\$0.002 to a high of A\$0.88 per share. Further fluctuations are likely to occur due to events which are not within our control and general market conditions affecting the biotechnology sector or the stock market generally.

In addition, low trading volume may increase the volatility of the price of our ADSs. A thin trading market could cause the price of our ADSs to fluctuate significantly more than the stock market as a whole. For example, trades involving a relatively small number of our ADSs may have a greater impact on the trading price for our ADSs than would be the case if the trading volume were higher.

***The fact that we do not expect to pay cash dividends may lead to decreased prices for our stock.***

We have never declared or paid a cash dividend on our Ordinary Shares and we do not anticipate doing so in the foreseeable future. We intend to retain future cash earnings, if any, for reinvestment in the development and expansion of our business. Whether we pay cash dividends in the future will be at the discretion of our Board of Directors and may be dependent on our financial condition, results of operations, capital requirements and any other factors our Board of Directors decides is relevant. As a result, an investor may only recognize an economic gain on an investment in our stock from an appreciation in the price of our stock, which is uncertain and unpredictable. There is no guarantee that our Ordinary Shares will appreciate in value or even maintain the price at which an investor purchased the Ordinary Shares.

***You may have difficulty in effecting service of legal process and enforcing judgments against us and our management.***

We are a public company limited by shares, registered and operating under the Australian *Corporations Act 2001*. All of our directors and officers named in this Annual Report reside outside the U.S. Substantially all, or a substantial portion of, the assets of those persons are also located outside the U.S. As a result, it may not be possible to affect service on such persons in the U.S. or to enforce, in foreign courts, judgments against such persons obtained in U.S. courts and predicated on the civil liability provisions of the federal securities laws of the U.S. Furthermore, substantially all of our directly owned assets are located outside the U.S., and, as such, any judgment obtained in the U.S. against us may not be collectible within the U.S. There is doubt as to the enforceability in the Commonwealth of Australia, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon federal or state securities laws of the U.S., especially in the case of enforcement of judgments of U.S. courts where the defendant has not been properly served in Australia.

***Because we are not required to provide you with the same information as an issuer of securities based in the United States, you may not be afforded the same protection or information you would have if you had invested in a public corporation based in the United States.***

We are exempt from certain provisions of the Securities Exchange Act of 1934, as amended, commonly referred to as the Exchange Act, that are applicable to U.S. public companies, including (i) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q and current reports on Form 8-K; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; and (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time. The exempt provisions would be available to you if you had invested in a U.S. corporation.

However, in line with the Australian Securities Exchange regulations, we disclose our reviewed financial results on a semi-annual basis (under International Standard on Review Engagements) and our audited financial results on an annual basis (under International Standards on Auditing). The information, which may have an effect on our stock price on the Australian Securities Exchange, will be disclosed to the Australian Securities Exchange and also the Securities Exchange Commission. Other relevant information pertaining to our Company will also be disclosed in line with the Australian Securities Exchange regulations and information dissemination requirements for listed companies. We provide our semi-annual results and other material information that we make public in Australia in the U.S. under the cover of an SEC Form 6-K. Nevertheless, you may not be afforded the same protection or information, which would be made available to you, were you investing in a United States public corporation because the requirements of a Form 10-Q and Form 8-K are not applicable to us.

***As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards and these practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.***

As a foreign private issuer listed on Nasdaq, we will be subject to their corporate governance listing standards. However, Nasdaq rules permit foreign private issuers to follow the corporate governance practices of its home country. Some corporate governance practices in Australia may differ from Nasdaq corporate governance listing standards. For example, we could include non-independent directors as members of our Remuneration committee, and our independent directors may not necessarily hold regularly scheduled meetings at which only independent members of the board of directors are present. Currently, we follow home country practice to the maximum extent possible. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers.

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense. While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, our next determination will be made on December 31, 2023. In the future, we would lose our foreign private issuer status if we fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if 50% or more of our securities are held by U.S. residents and more than 50% of our senior management or directors are residents or citizens of the United States, we could lose our foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly more than costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP rather than IFRS, and modify certain of our policies to comply with corporate governance practices required of U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP would involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

***As a result of being a U.S. public company, we are subject to additional regulatory compliance requirements, including Section 404, and if we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.***

Pursuant to Section 404, our management will be required to assess and attest to the effectiveness of our internal control over financial reporting in connection with issuing our consolidated financial statements as of and for the fiscal year ending June 30, 2023. Section 404 also requires an attestation report on the effectiveness of internal control over financial reporting be provided by our independent registered public accounting firm beginning with our annual report following the date on which we are no longer a non-accelerated filer. The cost of complying with Section 404 will significantly increase and management's attention may be diverted from other business concerns, which could adversely affect our results. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will further increase expenses. If we fail to comply with the requirements of Section 404 in the required timeframe, we may be subject to sanctions or investigations by regulatory authorities, including the SEC and Nasdaq.

Furthermore, if we are unable to attest to the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, and the market price of our ordinary shares and ADSs could decline. Failure to implement or maintain effective internal control over financial reporting could also restrict our future access to the capital markets and subject each of us, our directors and our officers to both significant monetary and criminal liability. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business, financial position, results and prospects may be adversely affected.

***We will incur significant costs as a result of operating as a company with ADSs that are publicly traded in the United States, and our management will be required to devote substantial time to new compliance initiatives.***

As a company whose ADSs are publicly traded in the United States, we have incurred and will continue to incur significant legal, accounting, insurance and other expenses. In addition, the Sarbanes-Oxley Act, Dodd-Frank Wall Street Reform and Consumer Protection Act and related rules implemented by the United States Securities and Exchange Commission, or SEC, and Nasdaq have imposed various requirements on public companies listed in the United States including requiring establishment and maintenance of effective disclosure and financial controls. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives, and we will need to add additional personnel and build our internal compliance infrastructure. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. These laws and regulations could also make it more difficult and expensive for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our senior management. Furthermore, if we are unable to satisfy our obligations as a public company listed in the United States, we could be subject to delisting of the ADSs, fines, sanctions and other regulatory action and potentially civil litigation.

***The dual listing of our ordinary shares and the ADSs may negatively impact the liquidity and value of the ADSs.***

Our ADSs are listed on Nasdaq and our ordinary shares are listed on the ASX. We cannot predict the effect of this dual listing on the value of our ordinary shares and ADSs. However, the dual listing of our ordinary shares and ADSs may dilute the liquidity of these securities in one or both markets and may negatively impact the development of an active trading market for the ADSs in the United States. The price of the ADSs could also be negatively impacted by trading in our ordinary shares on the ASX.

***Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares or ADSs.***

We are incorporated in Australia and are subject to the takeover laws of Australia. Among other things, we are subject to the Corporations Act 2001. Subject to a range of exceptions, the Corporations Act 2001 prohibits the acquisition of a direct or indirect interest in our issued voting shares if the acquisition of that interest will lead to a person's voting power in us increasing to more than 20%, or increasing from a starting point that is above 20% and below 90%. Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares. This may have the ancillary effect of entrenching our board of directors and may deprive or limit our shareholders' opportunity to sell their ordinary shares and may further restrict the ability of our shareholders to obtain a premium from such transactions.

***Our Constitution and Australian laws and regulations applicable to us may adversely affect our ability to take actions that could be beneficial to our shareholders.***

As an Australian company we are subject to different corporate requirements than a corporation organized under the laws of the United States. Our Constitution, as well as the Corporations Act 2001, sets forth various rights and obligations that apply to us as an Australian company and which may not apply to a U.S. corporation. These requirements may operate differently than those of many U.S. companies. You should carefully review the summary of these matters set forth under our Constitution, which is included as an exhibit to this annual report, prior to investing in our securities.

***A lack of significant liquidity for our ADSs may negatively affect your ability to resell our securities.***

Our ADSs have traded on the NASDAQ Capital Market since June 30, 2010. An active trading market for the ADSs, however, may not be maintained in the future. If an active trading market is not maintained, the liquidity and trading prices of the ADSs could be negatively affected.

***In certain circumstances, holders of ADSs may have limited rights relative to holders of Ordinary Shares.***

The rights of holders of ADSs with respect to the voting of Ordinary Shares and the right to receive certain distributions may be limited in certain respects by the deposit agreement entered into by us and The Bank of New York Mellon. For example, although ADS holders are entitled under the deposit agreement, subject to any applicable provisions of Australian law and of our Constitution, to instruct the depositary as to the exercise of the voting rights pertaining to the Ordinary Shares represented by the American Depositary Shares, and the depositary has agreed that it will try, as far as practical, to vote the Ordinary Shares so represented in accordance with such instructions, ADS holders may not receive notices sent by the depositary in time to ensure that the depositary will vote the Ordinary Shares. This means that, from a practical point of view, the holders of ADSs may not be able to exercise their right to vote. In addition, under the deposit agreement, the depositary has the right to restrict distributions to holders of the ADSs in the event that it is unlawful or impractical to make such distributions. We have no obligation to take any action to permit distributions to holders of our American Depositary Receipts, or ADSs. As a result, holders of ADSs may not receive distributions made by us.

**RISKS RELATED TO TAXATION**

***We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences for U.S. holders.***

In general, a non-U.S. company will be considered a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year in which (1) 75% or more of its gross income consists of passive income (the “income test”) or (2) 50% or more of the average quarterly value of its assets is attributable to assets that produce, or are held for the production of, passive income (the “asset test”). For purposes of these tests, passive income generally includes dividends, interest, gains from the sale or exchange of investment property and certain rents and royalties. In addition, for purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets and received directly its proportionate share of the income of such other corporation.

Based on the nature and composition of our income, assets, activities and market capitalization, we believe that we were classified as a PFIC for our taxable year ended June 30, 2023. However, our PFIC status is based on an annual determination that is subject to a number of uncertainties and may change from year to year. Our PFIC status will depend on the composition of our income (including with respect to the R&D Tax Credit) and the composition and value of our assets, which may be determined in large part by reference to the market value of the ADSs and our Ordinary Shares, which may be volatile, from time to time. Our status may also depend, in part, on how quickly we utilize the cash we raise in any offering of our securities. There can be no assurance that we will not be considered a PFIC in any past, current or future taxable year, and our U.S. counsel expresses no opinion regarding our conclusions or our expectations regarding our PFIC status.

If we are a PFIC for any taxable year during which a U.S. holder (as defined in the section titled “Item 10.E. Additional Information—Taxation, United States Federal Income Taxation”) holds the ADSs or Ordinary Shares, the U.S. holder may be subject to adverse tax consequences regardless of whether we continue to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements. We will continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ADSs or Ordinary Shares, regardless of whether we continue to meet the income or asset tests described above, unless the U.S. holder makes a valid and timely qualified electing fund (QEF) or mark-to-market election, or makes a deemed sale election once we cease to be a PFIC; however, we do not currently intend to provide the information necessary for a U.S. holder to make a QEF election. For further discussion of the PFIC rules and the adverse U.S. federal income tax consequences to U.S. holders in the event we are classified as a PFIC, see “Item 10.E. Additional Information—Taxation, United States Federal Income Taxation—Passive Foreign Investment Company Rules.”

***If a United States person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.***

If a U.S. holder (as defined in the section titled “Item 10.E. Additional Information—Taxation, United States Federal Income Taxation”) is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our Ordinary Shares or ADSs, such U.S. holder may be treated, for U.S. federal income tax purposes, as a “United States shareholder” with respect to each “controlled foreign corporation” in our group, if any. Because our group includes a U.S. subsidiary (geneType Inc., previously the named Phenogen Sciences Inc.), certain of our current and future non-U.S. subsidiaries will be treated as controlled foreign corporations, regardless of whether we are treated as a controlled foreign corporation. A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of “Subpart F income,” “global intangible low-taxed income” and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. We cannot provide any assurances that we will furnish to any United States shareholder information that may be necessary to comply with the reporting and payment obligations described above.

Failure to comply with such obligations may subject a United States shareholder to significant monetary penalties and stall the beginning of the statute of limitations period for relevant U.S. federal income tax returns. U.S. holders should consult their tax advisors regarding the potential application of these rules to their investment in the Ordinary Shares or ADSs.

***Changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.***

Our tax treatment is subject to the enactment of, or changes in, tax laws, regulations and treaties, or the interpretation thereof, tax policy initiatives and reforms under consideration and the practices of tax authorities in jurisdictions in which we operate, including those related to the Organization for Economic Co-Operation and Development's Base Erosion and Profit Shifting Project, the European Commission's state aid investigations and other initiatives. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect our financial position and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders, and increase the complexity, burden and cost of tax compliance.

***Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.***

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, the U.S. Internal Revenue Service or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

#### **Item 4. Information on the Company**

##### **Item 4.A History and Development of the Company**

Originally incorporated under the laws of Western Australia on January 5, 1987, as Concord Mining N.L. the Company operated as a mining company. On August 13, 1991, the Company changed its name to Consolidated Victorian Gold Mines N.L. On December 2, 1991, the Company changed its name to Consolidated Victorian Mines N.L. On March 15, 1995, the Company changed its name to Duketon Goldfields N.L.

On October 15, 1999, the Company's corporate status was changed from a No Liability Company to a company limited by shares. On August 29, 2000, following the acquisition of Swiss company GeneType AG, the Company changed its name to Genetic Technologies Limited, which is its current name. At that time, the mining activities were phased out to focus on becoming a biotechnology company, following which its stock exchange listing was duly transferred from the mining board of the ASX to the industrial board and its shares were thereafter classified under the industry Company "Health and Biotechnology", completing its transformation from a mining company into a biotechnology company. The Company's current activities in biotechnology primarily concentrate on one clearly defined area of activity which is covered under Item 4.B "Business Overview".

In October 2009, a new strategic direction was established to focus efforts in creating a portfolio of tests that would be aimed at assisting medical clinicians with cancer management. This would comprise tests that were created by the Company and licensed from third parties which would then be marketed by us in the Asia-Pacific region.

On April 14, 2010, the Company announced that it had acquired certain assets from Perlegen Sciences, Inc. in California, with the main asset being the BREVA Gen™ breast cancer risk assessment test ("BREVA Gen™"). On June 28, 2010, the Company incorporated a wholly owned subsidiary named Phenogen Sciences Inc, whose name changed to geneType Inc. on 4 April 2022, in the State of Delaware which commenced selling the BREVA Gen™ test in the U.S. marketplace in June 2011. In October 2014, the Company released its next generation breast cancer risk assessment test BREVA Genplus.

On November 19, 2014, the Company completed the sale of its Heritage Australian Genetics business to Specialist Diagnostic Services Ltd (SDS), the wholly owned pathology subsidiary of Primary Health Care Ltd.

In November 2016, the Company executed an exclusive worldwide license agreement with The University of Melbourne, for the development and commercialization of a novel colorectal cancer (CRC) risk assessment test, providing the Company with an opportunity to enhance its pipeline of risk assessment products. Additionally, in June 2017, the Company executed an investigator-initiated Research Agreement with The Ohio State University, reflecting the growing awareness of the Company's expertise in SNP-based risk assessment.

During 2018, the Company executed a further collaborative research and services agreement with The University of Melbourne, with the research designed to broaden the applicability of BREVA*Genplus*, enabling its use by women with extended family history of breast cancer as well as increase the range of factors analyzed in assessing breast cancer.

In May 2019, the Company announced the development of two new cancer risk assessment tests branded as "GeneType for Colorectal Cancer" and "GeneType for Breast Cancer." The new breast cancer test provides substantial improvement over its legacy breast cancer test BREVA*Genplus*, by incorporating multiple additional clinical risk factors. This test will provide healthcare providers and their patients with a 5-year and lifetime risk assessment of the patient developing breast cancer. The colorectal cancer test will provide healthcare providers and their patients a 5-year, 10-year, and lifetime risk assessment of the patient developing colorectal cancer.

In June 2020, the Company received US Patent No: US10,683,549, Methods for assessing risk of developing breast cancer. The Company is the first company in the world to successfully commercialize a polygenic risk test for breast cancer. The granted patent covers the Company's proprietary panels of single nucleotide polymorphisms (SNPs) and the combination of clinical and phenotypic risk models to create the most comprehensive risk assessment tool on the market: GeneType for Breast Cancer.

The Company hired and trained a new internal sales employee to educate doctors on the Company's polygenic risk score (PRS) tests and introduce them to preventative health strategies. The Company received a positive response from doctors. Initial test results showed 10 per cent of subjects were high risk and 41 per cent were moderate risk. The Company believes that these results will help create personalized strategies specifically designed for the patient risk profile. We think early indications show the tests lead to better screening compliance and to the development of personalized screening solutions. This confirms the Company's objective of focusing on preventative health rather than 'after the fact' medicine.

At the same time, the Company continued to refine existing, and to develop other, risk assessment tests across a range of diseases including:

- Breast cancer
- Colorectal cancer
- Ovarian cancer
- Prostate cancer
- Coronary artery disease
- Type 2 diabetes
- Pancreatic cancer
- Melanoma
- Atrial fibrillation

The Company has developed a polygenic risk score (PRS) test for COVID-19 in 2022, which may enable an assessment of the risk of people developing a serious disease should they contract the virus. The test aims to predict disease severity using a combination of genetic and clinical information. The Company has built strong relationships with international biobanks and health studies, including UK Biobank. They allow us to secure additional, current COVID-19 patient data to continuously develop, refine, and validate the COVID-19 risk test.

The Company's single nucleotide polymorphism (SNP) array panels are supplied by US-based Thermo Fisher Scientific Inc., a world leader in genetic testing and the Company's manufacturing partner for geneType products. The SNP array panel is a key reagent the Company needs to process the polygenic risk test portion of the COVID-19 risk test. The test aims to categorize subjects as being at high, average, or low risk of developing life-threatening conditions due to COVID-19.

The Company filed a provisional patent application for its COVID-19 risk test with IP Australia, an agency of Department of Industry, Innovation and Science (Intellectual Property Australia) (2020901739 - Methods of assessing risk of developing a severe response to Coronavirus infection). The provisional patent covers the specific single nucleotide polymorphism (SNP) algorithm the Company designed to calculate a PRS and the testing model that combines PRS and the clinical risk factors that together constitute the COVID-19 risk test. Subsequently this patent has been granted in the United States and pending grant in several other key markets.

The Company executed an acquisition agreement (“Acquisition Agreement”) on July 19<sup>th</sup>, 2021 to acquire the direct-to-consumer eCommerce business and distribution rights associated with General Genetics Corporation and its associated brands trading as EasyDNA, from BelHealth Investment Fund LP. The Acquisition Agreement provides for the acquisition of all brands, websites and agency reseller agreements associated with EasyDNA. This includes over 70 websites in 40 countries and six brand identities. Under the terms of the Acquisition Agreement, the Company acquired 100% of EasyDNA’s brands and assets within the General Genetics Corporation business for a purchase price of US\$4 million, comprising cash consideration of US\$2.5 million and US\$1.5 million of ADSs.

The Company executed an asset purchase agreement (“APA”) on July 14th, 2022 to acquire the direct-to-consumer eCommerce business, laboratory testing and distribution agreements associated with AffinityDNA. The APA provides for the acquisition of all brands and websites associated with AffinityDNA. This includes the AffinityDNA Amazon sales channel rights. Under the terms of the APA, the Company acquired 100% of AffinityDNA's brands and assets for a purchase price of GBP555,000, comprising cash consideration of GBP227,500 on completion and GBP227,500 payable in July 2023 subject to the AffinityDNA business attaining certain financial performance parameters. The second payment was payable on the achievement of a gross profit target for the 12-month period from the acquisition date. This target was not achieved and therefore no further payment is to be made in respect of the acquisition of AffinityDNA.

On 3 February 2023, GTG announced the launch of the first Comprehensive Risk Test for Breast & Ovarian Cancer. The test evaluates a woman’s risk of developing Breast and/or Ovarian Cancer either from a hereditary genetic mutation or from the far more common familial or sporadic cancer. In combination with other clinical risk factors, the test provides a comprehensive risk assessment in a simple saliva test.

SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC and state the address of that site (<http://www.sec.gov>). The Company's website address is <https://genetype.com>. The information contained on our website is not incorporated by reference into this annual report on Form 20-F.

#### **Corporate Information**

The Company’s registered office, headquarters and laboratory is located at 60-66 Hanover Street, Fitzroy, Victoria, 3065, Australia and its telephone number is +61 3 8412 7000. The office of its U.S. subsidiary, geneType Inc. (formerly Phenogen Sciences Inc.), is located at 1300 Baxter Street, Suite 255, Charlotte, North Carolina, 28204 U.S.A. The telephone number for the geneType Inc. office is (704) 926 5700. The Company’s website address is [www.genetype.com](http://www.genetype.com). The information in its website is not incorporated by reference into this Annual Report and should not be considered as part of this Annual Report.

The Company’s Australian Company Number (ACN) is 009 212 328. The Company’s Australian Business Number (ABN) is 17 009 212 328. The Company operates pursuant to its constitution, the Australian *Corporations Act 2001*, the Listing Rules of the Australian Securities Exchange, the Marketplace Rules of The NASDAQ Stock Market, and where applicable, local, state and federal legislation in the countries in which the Company operates.

#### **Item 4.B Business Overview Description of Business**

Founded in 1989, Genetic Technologies listed its Ordinary Shares on the ASX (GTG) in 2000 and its ADSs on NASDAQ’s Capital Market (GENE) in 2005. Genetic Technologies is a molecular diagnostics company that offers predictive testing and assessment tools to help physicians proactively manage people’s health. The Company’s legacy product, BREVAGen*plus*, was a clinically validated risk assessment test for non-hereditary breast cancer and was first in its class. BREVAGen*plus* improved upon the predictive power of the first generation BREVAGen™ test and was designed to facilitate better informed decisions about breast cancer screening and preventive treatment plans. BREVAGen*plus* expanded the application of BREVAGen™ from Caucasian women to include African Americans and Hispanics and was directed towards women aged 35 years or above who have not had breast cancer and have one or more risk factors for developing breast cancer.

The Company successfully launched the first generation BREVAGen™ test across the U.S. via its U.S. subsidiary Phenogen Sciences Inc. (now geneType Inc.), and BREVAGen*plus* was launched in October 2014. The Company marketed BREVAGen*plus* to healthcare professionals in comprehensive breast health care and imaging centers, as well as to obstetricians/gynecologists (OBGYNs) and breast cancer risk assessment specialists (such as breast surgeons).

In May 2019, the Company announced that it had developed two new cancer risk assessment tests branded as ‘geneType for Colorectal Cancer’ and ‘geneType for Breast Cancer’. The new breast cancer test provides substantial improvement over the Company’s legacy breast cancer test BREVAGen*plus*, by incorporating multiple additional clinical risk factors. This test will provide healthcare providers and their patients with a 5-year and lifetime risk assessment of the patient developing breast cancer. The colorectal cancer test will provide healthcare providers and their patients a 5-year, 10-year, and lifetime risk assessment of the patient developing colorectal cancer.

In June 2020, the Company received US Patent No: US 10,683,549, Methods for assessing risk of developing breast cancer. The Company is the first company in the world to successfully commercialize a polygenic risk test for breast cancer. The granted patent covers the Company's proprietary panels of single nucleotide polymorphisms (SNPs) and the combination of clinical and phenotypic risk models to create the most comprehensive risk assessment tool on the market: geneType for Breast Cancer.

In February 2022 the Company received US Patent No: US 11,257,569, Methods of assessing risk of developing a severe response to Coronavirus infection. The granted US patent covers the proprietary technology incorporated into GTG's geneType COVID- 19 Risk Test, which provides a probability that a person will develop severe symptoms requiring hospitalization should they become infected.

During the 2023 financial year the Company continued to refine existing, and develop other, risk assessment tests across a range of diseases, including:

- Breast cancer
- Colorectal cancer
- Ovarian cancer
- Prostate cancer
- Coronary artery disease
- Type 2 diabetes
- Pancreatic cancer
- Melanoma
- Atrial fibrillation

#### **The Company's Genetic Testing Business**

Following the acquisition of Genetype AG in 1999 and the subsequent renaming to Genetic Technologies Limited, the Company focused on establishing a genetic testing business, which over the following decade saw it become the largest provider of paternity and related testing services in Australia. The Company's service testing laboratory in Melbourne became the leading non-Government genetic testing service provider in Australia. The genetic testing services of the Company expanded to include at certain times:

- Medical testing
- Animal Testing
- Forensic Testing
- Plant Testing

The acquisition of GeneType AG also provided the Company with ownership rights to a potentially significant portfolio of issued patents. During the intervening years, this portfolio has since been expanded by both organic growth and the acquisition of intellectual property assets from third parties. The patent portfolio is constantly reviewed to ensure that the Company maintains potentially important patents but at the same time keep costs to a minimum by no longer pursuing less commercially attractive and relevant intellectual property.

A strategic alliance with Myriad Genetics Inc. delivered to the Company exclusive rights in Australia and New Zealand to perform DNA testing for susceptibility to a range of cancers. In April 2003, the Company established its cancer susceptibility testing facility within its Australian laboratory. In June 2003, this facility was granted provisional accreditation by the National Association of Testing Authorities, Australia ("NATA").

In November 2003, the Company joined the world-wide genetic testing network GENDIA as the sole reference laboratory for the network in Australia and New Zealand. GENDIA consists of more than 50 laboratories from around the world, each contributing expertise in their respective disciplines to create a network capable of providing more than 2,000 different genetic tests. This provided the Company with the ability to offer comprehensive testing services to its customer base in the Asia-Pacific region as well as increasing its exposure to other markets.

In April 2010 the Company purchased various assets from Perlegen Sciences, Inc. of Mountain View, California, which included a breast cancer non-familial risk assessment test, BREVAGen™. The Company then began validating the test in our Australian laboratory and initiated the process for obtaining CLIA certification which would enable the Company to undertake the testing of samples received from the U.S. market. By July 2010, a new U.S. subsidiary named Phenogen Sciences Inc, now named geneType Inc., had been incorporated by the Company in Delaware to market and distribute the BREVAGen™ test across the United States.

In October 2014, the Company announced the U.S. release of BREVA*Genplus*, an easy-to-use predictive risk test for the millions of women at risk of developing sporadic, or non-hereditary, breast cancer, representing a marked enhancement in accuracy and broader patient applicability, over its first generation BREVA*Gen*<sup>TM</sup> product. The Company also made a pivotal change of sales and marketing emphasis toward large comprehensive breast treatment and imaging centers, which are more complex entities with a longer sales cycle, but higher potential.

**GeneType for Breast Cancer; a *State-of-the-Art* Breast Cancer Risk Assessment Test designed to enable a more personalized breast cancer risk assessment in a greater number of women**

The identification, in 2007, of a number of single nucleotide polymorphisms (SNPs), each with an associated small relative risk of breast cancer, led to the development of the first commercially available genetic risk test for sporadic breast cancer, BREVA*Gen*<sup>TM</sup>. The Company launched the product in the U.S. in June 2011. In October 2014, the Company released its next generation breast cancer risk assessment test, BREVA*Genplus*. This new version of the test incorporated a 10-fold expanded panel of genetic markers (SNPs), known to be associated with the development of sporadic breast cancer, providing an increase in predictive power relative to its first-generation predecessor test. In addition, the new test was clinically validated in a broader population of women including, African American and Hispanic women. This increased the applicable market beyond the Caucasian only indication of the first-generation test, and simplified the marketing process in medical clinics and breast health centers in the U.S.

The expanded panel of SNPs incorporated into our breast cancer tests were identified from multiple large-scale genome-wide association studies and subsequently tested in case-control studies utilizing specific Caucasian, African American and Hispanic patient samples.

BREVA*Genplus* was a first-in-class, clinically validated, predictive risk test for sporadic breast cancer which examined a woman's clinical risk factors, combined with seventy-seven scientifically validated genetic biomarkers (SNPs), to allow for more personalized breast cancer risk assessment and risk management.

In May 2019, the Company announced the development of its next generation breast cancer risk assessment test, 'GeneType for Breast Cancer'. The new breast cancer test provides substantial improvement over its legacy breast cancer test BREVA*Genplus* by incorporating multiple additional clinical risk factors. This test will provide healthcare providers and their patients with a 5-year and lifetime risk assessment of the patient developing breast cancer.

Germline genetic testing for mutations in BRCA1 and BRCA2 allows for the identification of individuals at significantly increased risk for breast and other cancers. However, such mutations are relatively rare in the general population and account for less than 10% of all breast cancer cases. The remaining 90% of non-familial or sporadic breast cancer have to be defined by other genetic/clinical markers common to the population at large and this is where the Company has focused its attention.

The newly developed 'geneType for Breast Cancer' test is aimed at risk detection of non-BRCA related sporadic breast cancer (that is, for those women who do not have an identified family history of breast cancer). Importantly, this means that the Company's new test covers 95% of women.

In June 2020, the Company received the approval for its U.S. patent number US 10,683,549, "Methods for Assessing Risk of Developing Breast Cancer." The granted patent covers the Company's proprietary panels of single nucleotide polymorphisms (SNPs) and the combination of clinical and phenotypic risk models to create the most comprehensive risk assessment tool on the market: geneType for Breast Cancer.

**GeneType for Colorectal; a *State-of-the-Art* Risk Assessment Test for Colorectal Cancer**

Next generation risk assessments combine multiple clinical and genetic risk factors to better stratify individuals at increased risk of developing disease. 'geneType for Colorectal Cancer' incorporates the most impactful risk factors in order to define an individual's risk of developing colorectal cancer, so the healthcare provider can make screening and preventative care recommendations that are tailored to their patient's personalized risk.

Colorectal cancer is the third most commonly diagnosed cancer in the U.S., yet 1 in 3 adults are not receiving the appropriate colorectal cancer screening for their age. In addition, rates of colorectal cancer among 20-49 year old is steadily increasing. Identifying patients who are most at risk for colorectal cancer can lead to enhanced screening protocols and better outcomes. Most individuals diagnosed with colorectal cancer do not have a significant family history of the disease. 'geneType for Colorectal Cancer' evaluates the genomic risk of developing colorectal cancer for men and women over age 30 who do not have a known pathogenic gene variant.

In sporadic colorectal cancer, no single gene mutation is causal of disease. Rather, common DNA variations or SNPs, each contribute a small but measurable risk of developing disease. 'geneType for Colorectal Cancer' analyses a patient's DNA for more than 40 SNPs that have been clinically validated in their association with colorectal cancer. By combining the effects of all of these SNPs into a single polygenic risk score (PRS), 'geneType for Colorectal Cancer' will provide a superior risk stratification over standard risk assessments that incorporate only clinical factors.

'geneType for Colorectal Cancer' is clinically validated for men and women of 30 years of age or older and for individuals of Caucasian descent.

### **Commercial launch of geneType Multi-Risk Test**

The geneType brand was re-launched globally in October 2021 following redevelopment of the Company's websites, marketing and advertising, media releases and announcements to the ASX and NASDAQ. The commercial launch of the geneType Multi-Risk Test in February 2022 included the first phase launch to cover risk assessment for six serious diseases including breast, colorectal, prostate, and ovarian cancers, coronary artery disease and Type-2 diabetes covering more than 50% of all serious diseases, all in one test sample. The geneType Multi-Test received simultaneous NATA accreditation and CMS certification in Australia and USA respectively. The first phase of the geneType Multi-Test became available to Health Care Professionals (HCPs) in February 2022.

### **World's First Comprehensive Risk Test for Breast & Ovarian Cancer**

In February 2023 the Company announced the development of a 'World First' Comprehensive Risk Assessment Test which evaluates a women's risk of developing Breast and/or Ovarian Cancer either from a hereditary genetic mutation or from the far more common familial or sporadic cancer. Combined with other clinical risk factors the test provides a comprehensive risk assessment in a simple saliva test.

The Company intend to provide updates as it continuously improves its tests and add fully validated models for additional ethnicities.

### **Direct-to-consumer channel of lifestyle genetic tests**

The Company's acquisition of EasyDNA in August 2021, gave us our direct-to-consumer channel for the sale and distribution of lifestyle genetic tests. The EasyDNA brand of tests can be completed by the customer without the need to consult a healthcare professional. The laboratory testing of the EasyDNA genetic tests is performed by contracted laboratories in the US, Europe and Australia. EasyDNA customers order their tests online using our network of websites covering 40 countries.

In May 2022, the Company announced the acquisition of AffinityDNA and the business began integration when the first payment due under the acquisition agreement was settled on 14 July 2022. AffinityDNA joins EasyDNA as the Company's Direct to Consumer (DTC) avenues to the market for DNA testing. During the first part of the financial year, we have focused on the integration of our people, products and AffinityDNA platform to deliver a "One Company-Multi-brand and Multi-channel" approach for GTG – EasyDNA, AffinityDNA and geneType. The acquisition expands GTG's portfolio of tests to 51 in 14 categories available in more than 40 countries.

Further integration will continue as the Company leverages its well-established worldwide marketplace (including Amazon). This marketplace will also be used to provide an avenue to promote the Company's geneType portfolio.

The Company has a strong 'whole of life' portfolio of high-quality products both in the market and under development and a substantial international platform for the distribution of the direct-to-consumer products.

### **Government Regulations**

#### ***CLIA AND FDA Regulations***

In April 2011, the Company obtained certification of its Australian laboratory under the U.S. Clinical Laboratories Improvements Amendments of 1988 ("CLIA"), as regulated by the Centers for Medicare and Medicaid. This certification enables the Company to accept and test samples from U.S. residents, and was the culmination of preparations required for the U.S. launch of the Company's BREVAGen™ test which occurred in June 2011.

In July 2013, the Company was inspected by a representative of the New York State Department of Health, Clinical Laboratory Evaluation Program ("CLEP"). The Company's laboratory received an inspection result with no deficiencies reported and, on August 30, 2013, the Company announced that it had received its Clinical Laboratory Permit from the New York State Department of Health. This permit, which allows the Company to offer its risk assessment tests to residents of New York State, allows the Company to provide testing services to all 50 U.S. states.

From its headquarters in Melbourne, Victoria, the Company's laboratory holds a number of accreditations including:

- The CLIA license required for all laboratories offering testing the U.S.;
- The CLEP license, an additional certification required to offer tests in New York State; and
- A Medical Device Establishment License (MDEL) required for Canada.

Physicians who order clinical tests for their patients have historically represented the primary source of its testing volume. Fees invoiced to patients and third parties are based on its fee schedule, which may be subject to limitations imposed by third-party payers. The clinical laboratory industry is highly regulated and subject to significant and changing Federal and state laws and regulations. These laws and regulations affect key aspects of the Company's business, including licensure and operations, billing and payment for laboratory services, sales and marketing interactions with ordering physicians, security and confidentiality of health information, and environmental and occupational safety. Oversight by government officials includes regular inspections and audits. The Company seeks to and believes that it conducts business in compliance with all applicable laws and regulations.

CLIA, extends Federal licensing requirements to all clinical laboratories (regardless of the location, size or type of laboratory), including those operated by physicians in their offices, based on the complexity of the tests they perform. CLIA also establishes a stringent proficiency testing program for laboratories and includes substantial sanctions, such as suspension, revocation or limitation of a laboratory's CLIA certificate (which is necessary to conduct business), and significant fines and/or criminal penalties.

The geneType tests on samples provided are processed at its laboratory in Melbourne, Australia. The Company's laboratory completed its first CLIA inspection under CLIA guidelines and received its certificate of compliance effective November 17, 2011. A re-certification from CMS i.e., paper survey, was performed in November 2013 and another on-site re-certification followed up in February 2016. Paper surveys were also conducted in November 2017 and December 2019. Furthermore, the Company's laboratory completed its first CLEP inspection under the NYS DOH CLEP guidelines and received its certificate of compliance effective August 30, 2013. Since the initial survey, the laboratory has been successful in submitting documents via the NYS eCLEP Health Commerce System for each subsequent year to date. Although no firm date has been provided, the laboratory is expecting an on-site visit in the coming 12 months.

The Company believes that it is in compliance with all applicable federal and state laboratory requirements. Under CLIA, the Company remains subject to state and local laboratory regulations. CLIA provides that a state may adopt laboratory regulations that are more stringent than those under federal law, and some states require additional personnel qualifications, quality control, record maintenance and other requirements.

Following a successful CLIA audit during the year, the Company renewed its status as a fully NATA and CLIA – accredited laboratory. The Company is in a unique position to service both the Australian and US markets subject to regulatory approvals.

Although the U.S. Food and Drug Administration ("FDA") has consistently claimed that it has the authority to regulate laboratory-developed tests ("LDTs") that are developed, validated and performed only by a CLIA certified laboratory, it has historically exercised enforcement discretion in not otherwise regulating most LDTs and has not required laboratories that furnish LDTs to comply with the agency's requirements for medical devices (e.g., establishment registration, device listing, quality systems regulations, premarket clearance or premarket approval, and post-market controls). As a matter of policy, the FDA generally does not review Direct-to-Consumer LDTs that are created and performed in a single laboratory, if they are offered to patients only when prescribed by a healthcare provider. More recently, the FDA has indicated that it will apply a risk-based approach to determine the regulatory pathway for all in-vitro diagnostics, which includes LDTs, as it does with all medical devices. Accordingly, the regulatory pathway for the Company's LDTs will depend on the level of risk to patients, based on the intended use of the LDT and the controls necessary to provide a reasonable assurance of the LDTs safety and effectiveness. The two primary types of marketing pathways for medical devices are clearance of a premarket notification under Section 510(k) of the Federal Food, Drug, and Cosmetic Act, or 510(k), and approval of a premarket approval application, or PMA. Legislative proposals addressing the FDA's oversight of LDTs have been introduced in the current and previous Congresses, and we expect that new legislative proposals will be introduced from time-to-time. The likelihood that Congress will pass such legislation and the extent to which such legislation may affect the FDA's plans to regulate certain LDTs as medical devices is difficult to predict at this time.

#### ***HIPAA and other privacy laws***

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), established comprehensive federal standards for the privacy and security of health information. The HIPAA standards apply to three types of organizations: health plans, healthcare clearing houses, and healthcare providers that conduct certain healthcare transactions electronically ("Covered Entities"). Title II of HIPAA, the Administrative Simplification Act, contains provisions that address the privacy of health data, the security of health data, the standardization of identifying numbers used in the healthcare system and the standardization of certain healthcare transactions. The privacy regulations protect medical records and other protected health information by limiting their use and release, giving patients the right to access their medical records and limiting most disclosures of health information to the minimum amount necessary to accomplish an intended purpose. The HIPAA security standards require the adoption of administrative, physical, and technical safeguards and the adoption of written security policies and procedures.

On February 17, 2009, Congress enacted Subtitle D of the Health Information Technology for Economic and Clinical Health Act, or HITECH, provisions of the American Recovery and Reinvestment Act of 2009. HITECH expanded and strengthened HIPAA, created new targets for enforcement, imposed new penalties for noncompliance and established new breach notification requirements for Covered Entities. Regulations implementing major provisions of HITECH were finalized on January 25, 2013, through publication of the HIPAA Omnibus Rule (the "Omnibus Rule").

Under HITECH's breach notification requirements, Covered Entities must report breaches of protected health information that has not been encrypted or otherwise secured in accordance with guidance from the Secretary of the U.S. Department of Health and Human Services (the "Secretary"). Required breach notices must be made as soon as is reasonably practicable, but no later than 60 days following discovery of the breach. Reports must be made to affected individuals and to the Secretary and, in some cases depending on the size of the breach; they must be reported through local and national media. Breach reports can lead to investigation, enforcement and civil litigation, including class action lawsuits.

In addition to the federal privacy and security regulations, there are a number of state laws regarding the privacy and security of health information and personal data that are applicable to clinical laboratories. Many states have also implemented genetic testing and privacy laws imposing specific patient consent requirements and protecting test results by strictly limiting the disclosure of those results. State requirements are particularly stringent regarding predictive genetic tests, due to the risk of genetic discrimination against healthy patients identified through testing as being at a high risk for disease. The Company believes that it has taken the steps required to comply with health information privacy and security statutes and regulations, including genetic testing and genetic information privacy laws in all jurisdictions, both state and federal. However, these laws constantly change, and the Company may not be able to maintain compliance in all jurisdictions where it does business. Failure to maintain compliance, or changes in state or federal laws regarding privacy or security could result in civil and/or criminal penalties, significant reputational damage and could have a material adverse effect on the Company's business.

#### ***Transparency Laws and Regulations***

In the U.S., the Physician Payments Sunshine Act (the "Sunshine Act") requires medical device manufacturers to track and report to the federal government certain payments and other transfers of value made to physicians, other healthcare providers (such as physicians assistants and nurse practitioners), and teaching hospitals and ownership or investment interests held by physicians and their immediate family members. There are also state "sunshine" laws that require manufacturers to provide reports to state governments on pricing and marketing information. Several states have enacted legislation requiring medical device manufacturers to, among other things, establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales and marketing activities, and such laws may also prohibit or limit certain other sales and marketing practices. These laws may adversely affect our sales, marketing, and other activities by imposing administrative and compliance burdens on us. If the Company fail to track and report as required by these laws or to otherwise comply with these laws, it could be subject to the penalty provisions of the pertinent state and federal authorities.

#### ***Other Healthcare Compliance Requirements.***

Our operations in the U.S. may subject us to healthcare regulation and enforcement by the U.S. federal government and the states in which we conduct our business, including federal fraud and abuse laws (such as anti-kickback and false claims laws and transparency laws). Failure to comply with such laws may result in significant penalties, including civil, administrative, and criminal penalties, fines, imprisonment, disgorgement, exclusion from participation in federal health care programs, and other penalties

#### ***Environmental and Safety Laws and Regulations***

The Company is subject to laws and regulations related to the protection of the environment, the health and safety of employees and the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. For example, the U.S. Occupational Safety and Health Administration ("OSHA") has established extensive requirements relating specifically to workplace safety for healthcare employers in the U.S. This includes requirements to develop and implement multi-faceted programs to protect workers from exposure to blood-borne pathogens, including preventing or minimizing any exposure through needle stick injuries. For purposes of transportation, some biological materials and laboratory supplies are classified as hazardous materials and are subject to regulation by one or more of the following agencies: the U.S. Department of Transportation, the U.S. Public Health Service, the U.S. Postal Service and the International Air Transport Association. The Company generally use third-party vendors to dispose of regulated medical waste, hazardous waste and radioactive materials and contractually require them to comply with applicable laws and regulations.

The Company's operations are also subject to environmental regulations under Australian State legislation. In particular, the Company is subject to the requirements of the *Environment Protection Act 1993*. A license has been obtained under this Act to produce listed waste.

#### **Product Distribution**

Despite significant resource allocation and efforts by a dedicated sales team, sales of BREVAGen<sup>plus</sup> were insufficient to defray the costs of the sales team. By late 2017, management decided that its sales strategy was not working and disbanded much of the sales infrastructure in the U.S. and transitioned to an ecommerce-based solution that allowed consumers to initiate testing online. Management then designed a "pivot plan" in an effort to reposition the Company, refine and improve products and reload with a newly developed approach to market.

With COVID-19 social distancing impacting on the Company's ability to fully engage with physicians, the Company introduced a consumer-initiated testing (CIT) platform. This sales pipeline deviates from a traditional sales approach that targets clinicians. Instead, it allows patients to request a test directly, with clinician oversight of the testing process through an independent provider network and telemedicine.

The COVID-19 Risk Test was launched in the US market in June 2021. The Company entered into a license agreement with Infinity BiologiX LLC in May 2021 for the online sale and distribution of the COVID-19 Risk Test to customers in the USA.

The Company acquired the EasyDNA business acquired in August 2021 and the AffinityDNA business in July 2022, distributing its consumer and lifestyle DNA tests direct to customers through its website portals and network of laboratory partners in North America, Europe and Australia.

The Company launched the geneType Multi-Test for breast and colon cancer in February 2022 for the Australian and US markets to be distributed to Health Care Professionals through the Company's website portals. The Company is finalizing the development and verification in its Australian laboratory of the phase two elements of the geneType Multi-Test product to include tests for prostate and ovarian cancers, coronary heart disease and Type-2 Diabetes. The Company expects to launch the complete suite of tests in the Multi-Test in 2022.

In March 2023, the Company announced the commercial release of a Melanoma, Atrial Fibrillation, and Pancreatic geneType risk assessment tests.

In April 2023, the Melbourne facility successfully completed a NATA audit with no findings from the assessors.

### **Reimbursement and Clinical Studies**

Beginning in April 1, 2017, the Company converted to a direct pay relationship with patients in an effort to foster economic and process certainty to the transaction for the healthcare provider and the patient. The change addressed reimbursement issues from third-party payers, including low levels of reimbursement, prolonged payment time, patient confusion around eligibility and financial responsibility and poor coverage.

This shift also has reduced the Company's reliance on clinical utility studies that had been designed as a means to achieve reimbursement coverage through the private insurers. The Company recognized however that scientific and clinical data are key drivers to help strengthen our commercial position. The Company intends to explore opportunities to engage in further research collaborations to support clinical utility. Physicians and the major breast health centers seek multiple points of confirmation that the medical device works as intended and leads to a meaningful improvement in women's health. Therefore, the more papers that are published regarding the Company's genetic tests, profiling product performance characteristics including clinical validity and utility, the more likely physicians will be to use the tests.

In June 2022 the Company completed an independently developed and validated customizable Budget Impact Model ("BIM"), which demonstrates significant health and economic benefits directly attributed to the implementation of geneType Breast Cancer Risk Assessment Test for US customers. The BIM was independently developed and validated by ALVA10, whose mission is to create an economic ecosystem that pulls technology into healthcare, aligning effective healthcare solutions to payer economics. The BIM illustrates the clinical pathways patients would experience and the economic implications of commercialization and utilization of a test or device. The main finding of the BIM is the potential for US payers to reduce the annual costs of breast cancer treatment by US\$1.4 billion.

US payers, including commercial insurers, large employers, and benefit groups such as Medicare, are typically reluctant to cover new diagnostic tools, with reimbursement often taking years to receive. Critically, GTG's customizable BIM enables US payers to accelerate their understanding of the economic impact of implementing GTG's geneType Breast Cancer Risk Assessment Test prior to commercialization. This could provide a faster and more certain outcome and minimizing their technology adoption risk. GTG's BIM is a comprehensive and dynamic tool and can be customized for any US payer. Importantly it will also enable GTG to identify those US Payers who are most likely to be fast adopters.

### **Research & Development Projects**

During the year ended June 30, 2023, the Company supported the following research and development programs, details of which are provided below:

- Breast Cancer Risk Assessment Test (geneType for Breast Cancer)

- Colorectal Cancer Risk Assessment Test (geneType for Colorectal Cancer)
- Research Agreement executed with Memorial Sloan Kettering New York
- Research collaboration with The University of Melbourne
- Research collaboration with Ohio State University
- Research collaboration with Washington State University
- Expanded range of other cancer and disease target predictive risk assessment tests

In previous years, other projects, which have since been terminated or otherwise commercialized, have also been supported by the Company. The Company is constantly seeking new opportunities and plans to focus more on research and development activities in the future. In addition, the Company plans on having its science and management team engage with the world's leading scientific experts working on predictive genetic testing and its role within world health systems. Historically, some projects have arisen from new inventions made by the Company while some have been made by others who have approached the Company seeking collaboration and support for their activities.

#### ***Collaboration with The University of Melbourne***

On November 29, 2016, the Company announced the signing of an exclusive worldwide license agreement with The University of Melbourne for the development and commercialization of a novel colorectal cancer (CRC) risk assessment test. The core technology behind this test was developed by a research team at the University's Centre for Epidemiology and Biostatistics, with results from preliminary modelling studies first published online in *Future Oncology* on 1 February 2016, in a Paper entitled "Quantifying the utility of single nucleotide polymorphisms to guide colorectal cancer screening," 2016 Feb; 12(4), 503-13. This simulated case-control study of 1 million patients indicated that a panel of 45 known susceptibility SNPs can stratify the population into clinically useful CRC risk categories. In practice, the technology could be used to identify people at high risk for CRC who should be subjected to intensive screening, ultimately reducing the risk of occurrence and death from the disease. Those identified as low risk of CRC can be spared expensive and invasive screening, thereby preventing adverse events and unjustified expenses.

A scientific validation study supporting this work has been completed, and a report of the research program progress has been delivered to the Company. Whilst the terms of the agreement are confidential, these events represent an important first milestone in the development of a new test as the Company seeks to diversify its product pipeline and become a key player in the SNP-based cancer risk assessment landscape. We continue to identify new and exciting ways to collaborate with the University of Melbourne to improve the standard of care for practitioners and their patients.

#### ***Research Collaboration Memorial Sloan Kettering New York***

In early 2019, the Company's U.S. subsidiary entered into a Research Agreement with Memorial Sloan Kettering Cancer Center of New York and the University of Cambridge. This collaborative research study is to be led by Mark Robson, MD, Chief of the Breast Medicine Service at Sloan Kettering. The study is intended to assess whether the provision of individual risk information informed by a polygenic risk score reduces decisional conflict among BRCA mutation carriers considering preventive surgery.

The Company believes this collaboration will benefit its engagement and collaboration with high profile cancer genetics researchers who are at the forefront of risk assessment research, and by providing us with data that may potentially be beneficial in developing additional risk assessment products.

#### **Competition**

The medical diagnostics and biotechnology industries are subject to intense competition. As more information regarding cancer genomics and personalized medicine becomes available to the public, the Company anticipates that more products aimed at identifying cancer risk will be developed and that these may compete with its products. The use of Single Nucleotide Polymorphisms (SNPs), for disease risk prediction is still a relatively new field of medicine.

Organizations such as Ancestry.com, 23andMe and Color Genomics in the U.S. have developed SNP based risk tests, are attracting significant consumer interest in genetic tests that predict clinical risk of contracting serious diseases. A number of other organizations, including deCODE (Iceland), Intergenetics, and ThermoFisher have attempted to commercialize SNP-based genetic tests, to both physicians and consumers, to assess sporadic cancer risk in relevant patient populations. New entrants that the Company are aware of that are in the product development stage include Counsyl Inc. and Invitae Corporation in the U.S.

We believe our major direct-to-consumer EasyDNA and AffinityDNA product competitors are AncestryDNA, 23andMe, MyHeritage, Gene by Gene and Color Genomics.

## **Australian Disclosure Requirements**

### **Business Strategies and Prospects for Future Years**

The Company's competitive position in the genetic testing market is based upon, amongst other things, its ability to:

- continue to strengthen and maintain scientific credibility through the process of obtaining scientific validation through clinical trials supported by peer-reviewed publication in medical journals;
- create and maintain scientifically advanced technology and offer proprietary products and services;
- continue to strengthen and improve the messaging regarding the importance and value that the Company's cancer risk assessment tests provide to patients and physicians;
- diversify the Company's product offerings into other serious disease types;
- obtain and maintain patent or other protection for the Company's products and services;
- obtain and maintain required government approvals and other accreditations on a timely basis; and
- successfully market the Company's products and services.

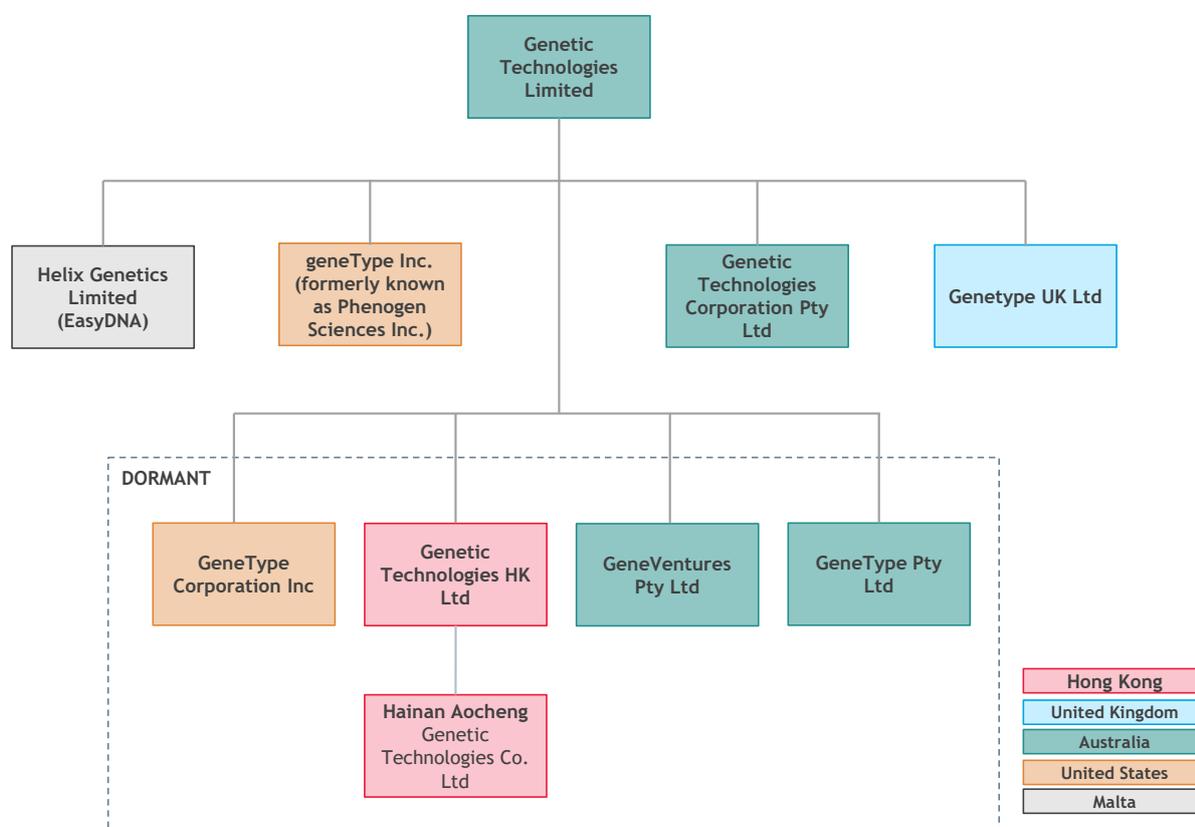
If the Company is not successful in meeting these goals, its business could be adversely affected. Similarly, the Company's competitors may succeed in developing technologies, products or services that are more effective than any that it is developing or that would render the Company's technology and services obsolete, noncompetitive or uneconomical.

### **Dividends**

No dividends were paid during the course of the fiscal year ended June 30, 2023. There are no dividends or distributions recommended or declared for payment to members, but not yet paid, during the year.

#### Item 4.C Organizational Structure

The diagram below shows the Company’s organizational structure as of the date of this Annual Report. All of the Company’s subsidiaries in the chart below are wholly owned.



#### Item 4.D Property, Plant and Equipment

As at date of this Report, the Company has executed four leases in respect of premises occupied by the Company.

##### Fitzroy, Victoria

The Company rents offices and a laboratory premises at 60-66 Hanover Street, Fitzroy, Victoria, Australia (an inner suburb of Melbourne) from Crude Pty. Ltd. The current lease will expire on February 28, 2025. The total rental charge in respect of the year ended June 30, 2023 was A\$233,634 (2022: A\$230,940).

##### Charlotte, North Carolina

GeneType Inc. (formerly named Phenogen Sciences Inc.), the Company’s U.S. subsidiary, rents office premises located at 1300 Baxter Street, Suite 255, Charlotte, North Carolina, U.S. from Midtown Area Partners LLC. The current lease will expire on July 31, 2023. A lease agreement was signed on March 27, 2023 for a three-year term, commencing on August 1, 2023 and expiring July 31, 2026. The total rental expense towards the premise for the year ended June 30, 2023 was A\$19,724 (2022: A\$23,300).

##### Slacks Creek, Queensland

The Company rents office premises located at Suite 1B/1 Sesame Court, Slacks Creek, Queensland, Australia from Kennedy Family Slacks Creek Pty. Ltd. The Company relocated its office premise from 1 July 2022 through a new two-year lease, expiring on June 30, 2024, with Growth Steel Australia Pty. Ltd. The property was subsequently sold to Kennedy Family Slacks Creek Pty. Ltd. in December 2022. The total rental charge in respect of the year ended June 30, 2023 was A\$31,335 (2022: A\$12,871).

##### Hove, East Sussex

The Company rents office premises located at 60 Lansdowne Place, Hove, East Sussex, United Kingdom from Andrew, Chris & Stephen Tugwell. The current lease will expire on May 30, 2025. The total rental charge in respect of the year ended June 30, 2023 was A\$25,206 (2022: Nil).

#### **Item 4A. Unresolved Staff Comments**

Not applicable

#### **Item 5. Operating and Financial Review and Prospects**

The following discussion and analysis should be read in conjunction with the Company's financial statements, the notes to the financial statements and other financial information appearing elsewhere in this Annual Report. In addition to historical information, the following discussion and other parts of this Annual Report contain forward-looking statements that reflect the Company's plans, estimates, intentions, expectations and beliefs. The Company's actual results could differ materially from those discussed in the forward-looking statements. See the "Risk Factors" section of Item 3 and other forward-looking statements in this Annual Report for a discussion of some, but not all, factors that could cause or contribute to such differences.

##### **Item 5.A Operating Results**

###### **Overview**

Founded in 1989, Genetic Technologies is an established Australian-based molecular diagnostics company that offers predictive genetic testing and risk assessment tools. During the year ended June 30, 2015, the Company divested its interest in other genetic testing services, which up until then, together with licensing of non-coding technology, had provided the main source of income to fund operations, to concentrate on the principal activity of the provision of molecular risk assessment tests for cancer.

The Company's revenues during its years ended June 30, 2021 and 2020 were generated principally by sales of its 'geneType for Colorectal Cancer' and 'geneType for Breast Cancer' genetic tests to healthcare providers through a global network of distribution partners and the Company's website portals. The Company's revenues during its years ended June 30, 2022 and 2023 were generated principally by sales of its EasyDNA and AffinityDNA branded genetic test products through its international network of proprietary EasyDNA and AffinityDNA branded websites as well as Amazon (AffinityDNA). The company acquired the business and assets of EasyDNA and AffinityDNA in August 2021 and July 2022, respectively. The acquisition of AffinityDNA has resulted in a new business segment within the Company's segment information as compared to the prior year.

Since inception up to June 30, 2023, the Company has incurred A\$156,715,687 in accumulated losses. The Company's losses have resulted principally from costs incurred in research and development, general and administrative and sales and marketing costs associated with its operations. Further losses are anticipated as the Company continues to invest in new genetic testing product research and development, and explore optimal distribution methodologies to commercialize its product offering. Refer to the Financial Statements section in Item 18.

###### **Fiscal year**

As an Australian company, the Company's fiscal, or financial, year ends on June 30 each year. The Company produces audited consolidated accounts at the end of June each year and furnish half-yearly accounts for the periods ending on December 31 each year, both of which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

###### **Comparison of the year ended June 30, 2023 to the year ended June 30, 2022**

The presentation of the Statement of Profit or Loss and Other Comprehensive Income is in line with the Company management's monthly reporting of the Group's results and performance presented to the Board of Directors. For the financial year ended June 30, 2023, the Company reports a total comprehensive loss of A\$11,650,334 (2022: A\$7,103,134), the result includes a non-cash impairment expense of A\$2,125,725 (2022: A\$564,161).

###### **Revenues from operations**

During the 2023 financial year, the Company's consolidated gross revenues from continuing operations, excluding other revenue, increased by A\$1,891,302 (28%) from A\$6,794,816 to A\$8,686,118 from the previous year. The increase in revenue is mainly due to increase in sales of EasyDNA (A\$1,708,823) direct-to-consumer genetic tests as well as sales of AffinityDNA (A\$944,508), following the acquisition of the AffinityDNA business on 14 July 2022.

###### **Finance income**

Finance income increased by A\$183,905 (507%) from A\$36,256 to A\$220,161 when compared to the previous year. The increase is due to the combination of higher interest rates and additional interest income gained from fixed deposits placed during the year following the receipt of funds from the capital raised in February 2023.

## **Other income**

Other income decreased by A\$946,569 (34%) from A\$2,783,391 to A\$1,836,822 when compared to the previous year. The majority of the Other income recorded for the financial year is largely the research and development tax incentive refund received from the Australian Taxation Office. Research and development tax incentive income (or “R&D tax credit”) recorded for the financial year was A\$1,616,064 (2022: A\$2,397,552). The R&D tax incentive is recognized on an accruals basis when realizable. The lower R&D tax credit is due to the decreasing external R&D expenses.

## **Raw materials and changes in inventory**

The Company’s raw materials and changes in inventory costs increased by A\$1,321,731 (44%) from A\$3,013,534 to A\$4,335,265 from the prior financial year. The increase in raw materials is in line with the increase in product revenues from EasyDNA and AffinityDNA experienced during the financial year.

## **Commissions**

Commissions increased to A\$236,019 (2022: A\$156,625), the increase being attributable to commissions paid/payable in respect to agency sales for EasyDNA and AffinityDNA.

## **Employee benefits expenses**

Employee benefits expense increased by A\$339,411 (6%) to A\$6,208,066 during the financial year (2022: A\$5,868,655). The increase is largely the result of an increase in number of employees from 52 to 60 following the acquisition of the AffinityDNA business and an expansion of commercialization staff for the geneType test.

## **Advertising and promotional expenses**

Advertising and promotional expenses increased to A\$2,712,353, a 44% increase from comparative period (2022: A\$1,885,402) (44%). The majority of this increase is attributable to pay-per-click advertising costs, A\$1,556,627 (2022: A\$987,460) for the EasyDNA and AffinityDNA businesses. Additionally, other marketing costs increased to A\$861,639 in the current financial year against A\$675,493 in the prior year as the Company expanded the geneType branded genetic tests in the Australian and U.S. markets.

## **Professional fees**

Professional fees decreased by A\$474,804 (26%) from A\$1,835,444 to A\$1,360,640 when compared to the previous year. The decrease is mainly related to the decrease in consulting fees, A\$558,987 (2022: A\$994,275).

## **Research and development expenses**

Laboratory, research and development costs increased by A\$575,650 (82%) from A\$705,507 to A\$1,281,157 when compared to the previous year. This category of expenditure includes patent application and annual renewal fees. Laboratory, research and development costs increased as the Company continued development, and accelerated commercialization of its pipeline of the new PRS tests for a range of human disease types. Also under development are a suite of gene-panel tests for a range of hereditary cancers. The research and development activities cover the following diseases: breast cancer, colorectal cancer, prostate cancer, ovarian cancer, pancreatic cancer, melanoma, Type-2-diabetes, cardiovascular disease, and atrial fibrillation.

## **Depreciation and amortization**

Depreciation and amortization expense attributable to the laboratory testing equipment, computer equipment, office equipment, leases amortization and other intangible assets was A\$676,583 (2022: A\$578,668), with the increase related to an increase in laboratory testing equipment depreciation as a result of prior period purchase and first-time recognition of lease amortization for the AffinityDNA office lease.

## **Impairment expenses**

Impairment expenses increased to A\$2,125,725 for the 2023 financial year (2022: A\$564,161). Impairment expense is mainly the result of an impairment expense recognized against the goodwill associated with the acquisition of EasyDNA, A\$1,845,000, as initial product revenues has not met expectations. The balance of the expense recorded for the financial year is the result of additional allowance for un-collectability of certain debtor balances outstanding as at June 30, 2023.

## **Other expenses**

Other expenses increased to A\$3,687,030 (2022: A\$2,154,375) during the financial year. The increase is mainly related to increase in IT and communication expenses (A\$585,875), travel and entertainment expenses (A\$299,622) and administrative expenses (A\$249,387).

## **Finance costs**

Finance costs increased to A\$29,515 (2022: A\$15,215). Finance costs relate to non-cash lease interest charges required to be recognized under accounting standard AASB16.

## **Income tax credit**

Income tax credit recognized for the financial year was A\$158,329 (2022: A\$32,125) which mainly relates to the recognition of deferred tax assets to offset against the remaining deferred tax liabilities arising from the acquisition of EasyDNA and AffinityDNA's brands and other identifiable intangible assets.

## **Comparison of the year ended June 30, 2022 to the year ended June 30, 2021**

The current presentation is in line with the Company management's monthly reporting of the Group's results and performance presented to the Board of Directors. For the financial year ended June 30, 2022, the Company reports a total comprehensive loss of A\$7,103,134 (2021: A\$7,115,087).

## **Revenues from operations**

During the 2022 financial year, the Company's consolidated gross revenues from continuing operations, excluding other revenue, increased by A\$6,674,262 (5,536%) from A\$120,554 to A\$6,794,816 when compared to previous year. The increase in revenue is mainly due to sales of EasyDNA direct-to-consumer genetic tests following the acquisition of the EasyDNA business on August 13th, 2021.

## **Finance income**

Finance income decreased by A\$26,138 (42%) from A\$62,394 to A\$36,256 when compared to the previous year. The decrease was due to the reduction in cash balances as at year-end of A\$11,731,325 as compared to A\$20,902,282 in the prior year.

## **Other income**

Other income mainly consists of research and development tax incentive refund received from the Australian Taxation Office. The Research and development tax incentive refund (or "R&D tax credit") increased by 140% from A\$997,908 to A\$2,397,552 when compared to the previous year. The R&D tax credit is recognized on an accruals basis when realizable. The higher R&D tax credit was due to increased expenditure on the R&D activities. The increase was offset by reduction in Government grants income for COVID-19 relief received in prior year amounting to A\$287,883. The increase was also attributable to foreign currency gains amounting to A\$359,884 as compared to A\$57,899 in the prior year, as a result of a weakening of the Australian dollar against the United States Dollar during the financial year.

## **Raw materials and changes in inventory**

The Company's raw materials and changes in inventory costs increased by A\$2,843,077 (1,668%) from A\$170,457 in the previous financial year to A\$3,013,534 in the current financial year. Direct materials utilized for geneType for breast and colorectal cancer as well as EasyDNA direct-to-consumer genetic testing products, increased by A\$2,867,386 (2,473%) from A\$115,934 to A\$2,983,320 due to an increased number of tests conducted during the year. There was a decrease in inventories written-off by A\$24,309 to A\$30,214 in the current financial year when compared to A\$54,523 in the previous financial year.

The EasyDNA and geneType/Corporate segments contributed A\$2,951,815 and A\$61,719, respectively of the total cost of sales in the 2022 financial year. The EasyDNA business incurred the majority of the costs in line with the sale of genetic tests since its acquisition in August 2021.

## **Commissions**

Commissions were A\$156,625 for the 2022 financial year, no commissions expenditure was recorded for the comparative period. Commissions paid were in respect to agency sales for EasyDNA.

### **Employee benefits expenses**

Employee benefits expense increased by A\$2,000,324 (52%) to A\$5,868,655 during the 2022 financial year when compared to A\$3,868,331 in the previous financial year. The increase is mainly related to the increase in number of employees from 18 to 52 as a result of the acquisition of the EasyDNA business during the year.

### **Advertising and promotional expenses**

Advertising and promotional expenses increased by A\$1,449,128 (332%) from A\$436,274 to A\$1,885,402 when compared to the previous year. The major movement during the year related to pay-per-click advertising costs incurred of A\$987,460 (2021: Nil) for the EasyDNA business. Additionally, other marketing costs increased to A\$675,493 for the 2022 financial year against A\$310,960 in the prior year as the Company launched the geneType branded genetic tests for breast and colorectal cancer in the Australian and US markets.

### **Professional fees**

Professional fees increased by A\$374,043 (26%) from A\$1,461,401 to A\$1,835,444 when compared to the previous year. The increase was mainly related to the increase in consulting fees by A\$410,549 to A\$994,275 during the 2022 financial year when compared to A\$583,726 in the previous financial year.

### **Research and development expenses**

Laboratory, research and development costs decreased by A\$460,024 (39%) from A\$1,165,531 to A\$705,507 when compared to the previous year. Laboratory, research and development costs increased as the Company continued development, and accelerated commercialization of its pipeline of the new PRS tests for a range of human disease types. Also under development are a suite of gene-panel tests for a range of hereditary cancers. The research and development activities cover the following diseases: breast cancer, colorectal cancer, prostate cancer, ovarian cancer, melanoma, Type-2-diabetes, coronary artery disease, atrial fibrillation, and COVID severity.

### **Depreciation and amortization**

Depreciation and amortization expense attributable to the laboratory testing equipment and other intangible assets increased by A\$192,391 (50%) from A\$386,277 to A\$578,668 in 2022 financial year due to the purchase of laboratory equipment.

### **Impairment expenses**

Impairment expenses increased by A\$532,113 (1660%) to A\$564,161 during the financial year when compared to A\$32,048 in the previous financial year. Impairment expense was a result of management's judgement on the collectability of debtor balances outstanding as at June 30, 2022.

### **Other expenses**

Other expenses increased by A\$870,504 (68%) to A\$2,154,375 during the financial year when compared to A\$1,283,871 in the previous financial year. The increase mainly related to an increase in buildings and facilities expenses such as country office charges (A\$226,827), service charges (A\$116,752) and credit card merchant charges (A\$253,098) attributable to EasyDNA sales.

### **Finance costs**

Finance costs decreased by A\$1,123 (7%) from A\$16,338 to A\$15,215 when compared to the previous year. Finance costs incurred in 2022 and 2021 were primarily lease interest charges.

### **Income tax credit/(expense)**

Income tax credit recognized during the 2022 financial year related to reversal of deferred tax liabilities arising from the acquisition of EasyDNA's brands and other intangible assets. No tax impact was recorded in the 2021 financial year.

## **Australian Disclosure Requirements**

### **Significant Changes in the State of Affairs**

There have been no significant changes within the state of affairs during the year ended June 30, 2023 except as noted in the “Important Corporate Developments” section included in Item 4.A.

### **Likely Developments and Expected Results of Operations**

At the date of the Directors' Report there no other matters not already disclosed within the Company's Directors' Report and financial statements, and related notes, for the 2023 financial year.

### **Environmental Regulations**

Our operations are not subject to any significant environmental regulations under either Commonwealth of Australia or State/Territory legislation. We consider that adequate systems are in place to manage our obligations and are not aware of any breach of environmental requirements pertaining to us.

## **Item 5.B Liquidity and Capital Resources**

### **Summary**

Since inception, the Company's operations have been financed primarily from capital contributions by our stockholders, proceeds from our licensing activities and revenues from operations, grants, and interest earned on the Company's cash and cash equivalents.

Currently the Company's overall cash position depends on completion of its research and development activities, overall market acceptance of, and revenue generated by, its new genetic testing products. The Company's cash and cash equivalents were A\$7,851,197 as of June 30, 2023.

During the years ended June 30, 2023, 2022 and 2021 the Company incurred total comprehensive losses of A\$11,650,334, A\$7,103,134 and A\$7,115,087, respectively.

During the years ended June 30, 2023, 2022 and 2021 the Company's net cash flows used in continuing operations were A\$9,723,095, A\$5,659,456 and A\$6,295,929, respectively.

The Company will continue to bring its comprehensive suite of risk assessment tests and direct to consumer portfolio to major global markets across global markets. The Company can also expand and upgrade the laboratory to incorporate next generation sequencing and high-density SNP arrays. These will allow-for the first time-risk assessments for 100 per cent of a person's genomic risk, including monogenic, polygenic, clinical risk factors, and family history.

**Going Concern.** For the year ended June 30, 2023, the Company incurred a total comprehensive loss of A\$11,650,334 (2022: A\$7,103,134) and net cash outflow from operations of A\$9,723,095 (2022: A\$5,659,456). As at June 30, 2023, the Company held total cash and cash equivalents of A\$7,851,197 and total net current assets of A\$7,185,750.

The company expects to continue to incur losses and cash outflows for the foreseeable future as it continues to invest resources in research and development activities for geneType risk assessment tests and to invest in the commercialization activities for geneType, EasyDNA and AffinityDNA, via marketing, sales and distribution channels.

The continuing viability of the company and its ability to continue as a going concern, and meet its debts and commitments as they fall due, is dependent on the satisfactory completion of an equity raising forecast for the early part of the 2024 calendar year. The Company does not currently have binding commitments from any party to subscribe for shares and any raise will be subject to maintaining active listing on the NASDAQ exchange as well as compliance with the Group's obligations under ASX Listing Rule 7.1.

On July 17, 2023, the company received notification from The Nasdaq Stock Market LLC that it is not in compliance with the minimum bid price requirement of Nasdaq Listing Rule 5550(a)(2) for continued listing on the Nasdaq Capital Market, since the closing bid price for the company's American Depositary Shares (ADS) on the Nasdaq Capital Market was below US\$1.00 for 34 consecutive trading days.

The Notification has no immediate effect on the listing of the Company's ADS on the Nasdaq Capital Market. Under Nasdaq Listing Rule 5810(c)(3)(A), the company has a period of 180 calendar days from the date of Notification to regain compliance with the minimum bid requirement, during which time the ADS will continue to trade on the Nasdaq Capital Market. If at any time before January 15, 2024, the bid price of the ADS closes at or above US\$1.00 per ADS for a minimum of 10 consecutive business days, the Company will regain compliance with the Minimum Bid Requirement.

Re-compliance with the NASDAQ's minimum bid price requirement can be cured with positive business developments (announced to the market), leading to an increase in the ADS price to above US\$1 or a stock split. The company also has the option of applying for an extension of time, a further 180 days, to regain compliance. This development isn't expected to impede the company's ability to raise additional equity capital.

Due to the uncertainty surrounding the timing, quantum or the ability to raise additional equity, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Directors believe that the Company will be successful in its equity raising endeavours, and has a strong track record in this regard, and accordingly, have prepared the financial report on a going concern basis. As such no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

**Operating Activities.** The Company's net cash used in operating activities was A\$9,723,095, A\$5,659,456 and A\$6,295,929 for the years ended June 30, 2023, 2022 and 2021, respectively. Cash used in operating activities for each period consisted primarily of losses incurred in operations reduced by non-cash items such as impairment expenses, depreciation and amortization expenses, share based payments expenses, foreign exchange movements and unrealized profits and losses relating to investments. In approximate order of magnitude, cash outflows typically consist of staff-related costs, marketing expenses, service testing expenses, general and administrative expenses, legal/patent fees and research and development costs.

**Investing Activities.** The Company's net cash used in investing activities was A\$311,937, A\$3,461,163 and A\$748,706 for the years ended June 30, 2023, 2022 and 2021, respectively. During the year ended June 30, 2023 the Company paid A\$486,188 for the acquisition of the AffinityDNA business, representing the first tranche payment due under the acquisition agreement. During the 2022 financial year the Company made a cash payment contribution of A\$3,400,625 towards the acquisition of EasyDNA from General Genetics Corporation. The purchase of plant and equipment was A\$17,552, A\$63,926 and A\$748,706 in the past 3 financial years, respectively. There were no further significant capital expenditures for the years ended June 30, 2023, 2022 and 2021.

**Financing Activities.** The Company's net cash (used in)/from financing activities was A\$5,919,943, A\$(279,064), and A\$13,689,996 for the years ended June 30, 2023, 2022 and 2021, respectively. During the year ended June 30, 2023, the Company generated cash flows of A\$7,172,399 from the issue of Ordinary Shares less costs associated with the transactions of A\$851,624. There were no capital raising during the year ended June 30, 2022. During the 2021 financial year the Company raised equity capital which contributed A\$13,940,938 net of costs.

**Leases.** The Company has four property leases in place at June 30, 2023. These leases relate to the premises occupied by the Company in Fitzroy, Victoria, Australia and Slacks Creek, Queensland, Australia, by its U.S. subsidiary, geneType Inc. (formerly Phenogen Sciences Inc.), in Charlotte, North Carolina, U.S. and by its U.K. subsidiary, GeneType UK Limited in Hove, East Sussex, United Kingdom. The total rental charge in respect of the year ended June 30, 2023 was A\$233,634, A\$31,335, A\$19,724 and A\$25,206, respectively.

The future minimum lease payments in respect of the four leases that were in place and had remaining non-cancellable lease terms as of June 30, 2023 were A\$551,879.

#### Item 5.C Research and Development, Patents and Licenses, etc.

Our principal business industry is biotechnology, with a historical emphasis on genomics and genetics, the licensing of our non-coding patents, reduction to practice of our fetal cell patents and expansion of the related service testing business. Research and development expenditure as below is reflective of the intense focus by the scientific and laboratory team to develop and market a suite of world-leading predictive genetic tests.

The following table details historic R&D expenditure by project.

	2023 A\$	2022 A\$	2021 A\$
Polygenic Risk Testing	3,679,139	4,204,919	986,622
Total R&D expense	3,679,139	4,204,919	986,622
Other expenditure	18,973,214	12,572,667	7,833,906
<b>Total expenditure</b>	<b>22,652,353</b>	<b>16,777,586</b>	<b>8,820,528</b>
R&D as a % of total expenditure	16.7 %	25.1 %	11.19 %

## Item 5.D Trend Information

See Item 5.A. “Operating Results” and Item 5.B. “Liquidity and Capital Resources” above.

## Item 5.E Critical Accounting Estimates

Not applicable

## Item 6. Directors, Senior Management and Employees

(Start of the Remuneration Report (Audited) for Australian Disclosure Requirements)

The Genetic Technologies Limited Board of Directors (“the Board”) presents the 2022/2023 Remuneration Report, which has been prepared in accordance with the relevant Corporations Act 2001 and accounting standards requirements. The remuneration report sets out remuneration information for our company’s key management personnel (“KMP”) as defined in the International Accounting Standards 24 ‘Related Party Disclosures’ and the Australian Corporations Act 2001 for the financial year ended June 30, 2023. The remuneration report which complies with s300A of the Corporations Act 2001 has been audited as required by s308 (3C) of the Corporations Act 2001.

### Item 6.A Directors and Senior Management

The Directors of the Company as of the date of this Annual Report are:

#### **Mr. Peter Rubinstein**, BEc. LLB (*Independent Non-Executive and Chairman*)

Mr. Rubinstein was appointed to the Board on January 31, 2018 and appointed as Chairman in April 2020. He has over 20 years’ experience in early-stage technology commercialization through to public listings on the ASX. He is a lawyer, having worked at a large national firm prior to moving in-house at Montech, the commercial arm of Monash University.

Mr. Rubinstein has had significant exposure to the creation, launch and management of a diverse range of technology companies in biotech, digital payments and renewable energy. Mr. Rubinstein is also a Non-Executive Director of DigitalX Limited (ASX: DCC).

#### **Dr. Jerzy (George) Muchnicki**, MBBS (*Non-Independent Non-Executive*)

Dr. Muchnicki was appointed to the Board on January 31, 2018 and acted as Interim Chief Executive Officer from September 2019 till the appointment of Mr. Simon Morriss to the role. Dr. Muchnicki graduated from Monash University and has held positions in private practice for over 25 years and was Head of Student Health at The University of Melbourne. For the past 14 years, he has been involved in commercialization and funding R&D in the biotechnology sector from gene silencing to regenerative medicine.

Dr. Muchnicki brings with him strong commercial and medical skills, including broad interests in software development, blockchain and sustainable building materials. He is a co-founder and Non-Executive Director of Speed Panel Holdings a world leader in fire rated and acoustic wall solutions. He is also the co-founder of Candlebets, a software development company that is creating blockchain enabled platforms for the gaming industry.

#### **Dr. Lindsay Wakefield**, MBBS (*Independent Non-Executive*)

Dr. Wakefield was appointed to the Board on September 24, 2014. He started Safetech Pty Ltd in 1985 and over the next 25 years, Safetech became a force in the Australian material handling and lifting equipment market, designing and manufacturing a wide range of industrial products. In 1993, he left medicine to become the full-time CEO of Safetech. In 2006, Safetech was awarded the Telstra Australian National Business of the Year. In 2013, Safetech merged and ultimately acquired Tiemen Materials Handling.

Dr Wakefield continues as the CEO of Safetech. It is Australia's largest manufacturer and supplier of dock equipment, freight hoists and custom lifting solutions. Safetech employs approximately 100 people. Dr Wakefield has been a biotech investor for more than 20 years.

#### **Mr. Nick Burrows**, B.Com. FAICD, FCA, FGIA, FTIA, F Fin (*Independent Non-Executive*)

Mr. Burrows has over 30 years’ commercial experience and was appointed to the Board on September 1, 2019. He is a contemporary independent Non-Executive Director across the Listed, government and private sectors with significant expertise in corporate governance, and strategic, commercial, financial and risk management oversight, underpinned by his background as a chartered accountant.

Mr. Burrows was Chief Financial Officer and Company Secretary of Tassal Group Limited for 21 years from 1988 to 2009, and accordingly brings to the Board strong independent C-suite commercial experience and the benefits of an extensive and contemporary senior executive ASX200 listed entity background.

Mr. Burrows current and past Board and advisory portfolio encompasses listed and regulated entities, government business enterprises, state-owned and local government entities and authorities, large private/ family companies community organizations, membership-based bodies and Not-for-Profits.

Mr Burrows' expertise spans a raft of industry sectors encompassing water and sewerage, infrastructure, renewable energy, forestry, agribusiness, public transport, tourism and hospitality, education and the vocational education sector, aquaculture, civil engineering, construction, and finance and valuations.

Mr Burrows is a Fellow of the Australian Institute of Company Directors, Institute of Chartered Accountants Australia, Governance Institute of Australia Ltd, Taxation Institute of Australia and the Financial Services Institute of Australasia and is also a Chartered Accountant. Mr Burrows also served as National President of the Governance Institute of Australia in 2002 and served on their National Board for 6 years.

### **Senior Management**

The Company has a professional team of qualified and experienced personnel, including a number of research and development scientists and technicians. The Company currently has 60 full-time-equivalent employees in addition to the four Non-Executive Directors listed above.

#### **Mr. Simon Morriss, GAICD (Chief Executive Officer)**

Mr. Morriss was appointed as Chief Executive Officer on February 1, 2021 and brings over 20 years' experience within the Pharmaceutical, Healthcare and FMCG industries having held senior executive positions at Sanofi and Blackmores. He brings a wealth of experience in managing teams and successfully executing across sales, marketing and brand building.

Additionally, Mr. Morriss has been critical in leading commercialization across these industries and understands the unique pressures and opportunities. He has led companies through strategic adaptation to execution and will be driving Genetic Technologies commercialization strategy and continue to drive innovation across the business.

#### **Mr. Tony Di Pietro, BComm, CA, AGIA, MAICD (Company Secretary/Chief Financial Officer)**

Mr Tony Di Pietro was appointed Company Secretary & Chief Financial Officer November 28, 2022. Mr Di Pietro is a Chartered Accountant with significant corporate accounting experience, gained both in Australia and the UK. He holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia and is a member of the Australian Institute of Company Directors. Tony is a finance executive with extensive technical accounting, corporate tax, and company secretarial experience. Mr Di Pietro has held senior roles within the Biotechnology/MedTech industry for the past 20 years including INOVIQ Ltd (ASX:IIQ), BARD1 Life Sciences Ltd (ASX:BD1), Sienna Cancer Diagnostics Ltd (SDX), and Acrux Ltd (ASX:ACR). Tony played a significant role in the ASX listing of both Sienna and Acrux and the merger between Sienna and BARD1. He has also gained valuable experience in other industry sectors, employed by companies such as BHP Ltd, ExxonMobil Ltd, HSBC Ltd and Wilson Group.

#### **Dr. Richard Allman, PhD (Scientific Advisor, former Chief Scientific Officer)**

Dr. Allman joined the Company in December 2004 and was appointed as Scientific Director in December 2012 and Chief Scientific Officer in 2016. He has over 20 years of scientific and research experience in both the academic arena in the UK and the commercial sector in Australia. He has wide experience in research leadership, innovation management, and intellectual property strategy, covering oncology, diagnostics, and product development. Prior to entering the biotech sector, Dr. Allman's academic career encompassed oncology research, drug development, and assay design. Dr. Allman ceased full-time employment with the Company on October 6, 2022. Dr. Allman has continued his association with the Company as a consulting Scientific Advisor.

#### **Mr. Carl Stubbings (Chief Commercial Officer)**

Mr Stubbings joined the Company in 2021 and was appointed as Chief Commercial Officer on September 1, 2021. Mr Stubbings is an experienced senior leader in the biotechnology and diagnostics industry with a focus on commercialization, sales, marketing and business development.

He has considerable experience commercializing diagnostic products, both locally and globally. Based in the USA for 13 years, he served as Senior Vice President for Panbio USA Ltd and Vice-President of Sales and Marketing for Focus Diagnostics, a subsidiary of Quest Diagnostics (NASDAQ:DGX), one of the world's largest pathology laboratories.

In July 2012, Mr Stubbings moved back to Australia where he was appointed Chief Business Officer at Benitec Biopharma Limited (ASX: BLT, NASDAQ: BNTC). More recently he has assisted several Australian biotech companies with their commercialization strategies. These companies include BCAL Diagnostics, a start-up company developing a blood test for breast cancer, Minomic,

an Immuno Oncology company with a test for prostate cancer, and Biotron (ASX: BIT), a listed company that is developing and commercializing anti-viral small molecule therapies. In 2019 Mr Stubbings was appointed CEO and Managing Director of Sienna Cancer Diagnostics Ltd (ASX: SDX). In that role, he helped lead the successful merger between Sienna and BARD1 Life Sciences (ASX:BD1). Following the merger, Mr Stubbings was appointed Chief Operating Officer of the merged entity BARD1 Life Sciences.

Mr Stubbings has a Bachelor of Applied Science (Medical Technology) from the Queensland University of Technology.

**Mr. Kevin Camilleri** (*Chief Executive Officer of EasyDNA*)

Mr Camilleri joined the Company in 2021 and was appointed as Chief Executive Officer of EasyDNA on August 16, 2021. He was founder member of the EasyDNA brand in 2001 and grew the business over time into a leading international online provider of genetic testing services. A business graduate from the University of Bath in the UK, Mr. Camilleri has over the years accumulated a broad range of skills covering most aspects of business management including strategic, financial, organizational, operational and commercial skills. He brings to the company the ability to manage a cross-border organization in line with Genetic Technologies strategy for international expansion.

**Mr. Mike Tonroe, BSc, FCA, MAICD** (*former Company Secretary/Chief Financial Officer*)

Mr. Tonroe joined the company on June 15, 2021, resigning November 28, 2022. Mike has over 25 years of experience with private and listed companies in Australia, UK, US and Canada.

Mike held the role of Chief Financial Officer and Company Secretary at dual-listed Opthea and was Chief Financial Officer and Company Secretary at the Australian Synchrotron in Melbourne and he also has extensive accounting expertise having worked for both Deloitte and KPMG in the UK and Hong Kong.

Mr. Tonroe is a fellow of the Institute of Chartered Accountants in England and Wales, a member of the Australian Institute of Company Directors and holds a graduate degree in Business Studies from Buckingham University, UK.

**Item 6.B Compensation**

**Elements of compensation**

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the period ended June 30, 2023, or comparative period. The board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the Company’s strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

<b>Element</b>	<b>Purpose</b>	<b>Performance metrics</b>
Fixed annual remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil
Short-Term Incentive (STI)	Reward for in-year performance and retention	Company and individual performance goals
Long-Term Incentive (LTI)	Alignment to long-term shareholder value	Share price, capital raised, company and individual performance goals

**(i) Fixed annual remuneration (FR)**

**Objective**

The Remuneration Committee oversees the setting of fixed remuneration on an annual basis. The process consists of a review of Company, divisional and individual performance, relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The members of the Committee have access to external advice independent of Management.

## Structure

Fixed remuneration consists of some or all of the following components:

- base salary;
- non-monetary benefits, for example health insurance; and
- superannuation benefits, which includes employer contributions,

With the exception of the employer contributions to superannuation, Executives are given some flexibility to decide the composition of their total fixed remuneration and the allocation between cash and other benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost for the Company.

Fixed remuneration is reviewed annually with reference to individual performance, market benchmarks for individual roles and the overall financial performance of the Company. Any changes to the fixed remuneration of Executives are first approved by the Remuneration Committee.

All employee remuneration is evaluated on a regular basis using a set of variables and taking into account the addition of the statutory superannuation contribution. An assessment of existing base salaries is made annually using comparisons against independent market data which provides information on salaries and other benefits paid for comparable roles within the biotech and pharmaceutical industries, using third party salary survey data. Annual performance reviews with each employee are based on a rating system which is used to assess his or her eligibility for salary increases. Other qualitative factors, including the specialized knowledge and experience of the individual and the difficulty of replacing that person, are also taken into account when considering salary adjustments.

## Remuneration Committee membership

As at the date of this Report, the composition of the committee is as follows:

- Dr. Lindsay Wakefield – Chairman of the Committee
- Mr. Nicholas Burrows (Member)
- Mr. Peter Rubinstein (Member)

## (ii) Short-Term Incentives (STI)

Short Term Incentive (STI) is an annual plan that applies to Executives and other senior employees that is based on the performance of both the Company and the individual during a given financial year. STI ranges vary depending on the role, responsibilities and deliverables achieved by each individual. Actual STI payments granted to the relevant employee will depend on the extent to which the pre-agreed specific targets are met within a financial year. Specific targets are quantifiable with the agreed method of measurement defined at the beginning of the financial year. The ongoing performance of the Executive or senior employee is evaluated regularly during the performance cycle.

Company objectives, and their relative weighting, vary depending on the position and responsibility of the respective individual, but in respect of the year ended June 30, 2023 include, amongst other things, the achievement of:

- achieving targets for cost reduction or efficiency gains;
- contributing to business growth and expansion; and
- performance or the delivery of results which exceed agreed targets.

These measures are chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long term value. Personal and operating objectives vary according to the role and responsibility of the Executive and include objectives such as service delivery to customers, project delivery, compliance outcomes, intellectual property management and various staff management and leadership objectives.

Achievement of an individual's targets or objectives is documented and assessed by both the individual and his or her direct manager. The individual will participate in an annual performance review and must provide evidence of the objectives that he or she has delivered during the period under review. Each objective is then rated on an achievement scale. Depending on the aggregate of the ratings, the individual may be eligible to receive an STI payment.

STI payments, if any, are generally paid in August or September of each year subject to the completion of the performance review process and the receipt of a satisfactory rating. The Remuneration Committee conducts this process in the case of the CEO. During the financial year ended June 30, 2023, no Short-Term Incentive payments were made to Executives and other senior employees.

**(iii) Long-Term Incentives (LTI)**

The objective of the Company’s LTI arrangements is to reward Executives and senior employees in a manner that aligns their remuneration with the creation of shareholder wealth. As such, significant LTI grants are generally only made to Executives who are able to influence the generation of shareholder wealth and have an impact on the Company’s long-term profitability. There are share price targets to be met before performance rights vest in respect of the LTI grants made to Executives. Options with a vesting period also serve as a retention tool and may reduce the likelihood of high performing Executives and senior employees being targeted by other companies.

Long Term Incentive (LTI) grants to Executives and senior employees are delivered in the form of options over unissued ordinary shares in the Company which are granted under the terms and conditions of the Company’s Employee Option Plan. Selected Executives who contribute significantly to the long-term profitability of the Company are invited to participate in the Employee Option Plan. The remuneration value of these grants varies and is determined with reference to the nature of the individual’s role, as well as his or her individual potential and specific performance.

In cases where an Executive ceases employment prior to the vesting of his or her options, the options are forfeited after a prescribed period if they have not been exercised. The prescribed period ranges from two to six months, depending on the circumstances under which they left the Company, e.g. resignation, retirement, termination or death. In the event of a change of control of the Company, the performance period end date will be brought forward to the date of the change of control and awards will vest over this shortened period.

**Link between remuneration and performance**

**Statutory performance indicators**

The Company aims to align executive remuneration to the Company’s strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Company’s financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2023	2022	2021	2020	2019
Loss for the year attributable to owners (A\$)	11,750,923	7,130,998	7,077,619	6,294,775	6,425,604
Basic earnings per share (cents)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Share price at year end (A\$)	0.003	0.003	0.009	0.005	0.006

The Company’s earnings have remained negative since inception due to the nature of the business. Shareholder wealth reflects this speculative and volatile market sector. No dividends have ever been declared by the Company. The Company will continue its research and development activities, leading to an expansion of its intellectual property portfolio, as well as continued growth of product revenues from its three key brands; geneType, EasyDNA and AffinityDNA. The overall objective is to achieve key development and commercial milestones in order to add further shareholder value.

## Remuneration expenses

Details of the nature and amount of each major element of the compensation of each director of the Company and each of the named officers of the Company and its subsidiaries, for services in all capacities during the financial year ended June 30, 2023 are listed below. All figures are stated in Australian dollars (A\$).

Name and title	Year	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments Equity	Percentage (%)		
		Salary/fees A\$	STI <sup>#</sup> A\$	Other** A\$	Superannuation*** A\$	**** A\$	***** A\$	Totals A\$	Fixed Rem.	Variable Rem.
<b>Non-Executive Directors</b>										
Dr. Lindsay Wakefield	2023	67,462	-	-	7,084	-	-	74,546	100	-
Mr. Peter Rubinstein	2023	154,769	-	-	9,951	-	-	164,720	100	-
Mr. Nicholas Burrows	2023	67,462	-	-	7,084	-	-	74,546	100	-
<b>Non-Independent Non-Executive Director</b>										
Dr. Jerzy Muchnicki	2023	58,330	-	-	6,125	-	-	64,455	100	-
<b>Management</b>										
Dr. Richard Allman	2023	48,162	21,707	3,007	7,336	7,071	-	87,283	75	25
Mr. Mike Tonroe <sup>(3)</sup>	2023	63,584	17,031	4,192	6,444	-	-	91,251	81	19
Mr. Simon Morriss <sup>(2)</sup>	2023	330,565	24,188	13,985	25,375	2,285	191,346	587,744	63	37
Mr. Tony Di Pietro <sup>(6)</sup>	2023	158,958	-	10,131	15,028	313	-	184,430	100	-
Mr. Carl Stubbings <sup>(4)</sup>	2023	223,444	14,205	(1,335)	24,953	1,309	34,368	296,944	84	16
Mr. Kevin Camilleri <sup>(5)</sup>	2023	233,276	14,725	1,276	4,131	-	27,739	281,147	85	15
<b>Totals</b>	2023	1,406,012	91,856	31,256	113,511	10,978	253,453	1,907,066	82	18

Referencing the table above:

<sup>#</sup> Represents the payment of short-term incentives for the 2022 financial year, no short-term incentive was payable for the 2023 financial year

\*\* Other includes movement in Annual Leave component

\*\*\* Post-employment benefits as per Corporations Regulation 2M.3.03 (1) Item 7

\*\*\*\* Other long-term benefits as per Corporations Regulation 2M.3.03 (1) Item 8

\*\*\*\*\* Equity settled share-based payments as per Corporations Regulation 2M.3.03 (1) Item 11

Details of the nature and amount of each major element of the compensation of each director of the Company and each of the named officers of the Company and its subsidiaries, for services in all capacities during the financial year ended June 30, 2022 are listed below. All figures are stated in Australian dollars (A\$).

Name and title	Year	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments Equity	Totals	Percentage (%)	
		Salary/fees	STI*	Other**	Superannuation***	****	*****		Fixed Rem.	Variable Rem.
Non-Executive Directors		A\$	A\$	A\$	A\$	A\$	A\$	A\$		
Dr. Lindsay Wakefield	2022	67,462	-	-	6,746	-	4,010	78,218	95	5
Mr. Peter Rubinstein	2022	154,769	-	-	9,477	-	5,347	169,593	97	3
Mr. Nicholas Burrows	2022	67,462	-	-	6,746	-	-	74,208	100	-
<b>Non-Independent Non-Executive Director</b>										
Dr. Jerzy Muchnicki	2022	145,117	-	-	8,194	-	6,684	159,995	96	4
<b>Management</b>										
Dr. Richard Allman	2022	195,365	-	8,683	17,366	3,231	-	224,645	100	0
Mr. Mike Tonroe <sup>(3)</sup>	2022	289,531	-	10,400	27,500	472	101,043	428,946	76	24
Mr. Simon Morriss <sup>(2)</sup>	2022	346,688	43,750	18,606	27,500	780	191,346	628,670	63	37
Mr. Stanley Sack <sup>(1)</sup>	2022	107,188	-	-	-	-	35,438	142,626	75	25
Mr. Carl Stubbings <sup>(4)</sup>	2022	201,850	-	3,205	18,765	314	26,459	250,593	89	11
Mr. Kevin Camilleri <sup>(5)</sup>	2022	211,982	-	22,355	3,528	-	16,719	254,584	93	7
<b>Totals</b>	2022	1,787,414	43,750	63,249	125,822	4,797	387,046	2,412,078		

Referencing the table above:

\* Represents the payment of short-term incentives for the 2021 financial year

\*\* Other includes movement in Annual Leave component

\*\*\* Post-employment benefits as per Corporations Regulation 2M.3.03 (1) Item 7

\*\*\*\* Other long-term benefits as per Corporations Regulation 2M.3.03 (1) Item 8

\*\*\*\*\* Equity settled share-based payments as per Corporations Regulation 2M.3.03 (1) Item 11

Notes pertaining to changes during the year:

During the financial year ended June 30, 2020, the Board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein's associate entity, ValueAdmin.com Pty Ltd, and amounted to A\$60,000 for the year ended June 30, 2023 (2022: A\$60,000).

<sup>(1)</sup> Mr. Sack was appointed as Chief Operating Officer (COO) on May 18, 2020. He resigned on April 30, 2022.

<sup>(2)</sup> Mr. Morriss was appointed as Chief Executive Officer (CEO) on February 1, 2021.

<sup>(3)</sup> Mr. Tonroe was appointed as Chief Financial Officer (CFO) on June 15, 2021. He resigned on November 28, 2022.

<sup>(4)</sup> Mr. Stubbings was appointed as Chief Commercial Officer (CCO) on September 1, 2021.

<sup>(5)</sup> Mr. Camilleri was appointed as Chief Executive Officer of EasyDNA on August 16, 2021.

<sup>(6)</sup> Mr Di Pietro was appointed as Company Secretary & Chief Financial Officer on November 28, 2022.

## Contractual agreements with the directors and other key management personnel

**Name:** Dr. Jerzy Muchnicki  
**Position:** Non-Independent Non-Executive Director  
**Fixed remuneration:** A\$64,455 (inclusive of superannuation)

**Name:** Mr. Peter Rubinstein  
**Position:** Non-Executive Director and Chairman  
**Fixed remuneration:** A\$104,720 (inclusive of superannuation)  
**Consulting fee:** A\$60,000 (excluding GST)

**Name:** Dr. Lindsay Wakefield  
**Position:** Non-Executive Director  
**Fixed remuneration:** A\$74,546 (inclusive of superannuation)

**Name:** Mr. Nicholas Burrows  
**Position:** Non-Executive Director  
**Fixed remuneration:** A\$74,546 (inclusive of superannuation)

**Name:** Mr. Simon Morriss  
**Position:** Chief Executive Officer  
**Fixed remuneration:** A\$365,274 (inclusive of superannuation)

**Name:** Mr. Mike Tonroe  
**Position:** former Chief Financial Officer  
**Fixed remuneration:** A\$300,000 (inclusive of superannuation)

**Name:** Mr. Tony Di Pietro  
**Position:** Company Secretary & Chief Financial Officer  
**Fixed remuneration:** A\$300,000 (inclusive of superannuation)

**Name:** Dr. Richard Allman  
**Position:** Chief Scientific Officer until October 6,2022/Scientific Advisor (Consultant)  
**Fixed remuneration:** A\$200,530 (inclusive of superannuation) when employed as Chief Scientific Officer/  
Remains on call and invoices the company for his time on a project by project basis.

**Name:** Mr. Carl Stubbings  
**Position:** Chief Commercial Officer  
**Fixed remuneration:** A\$257,415 (inclusive of superannuation)

**Name:** Mr. Kevin Camilleri  
**Position:** Chief Executive Officer, EasyDNA  
**Fixed remuneration:** A\$233,276

## **Key Terms and Conditions:**

The key provisions contained in the agreements of the directors of the Company include the following:

- The Company does not have a set tenure for directors, and under the Corporations Act 2001 and the Constitution, the directorship can cease under prescribed circumstances (example, bankruptcy, conviction of an offence). In addition, the director may resign by providing notice in writing at any time.
- No form of remuneration linked to short term incentives has been issued to any of the directors.
- The following are the key provisions contained in the agreements of the other Key Management Personnel:

### **Mr. Simon Morriss**

- Genetic Technologies or Mr. Morriss may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Morriss shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 24 months after the employment ends. Mr. Morriss is also prevented from soliciting Genetic Technologies employees' customers or suppliers to cease employment or conducting business with the Company.
- Mr. Morriss' CEO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

### **Mr. Mike Tonroe (resigned on November 28, 2022)**

- Genetic Technologies or Mr. Tonroe may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Tonroe shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 24 months after the employment ends. Mr. Tonroe is also prevented from soliciting Genetic Technologies employees' customers or suppliers to cease employment or conducting business with the Company.
- Mr. Tonroe's CFO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

### **Mr. Tony Di Pietro (appointed November 28, 2022)**

- Genetic Technologies or Mr. Di Pietro may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Di Pietro shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 24 months after the employment ends. Mr. Di Pietro is also prevented from soliciting Genetic Technologies employees' customers or suppliers to cease employment or conducting business with the Company.
- Mr. Di Pietro's CFO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

### **Dr. Richard Allman**

- Towards termination, the agreement states that the Company or the employee may terminate at any time by providing a 30-day notice to the other party or the agreement will be terminated on the expiration of that notice.
- On termination of this agreement the Company will pay the employee the salary package due up to and including the date of termination.

### **Mr. Carl Stubbings**

- Genetic Technologies or Mr. Stubbings may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Stubbings shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 24 months after the employment ends. Mr. Stubbings is also prevented from soliciting Genetic Technologies employees' customers or suppliers to cease employment or conducting business with the Company.

- Mr. Stubbings’s CCO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

#### Mr. Kevin Camilleri

- Genetic Technologies or Mr. Camilleri may terminate the employment agreement by providing two weeks written notice within the first six months of employment. Thereafter the notice period is 4 months written notice. Genetic Technologies may, at its own election, make payment in lieu of notice.
- Mr. Camilleri shall be subject to restrictions on competing with Genetic Technologies Limited and its related bodies corporate during the employment and for a period of up to 12 months after the employment ends. Mr. Camilleri is also prevented from soliciting Genetic Technologies employees’ customers or suppliers to cease employment or conducting business with the Company.
- Mr. Camilleri’s EasyDNA CEO employment agreement otherwise contains standard terms and conditions for agreements of its nature, including confidentiality, retention of intellectual property and leave.

The details of those Executives nominated as Key Management Personnel under section 300A of the *Corporations Act 2001* have been disclosed in this Report. No other employees of the Company meet the definition of “Key Management Personnel” as defined in *IAS 24 Related Party Disclosures*, or “senior manager” as defined in the *Corporations Act 2001*.

Executive officers are those officers who were involved during the year in the strategic direction, general management or control of the business at a company or operating division level. The remuneration paid to Executives is set with reference to prevailing market levels and comprises a fixed salary, short-term incentives (which are linked to agreed key performance indicators), and an option or performance share component (long term incentive). Options/Performance shares are granted to Executives in line with their respective levels of experience and responsibility.

#### Share Based Payments

##### Option holdings and details of options exercised, granted, and forfeited, as part of remuneration

No options were issued under employee incentive scheme during the financial year ended June 30, 2023 and June 30, 2022. On December 21, 2020, the Company issued 5,000,000 options to Executives and 7,850,000 to other employees, under an employee incentive scheme. The options have an exercise price of A\$0.008 (0.8 cents) per option and expire on December 1, 2023. During the financial year ending June 30, 2023 250,000,000 options lapsed due to expiry (2022: 10,000,000, 2021: 5,000,000). No options were exercised during the financial years ending June 30, 2023, 2022 and 2021.

Details of the options held by the Executives and Directors nominated as Key Management Personnel at the year ended June 30, 2023 are set out below.

##### Option holdings of Key Management Personnel June 30, 2023

Options	Balance at start of the year	Granted as remuneration	Granted as part of cost of capital	Exercised	Lapsed	Balance at end of the year	Vested and exercisable
Dr. Lindsay Wakefield	-	-	-	-	-	-	-
Mr. Peter Rubinstein	125,000,000	-	-	-	(125,000,000)	-	-
Dr. Jerzy Muchnicki	125,000,000	-	-	-	(125,000,000)	-	-
Dr. Richard Allman	5,000,000	-	-	-	-	5,000,000	5,000,000
Mr. Stanley Sack	-	-	-	-	-	-	-
Mr. Mike Tonroe	-	-	-	-	-	-	-
Mr. Carl Stubbings	-	-	-	-	-	-	-
Mr. Kevin Camilleri	-	-	-	-	-	-	-
<b>Total</b>	<b>255,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(250,000,000)</b>	<b>5,000,000</b>	<b>5,000,000</b>

The Company introduced a Staff Share Plan on November 30, 2001. On November 19, 2008, the shareholders of the Company approved the introduction of a new Employee Option Plan. Collectively, these Plans establish the eligibility of our employees and those of any subsidiaries, and of consultants and independent contractors to a participating company who are declared by the Board to be eligible, to participate. Broadly speaking, the respective Plans permits us, at the discretion of the Board, to issue traditional options (with an exercise price). The Plans conform to the IFSA Executive Share and Option Scheme Guidelines and, where participation is to be made available to staff who reside outside Australia, there may have to be modifications to the terms of grant to meet or better comply with local laws or practice.

As of June 30, 2023, there was one executive and 7 employees who held options that had been granted under the Company's respective option plans. Options issued under the Plan carry no rights to dividends and no voting rights.

As of the date of this Annual Report, there was a total of 8,000,000 unlisted employee options outstanding.

Options granted under the Employee Option Plan carry no rights to dividends and no voting rights and generally have an expiry date of five years from the date of the offer to grant options.

During the year ended June 30, 2023, the Company did not record a share-based payments expense in respect of the options granted (2022: Nil).

The following is additional information relating to the options granted under the Employee Share Option Plan as of June 30, 2023:

Range of exercise prices	Options outstanding			Options exercisable	
	Number of options	Weighted average exercise price A\$	Remaining weighted average contractual life (years)	Number of options	Weighted average exercise price A\$
A\$0.008	8,400,000	0.008	0.42	8,400,000	0.008

#### Unlisted performance rights holdings and details of performance rights exercised, granted, and forfeited, as part of remuneration

Performance Rights are not currently quoted on the ASX and as such have no ready market value. The Performance Rights each grant the holder a right of grant of one ordinary Share in the Company upon vesting of the Performance Rights for nil consideration. Accordingly, the Performance Rights may have a present value at the date of their grant. Various factors impact upon the value of Performance Rights including:

- the period outstanding before the expiry date of the Performance Rights;
- the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon conversion of the Performance Rights into Shares (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest); and
- the value of the shares into which the Performance Rights may be converted.

Key management personnel, being the recipients of the performance rights, must remain employed by the Company for the relevant performance right to vest.

No new performance rights were issued during the financial year. (2022: 80,000,000). The performance rights issued to Mr Michael Tonroe, 40,000,000, in the prior financial year lapsed upon his resignation in November 2022 (2022: 15,000,000). No performance rights were exercised during the financial year (2022: 3,937,500).

#### Valuation of performance rights granted in the year ended June 30, 2022

During the year ended June 30, 2022, the Board has approved for the following Performance Rights to be issued to the Key Management Personnel below:

- 40,000,000 Performance Rights to Mr. Michael Tonroe
- 20,000,000 Performance Rights to Mr. Carl Stubbings
- 20,000,000 Performance Rights to Mr. Kevin Camilleri

## Performance hurdles

Key management personnel, being the recipients of the performance rights, must remain engaged by the Company at the time of satisfaction of the performance hurdle in order for the relevant Performance Right to vest.

The performance rights for key management personnel vest and are exercisable upon the Share price reaching A\$0.016 while or greater for more than 15-day consecutive ASX trading days.

There are various formulae which can be applied to determining the theoretical value of performance rights (including the formula known as the Black-Scholes Model valuation formula and the Binomial model).

The Company commissioned an independent valuation of these performance rights. The independent valuer has applied the Binomial model in providing the valuation of the performance rights.

Inherent in the application of the Binomial model are a number of inputs, some of which must be assumed. The data relied upon in applying the Binomial model was:

- exercise price being 0.0 cents per Performance Right for all classes;
- VWAP hurdle for key management personnel (15 days consecutive share price hurdle) equaling A\$0.016 for Performance Rights;
- sales and market cap hurdles as listed above for Performance Rights;
- the continuously compounded risk-free rate is as per table below (calculated based on yield of Australian government bonds, as at the grant dates for a 2 or 3 year period matching the expected life of Performance Rights);
- the expected option life of 3 years for key management personnel and 2 years for others; and
- a volatility measure between 149% to 161%.

Based on the independent valuation of the performance rights, the Company agrees that the total value of these performance rights to be issued to each member of key management personnel (depending on the share price at issue) is as follows:

### *Performance rights issued during prior year, vested during the year*

	Number of Performance Rights issued	Valuation (cents)	Total fair value of Performance Rights A\$	Expense accounted for in 2022 A\$	Expense accounted for during the year A\$
Mr. Carl Stubbings	20,000,000	0.52	103,104	26,459	34,368
Mr. Kevin Camilleri	20,000,000	0.42	83,216	16,719	27,739
<b>Total</b>	<b>40,000,000</b>		<b>186,320</b>	<b>43,178</b>	<b>62,107</b>

### *Performance rights issued during prior year, lapsed during the financial year ending June30, 2023*

	Number of Performance Rights issued	Valuation (cents)	Total fair value of Performance Rights A\$	Expense accounted for in 2022 A\$	Expense accounted for during the year A\$
Mr. Michael Tonroe	40,000,000	0.73	291,428	101,043	-
<b>Total</b>	<b>40,000,000</b>		<b>291,428</b>	<b>101,043</b>	<b>-</b>

### Valuation of performance rights granted in prior years

Based on the independent valuation of the performance rights, the Company agrees that the total value of the outstanding performance rights issued to key management personnel (depending on the share price at issue) is as follows:

## Valuation of Class A Performance Rights granted prior to the year ended June 30, 2022

### Performance hurdles

The Class A Performance Rights vest and are exercisable upon the Share price reaching A\$0.012 or greater for more than 10-day consecutive ASX trading days.

The Class B Performance Rights vest and are exercisable upon the Share price reaching A\$0.014 or greater for more than 10-day consecutive ASX trading days and sales commence on the Consumer Initiated Testing (CIT) platform in either Australia or the United States of America.

The Class C Performance Rights vest and are exercisable upon a minimum of 4,000 tests being processed in any 12-month period or the market cap of GTG reaching A\$100 million or above and being sustained for more than 10 consecutive ASX trading days, whichever happens sooner.

The Class D Performance Rights vest and are exercisable upon the Share price reaching A\$0.016 or greater for more than 15-day consecutive ASX trading days.

The Class E Performance Rights vest and are exercisable upon the first commercial sale of the Company's COVID-19 risk test with IBX (Infinity BioLogix).

The Company commissioned an independent valuation of these performance rights. The independent valuer has applied the Binomial model in providing the valuation of these performance rights. Inherent in the application of the Binomial model are a number of inputs, some of which must be assumed. The data relied upon in applying the Binomial model was:

- exercise price being 0.0 cents per Performance Right for all classes;
- VWAP hurdle (10 days consecutive share price hurdle) equaling A\$0.012 for Class A and A\$0.014 for Class B, and (15 days consecutive share price hurdle) equaling A\$0.016 for Class D Performance Rights;
- sales and market cap hurdles as listed above for Class C and Class E Performance Rights;
- the continuously compounded risk-free rate being 0.111% for all classes of Performance Rights (based on a 3 year Australian Government yield as at December 21, 2020);
- the expected option life of 2 years for Class E Performance Rights and 3 years for all other classes of Performance Rights; and
- a volatility measure of 158.23%.

The values calculated are set out below and are recognized as a share-based payment expense is included within general and administrative costs in the statement of profit or loss and other comprehensive income. Performance rights issued during prior years, lapse during the year

### Valuation of class A performance rights granted in prior years, and held by key management personnel at June 30, 2023

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights A\$	Expense accounted in 2021 A\$	Expense accounted for during the year A\$
Dr. Lindsay Wakefield	5,000,000	0.6702	33,512	33,512	-
Mr. Nicholas Burrows	5,000,000	0.6702	33,512	33,512	-
Dr. Jerzy Muchnicki	7,500,000	0.6702	50,268	50,268	-
Mr. Peter Rubinstein	7,500,000	0.6702	50,268	50,268	-
<b>Total</b>	<b>25,000,000</b>		<b>167,560</b>	<b>167,560</b>	<b>-</b>

Valuation of class B performance rights granted in prior years, and held by key management personnel at June 30, 2023

	Number of Performance Rights issued	Valuation per Class B (cents)	Total fair value of Class B Performance Rights A\$	Expense accounted in 2021 A\$	Expense accounted for during the year A\$
Dr. Jerzy Muchnicki	25,000,000	0.6646	166,158	166,158	-
Mr. Peter Rubinstein	25,000,000	0.6646	166,158	166,158	-
<b>Total</b>	<b>50,000,000</b>		<b>332,316</b>	<b>332,316</b>	<b>-</b>

Valuation of class C performance rights granted in prior years, and held by key management personnel at June 30, 2023

	Number of Performance Rights issued	Valuation per Class C (cents)	Total fair value of Class C Performance Rights A\$	Expense accounted in 2021 A\$	Expense accounted for during the year A\$
Dr. Jerzy Muchnicki	25,000,000	0.6702	167,541	-	-
Mr. Peter Rubinstein	25,000,000	0.6702	167,541	-	-
<b>Total</b>	<b>50,000,000</b>		<b>335,082</b>	<b>-</b>	<b>-</b>

Valuation of class D performance rights granted in prior years, and held by key management personnel at June 30, 2023

	Number of Performance Rights issued	Valuation per Class D (cents)	Total fair value of Class D Performance Rights A\$	Expense accounted in 2022 A\$	Expense accounted for during the year A\$
Mr Simon Morriss	60,000,000	0.96	574,037	191,346	191,346

Valuation of class E performance rights granted in prior years and exercised in the financial year ending June 30, 2022

	Number of Performance Rights issued	Valuation per Class E (cents)	Total fair value of Class E Performance Rights A\$	Expense accounted in 2021 A\$	Expense accounted for during the year A\$
Mr Stanley Sack	3,937,500	0.90	35,438	4,622	-

Class A performance rights issued in prior years, that lapsed during the financial year ending June 30, 2022

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights A\$	Expense accounted in 2022 A\$	Expense accounted for during the year A\$
Dr. Lindsay Wakefield	3,750,000	0.77	28,875	4,010	-
Dr. Jerzy Muchnicki	6,250,000	0.77	48,125	6,684	-
Mr. Peter Rubinstein	5,000,000	0.77	38,500	5,347	-
<b>Total</b>	<b>15,000,000</b>		<b>115,500</b>	<b>16,041</b>	<b>-</b>

The values calculated as set out above are recognized as a share-based payment expense is included within general and administrative costs in the statement of profit or loss and other comprehensive income for the relevant period.

The following is the reconciliation of Performance Rights for the year ended June 30, 2023 held by Key Management Personnel:

Performance Rights	Balance at start of the year	Granted as remuneration	Exercised	Lapsed/ Forfeited	Balance at the end of year
Dr. Lindsay Wakefield	5,000,000	-	-	-	5,000,000
Mr. Peter Rubinstein	57,500,000	-	-	-	57,500,000
Mr. Nicholas Burrows	5,000,000	-	-	-	5,000,000
Dr. Jerzy Muchnicki	57,500,000	-	-	-	57,500,000
Dr. Richard Allman	-	-	-	-	-
Mr. Tony Di Pietro	-	-	-	-	-
Mr. Mike Tonroe	40,000,000	-	-	(40,000,000)	-
Mr. Simon Morriss	60,000,000	-	-	-	60,000,000
Mr. Carl Stubbings	20,000,000	-	-	-	20,000,000
Mr. Kevin Camilleri	20,000,000	-	-	-	20,000,000
<b>Total</b>	<b>265,000,000</b>	<b>-</b>	<b>-</b>	<b>(40,000,000)</b>	<b>225,000,000</b>

#### Performance rights included in the balance at start of the financial year

The unlisted performance rights granted and outstanding as of June 30, 2023 are as follows:

	2023	Fair Value A\$	Expiration Date
<b>Director</b>			
Mr. Peter Rubinstein (Class A)	7,500,000	50,268	21-Dec-2023
Mr Nick Burrows (Class A)	5,000,000	33,512	21-Dec-2023
Dr. Jerzy Muchnicki (Class A)	7,500,000	50,268	21-Dec-2023
Mr. Lindsay Wakefield (Class A)	5,000,000	33,512	21-Dec-2023
Mr. Peter Rubinstein (Class B)	25,000,000	166,158	21-Dec-2023
Dr. Jerzy Muchnicki (Class B)	25,000,000	166,158	21-Dec-2023
Mr. Peter Rubinstein (Class C)	25,000,000	167,541	21-Dec-2023
Dr. Jerzy Muchnicki (Class C)	25,000,000	167,541	21-Dec-2023
Mr. Simon Morriss (Class D)	60,000,000	574,037	4-Feb-2024
Mr. Carl Stubbings	20,000,000	103,104	22-Sep-2024
Mr. Kevin Camilleri	20,000,000	83,216	22-Nov-2024
<b>Balance at the end of the financial year</b>	<b>225,000,000</b>	<b>1,595,315</b>	

The following is additional information relating to the performance rights granted, as of June 30, 2023:

Range of exercise prices	Performance rights outstanding			Performance rights exercisable	
	Number of Performance Rights	Weighted average exercise price AS	Remaining Weighted average contractual life (years)	Number of Perf. rights	Weighted average exercise price AS
A\$0.00 - A\$0.00	225,000,000	0.000	0.66	225,000,000	0.00

**Australian disclosure requirements: ordinary shares of Genetic Technologies Limited held by key management personnel at the date of this Directors' report are as follows:**

Ordinary Shares	Balance at start of the year <sup>1</sup>	Granted as remuneration	Received on exercised options	Other Changes <sup>2</sup>	Balance at the end of year
Dr. Lindsay Wakefield	9,418,104	-	-	-	9,418,104
Mr. Peter Rubinstein	308,132,009	-	-	-	308,132,009
Mr. Nicholas Burrows	1,670,000	-	-	-	1,670,000
Dr. Jerzy Muchnicki	263,085,885	-	-	(38,400,000)	224,685,885
Dr. Richard Allman	553,338	-	-	-	553,338
Mr. Tony Di Pietro	-	-	-	500,000	500,000
Mr. Mike Tonroe	-	-	-	-	-
Mr. Simon Morriss	-	-	-	-	-
Mr. Carl Stubbings	-	-	-	750,000	750,000
Mr. Kevin Camilleri	-	-	-	-	-
<b>Total</b>	<b>582,859,336</b>	<b>-</b>	<b>-</b>	<b>(37,150,000)</b>	<b>545,709,336</b>

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporate changes from acquisition and disposals of ordinary share transactions.

#### **Indemnification and Insurance with respect to Directors**

We are obligated pursuant to an indemnity agreement, to indemnify the current Directors and executive officers and former Directors against all liabilities to third parties that may arise from their position as Directors or officers of the Company and our controlled entities, except where to do so would be prohibited by law. In addition, the Company does currently carry insurance in respect of Directors' and officers' liabilities for current and former Directors, Company Secretary and executive officers or employees under certain circumstances as specified in the insurance policy.

#### **Loans to Key Management Personnel**

There have been no loans to KMP's during the financial year or prior financial year.

#### **Voting and comments at the Company's 2022 Annual General Meeting**

The Company received 84.49% of the vote in favor of its Remuneration Report for the 2022 financial year. The Company did not receive any specific feedback at the AGM on its remuneration policies.

(End of the Remuneration Report (Audited) for **Australian Disclosure Requirements**)

## **Other Australian Disclosure Requirements**

### **Auditor's Independence Declaration**

There were no former partners or directors of Grant Thornton Audit Pty Ltd, the Company's auditor, who were or were at any time during the financial year, an officer of the Company.

A copy of the auditor's independence declaration under Section 307C of the Corporations Act 2001 in relation to the audit for the year ended June 30, 2023 is included in Exhibit 15.4 of this annual report on Form 20-F.

### **Directors' resolution**

The components of our directors' report are incorporated in various places within this annual report on the Form 20-F. A table charting these components is included within 'Exhibit 15.3 Appendix 4E'.

This report is made in accordance with a resolution of directors.

*/s/ Peter Rubinstein*

Director

Melbourne

August 30, 2023

## Item 6.C Board Practices

### The Board of Directors

Under the Company's Constitution, its Board of Directors is required to comprise at least three Directors. As of the date of this Annual Report, our Board comprised four Directors.

The role of the Board includes:

- (a) Reviewing and making recommendations in remuneration packages and policies applicable to directors, senior executives and consultants.
- (b) Nomination of external auditors and reviewing the adequacy of external audit arrangements.
- (c) Establishing the overall internal control framework over financial reporting, quality and integrity of personnel and investment appraisal. In establishing an appropriate framework, the board recognized that no cost-effective internal control systems will preclude all errors and irregularities.
- (d) Establishing and maintaining appropriate ethical standards in dealings with business associates, suppliers, advisers and regulators, competitors, the community and other employees.
- (e) Identifying areas of significant business risk and implementing corrective action as soon as practicable after a risk is identified.
- (f) Nominating audit and remuneration committee members.

The Board meets to discuss business regularly throughout the year, with additional meetings being held when circumstances warrant. Included in the table below are details of the meetings of the Board and the sub-committees of the Board that were held during the 2023 financial year.

	Directors' meetings		Audit & Risk Committee meetings		Remuneration Committee meetings	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Dr. Lindsay Wakefield	11	12	6	6	3	3
Dr. Jerzy Muchnicki	9	12	-	-	-	-
Mr. Peter Rubinstein	12	12	6	6	3	3
Mr. Nicholas Burrows	12	12	6	6	3	3

### Committees of the Board

The Board has established an Audit & Risk Committee which operates under a specific Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the Audit & Risk Committee. The Audit & Risk Committee also provides the Board with assurance regarding the reliability of financial information for inclusion in the financial reports. As at date of this report, all of the members of the Audit & Risk Committee are independent Non-Executive Directors.

The Remuneration Committee is, amongst other things, responsible for determining and reviewing remuneration arrangements for the Directors, the Chief Executive Officer and the Senior Leadership Team. The Chairman of the Committee is an independent non-executive director.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration paid to Directors and Executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality Board and senior leadership team.

## Committee membership

As at the date of this Report, the composition of these two Sub-Committees are:

Audit & Risk Committee: Mr. Nicholas Burrows — Chairman of the Committee  
Mr. Peter Rubinstein  
Dr. Lindsay Wakefield

Remuneration Committee: Dr. Lindsay Wakefield — Chairman of the Committee  
Mr. Peter Rubinstein  
Mr. Nicholas Burrows

## Compliance with NASDAQ Rules

NASDAQ listing rules require that the Company disclose the home country practices that we will follow in lieu of compliance with NASDAQ corporate governance rules. The following describes the home country practices and the related NASDAQ rule:

Majority of Independent Directors: The Company follows home country practice rather than NASDAQ's requirement in Marketplace Rule 4350(c) (1) that the majority of the Board of each issuer be comprised of independent directors as defined in Marketplace Rule 4200. As of the date of this Annual Report, there were three independent Directors namely Mr. Nick Burrows, Mr. Peter Rubinstein and Dr. Lindsay Wakefield which led to our Board of Directors being comprised of a majority of independent directors.

Compensation of Officers: The Company follows home country practice rather than NASDAQ's requirement in Marketplace Rule 4350(c) (3) that chief executive compensation be determined or recommended to the Board by the majority of independent directors or a compensation committee of independent directors. Similarly, compensation of other officers is not determined or recommended to the Board by a majority of the independent directors or a compensation committee comprised solely of independent directors. These decisions are made by the Company's remuneration committee.

Nomination: The Company follows home country practice rather than NASDAQ's requirement in Marketplace Rule 4350(c) (4) that director nominees be selected or recommended by a majority of the independent directors or by a nominations committee comprised of independent directors. These decisions are made by the Company's full Board which is comprised of a majority of independent directors which constitute Mr. Nick Burrows, Mr. Peter Rubinstein, Dr. Jerzy Muchnicki and Dr. Lindsay Wakefield.

The ASX does not have a requirement that each listed issuer have a nominations committee or otherwise follow the procedures embodied in NASDAQ's Marketplace Rule. Furthermore, no law, rule or regulation of the ASIC has such a requirement nor does the applicable corporate law legislation. Accordingly, selections or recommendations of director nominees by a committee that is not comprised of a majority of directors that are not independent is not prohibited by the laws of Australia.

Quorum: The Company follows home country practice rather than NASDAQ's requirement in Marketplace Rule 4350(f) that each issuer provides for a quorum of at least 33 1/3 percent of the outstanding shares of the issuer's ordinary stock (voting stock). Pursuant to the Company's Constitution it is currently required to have a quorum for a general meeting of three persons. The practice followed by the Company is not prohibited by Australian law.

Shareholder Approval for Capital Issuance: The Company has elected to follow certain home country practices in lieu of NASDAQ Marketplace Rule 5635. For example, the Company is entitled to an annual 15% of capital placement capacity under ASX Listing Rule 7.1 without shareholder approval. If this amount of annual entitlement is aggregated with an additional placement of Ordinary Shares, including through the grant of options over Ordinary Shares, that exceeds 20% of the outstanding share capital, only the excess over the 15% annual allowance requires shareholder approval under Australian law. Such home country practice is not prohibited by the laws of Australia.

## Board diversity matrix

### Board Diversity Matrix (As of June 30, 2023)

Country of Principal Executive Offices	Australia			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Directors	4			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	-	4	-	-
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	1			
LGBTQ+	-			
Did Not Disclose Demographic Background	-			

As at 7th August 2023 the Company has less than 5 Directors and at that date does not have a diverse director on the Board. Accordingly, we are not in compliance with Nasdaq Rule 5605(f) as we did not meet the applicable board diversity objective by the end of the phase-in period on that date.

The Company's Directors acknowledge the importance of board diversity and this is considered as part of the Company's regular director skills assessment process. In considering the output from this skills assessment process, the Board has formally identified the need to address and prioritize Board diversity. Accordingly, one of the key People and Culture strategic pillar initiatives from the Company's current strategic plan, is to identify and appoint a suitable female director over the course of the financial year ended June 30, 2024. The Company's Remuneration Committee will oversee this process, consistent with its Charter, and will provide a formal recommendation to the Board.

### Item 6.D Employees

As of the date of this Annual Report, the Company comprising the Company and its subsidiaries, employed 60 full-time equivalent employees. The number of full-time equivalent employees as of the end of each respective financial year ended June 30 are as follows:

2023	60
2022	52
2021	18

### Item 6.E Share Ownership

The relevant interest of the directors in the share capital of the Company as notified by them to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001* as of the date of this Annual Report is as follows:

Director	Ordinary shares	Percent- age of Capital held
Dr. Lindsay Wakefield	9,418,104	0.10 %
Dr. Jerzy Muchnicki	224,685,885	2.85 %
Mr. Peter Rubinstein	308,132,009	3.34 %
Mr. Nicholas Burrows	1,670,000	0.02 %

## **Item 7. Major Shareholders and Related Party Transactions**

### **Item 7.A Major Shareholders**

As at the date of this Annual Report, no shareholders hold a beneficial ownership of 5% or more of our voting securities.

The number of Ordinary Shares on issue in Genetic Technologies Limited as of the date of this Annual Report was 11,541,658,143. The number of holders of Ordinary Shares in Genetic Technologies Limited as of the date of this Annual Report was approximately 4,846 (August 21, 2023).

The Company is not aware of any direct or indirect ownership or control of it by another corporation(s), by any foreign government or by any other natural or legal person(s) severally or jointly. Principal shareholders do not enjoy any special or different voting rights from those to which other holders of Ordinary Shares are entitled. The Company does not know of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

#### **Record Holders**

As of August 21, 2023, there were 4,846 holders of record of our ordinary shares, of which 33 record holders, holding approximately 0.02% of our ordinary shares, had registered addresses in the United States. These numbers are not representative of the number of beneficial holders of our shares nor are they representative of where such beneficial holders reside, since many of these ordinary shares were held of record by brokers or other nominees. The majority of trading by our U.S. investors is done by means of ADSs that are held of record by HSBC Custody Nominees (Australia) Ltd., which held 70.35% of our ordinary shares as of such date.

### **Item 7.B Related Party Transactions**

During the year ended June 30, 2023, 2022 and 2021, the only transactions between entities within the Company and other related parties occurred, are as listed below. Except where noted, all amounts were charged on similar to market terms and at commercial rates.

#### **Transactions within the Company and with other related parties**

During the year ended June 30, 2023, other than compensation paid to directors and other members of key management personnel, see "Item 6.B Compensation", the only transactions between entities within the Company and other related parties are as listed below. Except where noted, all amounts were charged on similar to market terms and at commercial rates.

#### **Mr. Phillip Hains (Former Chief Financial Officer)**

On July 15, 2019, the Company announced that it had appointed Mr. Phillip Hains (MBA, CA) as the Chief Financial Officer who has over 30 years of extensive experience in roles with a portfolio of ASX and NASDAQ listed companies and provides CFO services through his firm The CFO Solution. Prior to this point the Company had a similar arrangement with The CFO Solution, where it would engage and provide services of overall CFO, accounting and other finance related activities.

In the prior reporting period, the Company paid A\$91,615 to The CFO Solution towards provision of overall CFO, accounting and other finance related activities. During the reporting period, the Company did not transact with The CFO Solution.

#### **Mr. Stanley Sack (former Chief Operating Officer)**

On May 18, 2020, the Company appointed Mr. Stanley Sack who provides consulting in the capacity of Chief Operating Officer. Mr. Sack had spent 15 years in large listed entities in executive positions managing large business divisions. He has worked with a high-net-worth family managing all their operating businesses and private equity activities. Mr. Sack built an Allied Health Business in the aged care and community care space which became the biggest Mobile Allied Health Business in Australia, and was recently sold to a large medical insurance company.

During the reporting period, the Company had no transactions (2022: A\$107,188) with Mr. Stanley Sack's entity Cobben Investments Pty Ltd towards provision of consulting services in relation to provision of duties related to Chief Operating Officer of the Company.

#### **Mr. Peter Rubinstein (Non-Executive Director and Chairman)**

During the financial year ended June 30, 2020, the Board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive Director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein's associate entity ValueAdmin.com Pty Ltd and amounted to A\$60,000 (2022: A\$60,000), which is included as part of the cash salary and fees in the remuneration report as at June 30, 2023.

There were no transactions with parties related to Key Management Personnel during the year other than that disclosed above.

#### **Dr. Jerzy Muchnicki (Non-Independent Non-Executive Director)**

During the financial year ended June 30, 2022, the Board approved to obtain consulting services in relation to PRS and Germline Integration; Epigenetics; Somatic Testing; NIPT; Carrier testing and related marketing advice from its Non-Independent Non-Executive Director, Dr. Jerzy Muchnicki. The services procured were through Dr. Jerzy Muchnicki's private consultancy and amounted to A\$50,000 (2021: Nil) that is included as part of the cash salary and fees in the remuneration report as at June 30, 2022.

There were no transactions with parties related to Key Management Personnel during the year other than that disclosed above.

#### **Performance Rights Issuance**

After receiving another requisite shareholder approval on December 10, 2020, the Company issued additional 125,000,000 Performance Rights to Directors of the Company as follows:

- 5,000,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Jerzy Muchnicki
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Mr. Peter Rubinstein
- 5,000,000 Class A Performance Rights to Mr. Nicholas Burrows

During the year ended June 30, 2021, the Board has approved for the following Performance Rights to be issued to the Chief Executive Officer and Chief Operating Officer:

- 60,000,000 Class D Performance Rights to Mr. Simon Morriss
- 3,937,500 Class E Performance Rights to Mr. Stanley Sack

During the year ended June 30, 2022 the Board has approved for the following Performance Rights to be issued to the Key Management Personnel below:

- 40,000,000 Performance Rights to Mr. Michael Tonroe
- 20,000,000 Performance Rights to Mr. Carl Stubbings
- 20,000,000 Performance Rights to Mr. Kevin Camilleri

The Company has accounted for these Performance Rights in accordance with its accounting policy for share-based payment transactions, recording A\$125,500 (2022: A\$437,508, 2021: A\$622,725) of associated expense in the current reporting period. During the financial year ending June 30, 2023 the Performances Rights issued to Mr. Michael Tonroe were forfeit as Mr. Tonroe resigned from his position as CFO.

#### **Item 7.C Interests of Experts and Counsel**

Not applicable.

#### **Item 8. Financial Information**

##### **Item 8.A Consolidated Statements and Other Financial Information**

The information included in Item 18 of this Annual Report is referred to and referenced into this Item 8.A.

#### **Legal Proceedings**

We are not currently a party to any legal proceedings. From time to time, we may be a party to litigation or subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a significant effect on our financial position or profitability. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

## **Dividends**

Until our businesses are profitable beyond our expected research and development needs, our Directors are unlikely to be able to recommend that any dividend be paid to our shareholders. Our Directors will not resolve a formal dividend policy until we generate profits. Our current intention is to reinvest our income in the continued development and expansion of our businesses.

## **Item 8.B Significant Changes**

There have been no significant changes in the operational or financial condition of the Company since June 30, 2023.

## **Item 9. The Offer and Listing**

### **Item 9.A Offer and Listing Details**

The Company's Ordinary Shares have been listed on the Australian Securities Exchange (the "ASX") since July 1987 and trade there under the symbol GTG. The Company's securities are also listed on NASDAQ's Capital Market (under the ticker GENE) in the form of American Depositary Shares, each of which represents 600 Ordinary Shares.

### **Item 9.B Plan of Distribution**

Not applicable.

### **Item 9.C Markets**

See "Item 9.A Offer and Listing Details."

### **Item 9.D Selling Shareholders**

Not applicable.

### **Item 9.E Dilution**

Not applicable.

### **Item 9.F Expenses of the Issue**

Not applicable.

## **Item 10. Additional Information**

### **Item 10.A Share Capital**

Not applicable.

### **Item 10.B Our Constitution**

Our registration number is 009 212 328. Our Constitution has been posted on the Company's website and has been filed with the SEC.

### **Purposes and Objects**

Our Constitution does not specify any purposes or objects of the Company.

### **The Powers of the Directors**

Under the provisions of our Constitution our Directors may exercise all of the powers of our company, other than those that are required by our Constitution or the Corporations Act 2001 of Australia to be exercised at a general meeting of shareholders. A director may participate in a meeting and vote on a proposal, arrangement or contract in which he or she is materially interested, so long as the director's interest is declared in accordance with the Corporations Act 2001. The authority of our directors to enter into borrowing arrangements on our behalf is not limited, except in the same manner as any other transaction by us.

## **Rights Attached to Our Ordinary Shares**

The concept of authorized share capital no longer exists in Australia and as a result, our authorized share capital is unlimited. All our outstanding Ordinary Shares are validly issued, fully paid and non-assessable. The rights attached to our Ordinary Shares are as follows:

*Dividend rights.* If our board of directors recommends a dividend, registered holders of our Ordinary Shares may declare a dividend by ordinary resolution in a general meeting. The dividend, however, cannot exceed the amount recommended by our board of directors. Our board of directors may declare an interim dividend.

*Voting rights.* Holders of Ordinary Shares have one vote for each Ordinary Share held on all matters submitted to a vote of shareholders. Such voting rights may be affected by the grant of any special voting rights to the holders of a class of shares with preferential rights that may be authorized in the future.

The quorum required for an ordinary meeting of shareholders consists of at least three shareholders represented in person or by proxy. A meeting adjourned for lack of a quorum generally is adjourned to the same day in the following week at the same time and place or any time and place as the directors designate in a notice to the shareholders. At the reconvened meeting, the required quorum consists of any two members present in person or by proxy.

An ordinary resolution, such as a resolution for the declaration of dividends, requires approval by the holders of a majority of the voting rights represented at the meeting, in person, by proxy or by written ballot and voting thereon. Under our Constitution, a special resolution, such as amending our Constitution, approving any change in capitalization, winding-up, authorization of a class of shares with special rights, or other changes as specified in our Constitution, requires approval of a special majority, representing the holders of no less than 75% of the voting rights represented at the meeting in person, by proxy or by written ballot, and voting thereon.

Pursuant to our Constitution, our directors are elected at our annual general meeting of shareholders by a vote of the holders of a majority of the voting power represented and voting at such meeting.

*Rights in our profits.* Our shareholders have the right to share in our profits distributed as a dividend and any other permitted distribution.

*Rights in the event of liquidation.* In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of Ordinary Shares in proportion to the nominal value of their holdings. This right may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

## **Changing Rights Attached to Shares**

According to our Constitution, in order to change the rights attached to any class of shares, unless otherwise provided by the terms of the class, such change must be adopted by a general meeting of the shareholders and by a separate general meeting of the holders of the affected class with a majority of 75% of the voting power participating in such meeting.

## **Annual and Extraordinary Meetings**

Our Board of Directors must convene an annual meeting of shareholders at least once every calendar year, within five months of our last fiscal year-end. Notice of at least 28 days prior to the date of the meeting is required. An extraordinary meeting may be convened by the board of directors, it decides or upon a demand of any directors, or of one or more shareholders holding in the aggregate at least five percent of our issued capital. An extraordinary meeting must be called not more than 21 days after the request is made. The meeting must be held not later than two months after the request is given.

## **Limitations on the Rights to Own Securities in Our Company**

Neither our Constitution nor the laws of the Commonwealth of Australia restrict in any way the ownership or voting of our shares. However, acquisitions and proposed acquisitions of securities in Australian companies may be subject to review and approval by the Australian Federal Treasurer under the Takeovers Act as described under Item 10.D below.

## **Changes in Our Capital**

Pursuant to the Listing Rules of the ASX, without shareholder approval, we may not issue more than 25% of our outstanding Ordinary Shares in any twelve month period other than by a pro rata rights offering or a share purchase plan offer (of shares with a value at the issue price of up to A\$30,000 per shareholder to a maximum of 30% of our outstanding shares) in each case to the then existing shareholders.

## Takeovers Act

There are no limitations, either under the laws of Australia or under the Company's Constitution, to the right of non-residents to hold or vote our Technologies Ordinary Shares other than the Commonwealth Foreign Acquisitions and Takeovers Act 1975 (the "Takeovers Act"). The Takeovers Act may affect the right of non-Australian residents, including U.S. residents, to hold Ordinary Shares but does not affect the right to vote, or any other rights associated with, any Ordinary Shares held in compliance with its provisions. Acquisitions of shares in Australian companies by foreign interests are subject to review and approval by the Treasurer of the Commonwealth of Australia under the Takeovers Act. The Takeovers Act applies to any acquisition of outstanding shares of an Australian company that exceeds, or results in a foreign person or persons controlling the voting power of more than a certain percentage of those shares. The thresholds are 15% where the shares are acquired by a foreign person, or Company of associated foreign persons, or 40% in aggregate in the case of foreign persons who are not associated. Any proposed acquisition that would result in an individual foreign person (with associates) holding more than 15% must be notified to the Treasurer in advance of the acquisition. There are statutory limitations in Australia on foreign ownership of certain businesses, such as banks and airlines, not relevant to the Company. However, there are no other statutory or regulatory provisions of Australian law or Australian Securities Exchange requirements that restrict foreign ownership or control of the Company.

## Corporations Act 2001

As applied to the Company, the *Corporations Act 2001* prohibits any legal person (including a corporation) from acquiring a relevant interest in Ordinary Shares if after the acquisition that person or any other person's voting power in the Company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

This prohibition is subject to a number of specific exceptions set out in section 611 of the *Corporations Act 2001* which must be strictly complied with to be applicable.

In general terms, a person is considered to have a "relevant interest" in a share in the Company if that person is the holder of that share, has the power to exercise, or control the exercise of, a right to vote attached to that share, or has the power to dispose of, or to control the exercise of a power to dispose of that share.

It does not matter how remote the relevant interest is or how it arises. The concepts of "power" and "control" are given wide and extended meanings in this context in order to deem certain persons to hold a relevant interest. For example, each person who has voting power above 20% in a company or a managed investment scheme which in turn holds shares in the Company is deemed to have a relevant interest in those shares. Certain situations (set out in section 609 of the *Corporations Act 2001*) which would otherwise constitute the holding of a relevant interest are excluded from the definition.

A person's voting power in the Company is that percentage of the total votes attached to Ordinary Shares in which that person and its associates (as defined in the *Corporations Act 2001*) holds a relevant interest.

## Item 10.C Material Contracts

During the financial years ending June 30, 2021, 2022, and 2023, the Company entered into agreements with H.C. Wainwright & Co, to act as placement agents to the share offerings made on multiple occasions the Company raised a total of A\$22,881,958 before costs of the transactions. Towards the cost of these transactions, the Company issued the following securities:

- 156,000,000 warrants issued to H.C. Wainwright & Co. LLC on December 21, 2020 exercisable at US\$0.004166 expiring on December 21, 2025, amounting to A\$1,462,442. The warrants are exercisable for fully paid ordinary shares.
- 39,975,000 warrants issued to H.C. Wainwright & Co. LLC on December 21, 2020, exercisable at US\$0.0104 expiring on December 21, 2025, amounting to A\$360,017. The warrants are exercisable for fully paid ordinary shares.
- 48,750,000 warrants issued to H.C. Wainwright & Co. LLC on November 24, 2021, exercisable at US\$0.00109375 expiring 5 years after date of issue, amounting to A\$476,297. The warrants are exercisable for fully paid ordinary shares.
- 250,000 warrants to be issued to H.C. Wainwright & Co. LLC, subject to shareholder approval scheduled for the 2023 Annual General Meeting (AGM), exercisable at US\$1.625 expiring 5 years after date of issue, amounting to A\$134,956. The warrants are exercisable for fully paid ordinary shares.

As at June 30, 2023, the following warrants remain outstanding and exercisable and relate to capital raising activities prior to June 30, 2021.

- 40,114,200 warrants issued to H.C. Wainwright & Co. LLC on April 3, 2020, exercisable at US\$0.00365 each and expiring on April 1, 2025, amounting to A\$175,137. The warrants are exercisable for fully paid ordinary shares.

- 28,177,578 warrants issued to H.C. Wainwright & Co. LLC on April 22, 2020, exercisable at US\$0.00417 each and expiring on April 19, 2025, amounting to A\$149,693. The warrants are exercisable for fully paid ordinary shares.

The Company executed an acquisition agreement (“Acquisition Agreement”) on July 19, 2021 to acquire the direct-to-consumer eCommerce business and distribution rights associated with General Genetics Corporation and its associated brands trading as EasyDNA, from BelHealth Investment Fund LP. The Acquisition Agreement provides for the acquisition of all brands, websites and agency reseller agreements associated with EasyDNA. This includes over 70 websites in 40 countries and six brand identities. Under the terms of the Acquisition Agreement, the Company acquired 100% of EasyDNA’s brands and assets within the General Genetics Corporation business for a purchase price of US\$4 million, comprising cash consideration of US\$2.5 million and US\$1.5 million of ADSs.

The Company executed an asset purchase agreement (“APA”) on July 14, 2022 to acquire the direct-to-consumer eCommerce business, laboratory testing and distribution agreements associated with AffinityDNA. The APA provides for the acquisition of all brands and websites associated with AffinityDNA. This includes the AffinityDNA Amazon sales channel rights. Under the terms of the APA, the Company acquired 100% of AffinityDNA’s brands and assets for a purchase price of GBP555,000, comprising cash consideration of GBP227,500 on completion and GBP227,500 payable in July 2023 subject to the AffinityDNA business attaining certain financial performance parameters. The second payment was payable on the achievement of a gross profit target for the 12-month period from the acquisition date. This target was not achieved and therefore no further payment is to be made in respect of the acquisition of AffinityDNA.

There were no other material contracts entered into during the two years preceding the date of this Annual Report which were outside the ordinary course of business.

#### **Item 10.D Exchange Controls**

Under existing Australian legislation, the Reserve Bank of Australia does not inhibit the import and export of funds, and, generally, no permission is required to be given to the Company for the movement of funds in and out of Australia. However, payments to or from (or relating to) Iraq, its agencies or nationals, the government or a public authority of Libya, or certain Libyan undertakings, the authorities in the Federal Republic of Yugoslavia (Serbia and Montenegro) or their agencies, the Taliban (also referred to as the Islamic Emirate of Afghanistan), or the National Union for the Total Independence of Angola (also known as UNITA), its senior officials or the adult members of their immediate families, may not be made without the specific approval of the Reserve Bank of Australia.

Accordingly, at the present time, remittances of any dividends, interest or other payment by the Company to non-resident holders of our securities in the U.S. are not, subject to the above, restricted by exchange controls or other limitations.

#### **Item 10.E Taxation**

The following summary is based on the tax laws of the United States (including the Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions) and on the Australian tax law and practice, in each case as in effect on the date hereof. In addition, this summary is based on the Convention between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed on August 6, 1982, as amended and currently in force, or the. The foregoing laws and legal authorities as well as the Treaty are subject to change (or changes in interpretation), possibly with retroactive effect. Finally, this summary is based in part upon the representations of our ADS Depositary and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

The discussion does not address any aspects of U.S. taxation other than federal income taxation or any aspects of Australian taxation other than federal income taxation, stamp duty and goods and services tax. This discussion does not necessarily address all aspects of U.S. or Australian federal tax considerations that may be important to particular investors in light of their individual investment circumstances.

Prospective investors are urged to consult their tax advisers regarding the U.S. and Australian federal, state and local tax consequences and any other tax consequences of owning and disposing of ADSs and Ordinary Shares.

#### **Australian Tax Consequences**

In this section, we discuss Australian tax considerations that apply to non-Australian tax residents who are residents of the United States with respect to the ownership and disposal by the absolute beneficial owners of ADSs. This summary does not discuss any foreign or state tax considerations, other than stamp duty.

## **Nature of ADSs for Australian Taxation Purposes**

ADSs held by a U.S. holder will be treated for Australian taxation purposes as being held under a “bare trust” for that holder. Consequently, the underlying Ordinary Shares will be regarded as owned by the ADS holder for Australian income tax and capital gains tax purposes. Dividends paid on the underlying Ordinary Shares will also be treated as dividends paid to the ADS holder, as the person beneficially entitled to those dividends. Therefore, in the following analysis, we discuss the tax consequences to non-Australian resident holders of Ordinary Shares which, for Australian taxation purposes, will be the same as to U.S. holders of ADSs.

## **Taxation of Dividends**

Australia operates a dividend imputation system under which dividends may be declared to be “franked” to the extent of tax paid on company profits. Fully franked dividends are not subject to dividend withholding tax. Dividends payable by our company to non-Australian resident stockholders will be subject to dividend withholding tax, to the extent the dividends are unfranked. Dividend withholding tax will be imposed at 30%, unless a stockholder is a resident of a country with which Australia has a double taxation agreement. Under the provisions of the Treaty, the Australian tax withheld on unfranked dividends paid by us to which a resident of the United States is beneficially entitled is generally limited to 15% if the U.S. resident holds less than 10% of the voting rights of our company, unless the shares are effectively connected to a permanent establishment or fixed base in Australia through which the stockholder carries on business or provides independent personal services, respectively. Where a U.S. corporate resident holds 10% or more of the voting rights of our company, the withholding tax rate is reduced to 5%.

## **Tax on Sales or other Dispositions of Shares - Capital Gains Tax**

Non-Australian resident stockholders who hold their shares in us on capital account will not be subject to Australian capital gains tax on any gain made on a sale or other disposal of our shares, unless they hold 10% or more of our issued capital and the Company holds real property situated in Australia, the market value of which is 50% or more of the market value of the Company. The Australian Taxation Office maintains the view that the Treaty does not limit Australian capital gains tax. Australian capital gains tax applies to net capital gains charged at a taxpayer’s marginal tax rate but, for certain stockholders, a discount of the capital gain may apply if the shares have been held for 12 months or more. For individuals, this discount is 50%. For superannuation funds, the discount is 33%. There is no discount for a company that derives a net capital gain. Net capital gains are calculated after deducting capital losses, which may only be offset against such gains.

## **Tax on Sales or other Dispositions of Shares - Stockholders Holding Shares on Revenue Account**

Some non-Australian resident stockholders may hold shares on revenue rather than on capital account, for example, share traders. These stockholders may have the gains made on the sale or other disposal of the shares included in their assessable income under the ordinary income provisions of the income tax law, if the gains are sourced in Australia. Non-Australian resident stockholders assessable under these ordinary income provisions in respect of gains made on shares held on revenue account would be assessed for those gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 32.5%. Some relief from the Australian income tax may be available to non-Australian resident stockholders under the Treaty, for example, because the stockholder derives business profits not through a permanent establishment in Australia. To the extent an amount would be included in a non-Australian resident stockholder’s assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount would generally be reduced, so that the stockholder would not be subject to double tax on any part of the income gain or capital gain.

## **Dual Residency**

If a stockholder were a resident of both Australia and the United States under the respective domestic taxation laws of those countries, that stockholder may be subject to tax as an Australian resident. If, however, the stockholder is determined to be a U.S. resident for the purposes of the Treaty, the Australian tax would be subject to limitation by the Treaty. Stockholders should obtain specialist taxation advice in these circumstances.

## **Stamp Duty**

Any transfer of shares through trading on the Australian Securities Exchange, whether by Australian residents or foreign residents, is not subject to stamp duty within Australia.

## **Australian Death Duty**

Australia does not have estate or death duties. Further, no capital gains tax liability is realized upon the inheritance of a deceased person’s shares. However, the subsequent disposal of the shares by beneficiaries may give rise to a capital gains tax liability.

## Goods and Services Tax

The issue or transfer of shares will not incur Australian goods and services tax and does not require a stockholder to register for Australian goods and services tax purposes.

## United States Federal Income Taxation

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of the ADSs or Ordinary Shares by a U.S. holder (as defined below). This summary applies only to U.S. holders that hold such ADSs or Ordinary Shares as capital assets (generally, property held for investment) for U.S. federal income tax purposes. This summary does not address all U.S. federal income tax considerations that may be relevant to a particular U.S. holder and does not represent a detailed discussion of all of the U.S. federal income tax considerations applicable to a holder of our ADSs or Ordinary Shares that may be subject to special tax rules including, without limitation:

- banks, financial institutions or insurance companies;
- brokers, dealers or traders in securities, currencies, commodities, or notional principal contracts;
- tax-exempt entities or organizations, including an “individual retirement account” or “Roth IRA” as defined in Section 408 or 408A of the Code (as defined below), respectively;
- real estate investment trusts, regulated investment companies or grantor trusts;
- persons that hold ADSs or Ordinary Shares as part of a “hedging,” “integrated,” “wash sale” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- S corporations, partnerships, or other entities or arrangements classified as passthrough entities for U.S. federal income tax purposes, or U.S. holders who hold the ADSs or Ordinary Shares through such an entity;
- certain former citizens or long-term residents of the United States;
- persons that received ADSs or Ordinary Shares pursuant to the exercise of any employee share option or otherwise as compensation for the performance of services;
- persons who have elected mark-to-market accounting;
- holders that own or have owned directly, indirectly, or through attribution 10% or more of the voting power or value of ADSs or Ordinary Shares; and
- holders that have a “functional currency” other than the U.S. dollar.

Each holder of the ADSs or Ordinary Shares who fall within one of the categories above is advised to consult their tax advisers regarding the specific tax consequences which may apply to their particular situation.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the ADSs or Ordinary Shares, the tax consequences relating to an investment in such ADSs or Ordinary Shares will depend in part upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisers regarding the U.S. federal income tax considerations of owning and disposing of the ADSs or Ordinary Shares in its particular circumstances.

The discussion in this section is based on the Code, existing, proposed and temporary U.S. Treasury Regulations promulgated thereunder, administrative and judicial interpretations thereof, and the Treaty, in each case as in effect and available on the date hereof. Such authorities are subject to change, which change could apply retroactively, and to differing interpretations, all of which could affect the tax considerations described below. There can be no assurance that the U.S. Internal Revenue Service, or the IRS, will not take a position concerning the tax consequences of the ownership and disposition of ADSs or Ordinary Shares or that such a position would not be sustained by a court. U.S. holders should consult their own tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ADSs or Ordinary Shares in their particular circumstances.

This summary does not address the estate or gift tax considerations, alternative minimum tax considerations, the potential application of the Medicare contribution tax on net investment income, the special tax accounting rules under Section 451(b) of the Code, or any U.S. state, local, or non-U.S. tax considerations applicable to the acquisition, ownership and disposition of ADSs or Ordinary Shares.

As used herein, a “U.S. holder” is a beneficial owner of an ADS that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or an entity taxable as a corporation) created or organized in or under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

GIVEN THE COMPLEXITY OF THE TAX LAWS AND BECAUSE THE TAX CONSEQUENCES TO ANY PARTICULAR INVESTOR MAY BE AFFECTED BY MATTERS NOT DISCUSSED HEREIN, ALL CURRENT AND PROSPECTIVE HOLDERS OF ORDINARY SHARES AND THE ADSs ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF ADSs, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE AND LOCAL TAX LAWS, AS WELL AS AUSTRALIAN AND OTHER NON-U.S. TAX LAWS.

### **Nature of ADSs for U.S. Federal Income Tax Purposes**

In general, for U.S. federal income tax purposes, a holder of an ADS will be treated as the owner of the underlying Ordinary Shares. Accordingly, except as specifically noted below, the tax consequences discussed below with respect to ADSs will be the same as for Ordinary Shares. Exchanges of Ordinary Shares for ADSs, and ADSs for Ordinary Shares, generally will not be subject to U.S. federal income tax.

### **Distributions**

In general, subject to the passive foreign investment company rules discussed below, a distribution on an ADS or Ordinary Share will constitute a dividend for U.S. federal income tax purposes to the extent that it is made from our current or accumulated earnings and profits as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, it generally will be treated as a non-taxable reduction of basis to the extent of the U.S. holder’s tax basis in the ADS or Ordinary Share on which it is paid, and to the extent it exceeds that basis it generally will be treated as capital gain. The Company has not maintained and does not plan to maintain calculations of earnings and profits under U.S. federal income tax principles. Accordingly, it is unlikely that U.S. holders will be able to establish that a distribution by the Company is in excess of its current and accumulated earnings and profits (as computed under U.S. federal income tax principles). Therefore, a U.S. holder should expect that a distribution by the Company will generally be treated as taxable in its entirety as a dividend to U.S. holders for U.S. federal income tax purposes even though the distribution may be treated in whole or in part as a non-taxable distribution for Australian tax purposes.

The gross amount of any dividend on an ADS or Ordinary Share (which will include the amount of any Australian taxes withheld) generally will be subject to U.S. federal income tax as foreign source dividend income, and will not be eligible for the corporate dividends received deduction. In general, the amount of a dividend paid in Australian dollars will be its value in U.S. dollars based on the prevailing spot market exchange rate in effect on the day the U.S. holder receives the dividend or, in the case of a dividend received in respect of an ADS, on the date the Depository receives it, whether or not the dividend is converted into U.S. dollars at that time. A U.S. holder will have a tax basis in any distributed Australian dollars equal to its U.S. dollar amount on the date of receipt, and any gain or loss realized on a subsequent conversion or other disposition of Australian dollars generally will be treated as U.S. source ordinary income or loss. If dividends paid in Australian dollars are converted into U.S. dollars on the date they are received by a U.S. holder, the U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend.

Subject to certain exceptions, a dividend that a non-corporate holder receives on an ADS or Ordinary Share may qualify for the preferential rates of taxation with respect to dividends on the ADSs or Ordinary Shares applicable to long-term capital gains (i.e., gains from the sale of capital assets held for more than one year) and “qualified dividend income” (as discussed below). A dividend on an ADS or Ordinary Share will be a qualified dividend if (i) either (a) the ADSs or Ordinary Shares, as applicable, are readily tradable on an established market in the United States or (b) we are eligible for the benefits of a comprehensive income tax treaty with the United States that the Secretary of the Treasury determines is satisfactory for purposes of these rules and that includes an exchange of information program, and (ii) we were not, in the year prior to the year the dividend was paid, and are not, in the year the dividend is paid, a passive foreign investment company (“PFIC”). The ADSs are listed on the NASDAQ Capital Market, which should qualify them as readily tradable on an established securities market in the United States. In any event, the Treaty satisfies the requirements of clause (i)(b), and we believe we qualify as a resident of Australia entitled to the benefits of the Treaty (though there can be no assurance in this regard). However, based on our audited financial statements and relevant market and shareholder data, we believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended June 30, 2023. Therefore, in light of the discussion in the section entitled “Passive Foreign Investment Company Rules,” you should assume that dividends generally will not constitute qualified dividend income eligible for reduced rates of taxation.

Any Australian withholding tax imposed on dividends received with respect to the ADSs or Ordinary Shares will be treated as a foreign income tax eligible for credit against a U.S. holder’s U.S. federal income tax liability, subject to generally applicable limitations under U.S. federal income tax law.

Alternatively, any Australian withholding tax may be taken as a deduction against taxable income, provided the U.S. holder takes a deduction and not a credit for all foreign income taxes paid or accrued in the same taxable year. The rules relating to the determination of the foreign tax credit are complex and subject to numerous limitations that must be applied on an individual basis. In addition, the creditability of foreign taxes could be affected by actions taken by intermediaries in the chain of ownership between the holders of the ADSs and our company if, as a result of such actions, the holders of the ADSs are not properly treated as beneficial owners of the underlying Ordinary Shares. U.S. holders are urged to consult with their own tax advisers to determine whether and to what extent they will be entitled to foreign tax credits as well as with respect to the determination of the foreign tax credit limitation.

### **Sale, Exchange or Other Taxable Disposition**

Subject to the passive foreign investment company rules discussed below, on a sale, exchange or other taxable disposition of an Ordinary Share or ADS, a U.S. holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. holder's adjusted tax basis in the Ordinary Share or ADS and the amount realized on the sale, exchange or other taxable disposition, each determined in U.S. dollars. The adjusted tax basis in the ADSs or Ordinary Shares generally will be equal to the cost of such ADSs or Ordinary Shares. Capital gain from the sale, exchange or other taxable disposition of the ADSs or Ordinary Shares by a non-corporate U.S. holder is generally eligible for a preferential rate of taxation applicable to long-term taxable capital gains if the non-corporate U.S. holder's holding period determined at the time of such sale, exchange or other taxable disposition for such securities exceeds one year. Capital gains recognized by corporate U.S. holders generally are subject to U.S. federal income tax at the same rate as ordinary income. The deductibility of capital losses is subject to limitations. Any gain or loss a U.S. holder recognizes generally will be U.S. source for U.S. foreign tax credit purposes. The rules relating to the determination of the foreign tax credit are complex, and U.S. holders are urged to consult with their own tax advisers regarding the application of such rules.

For a cash basis taxpayer, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. In that case, no foreign currency exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of such a purchase or sale.

An accrual basis taxpayer may elect the same treatment required of cash basis taxpayers with respect to purchases and sales of our Ordinary Shares or ADSs that are traded on an established securities market, provided the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. For an accrual basis taxpayer who does not make such election, units of foreign currency paid or received are translated into U.S. dollars at the spot rate on the trade date of the purchase or sale. Such an accrual basis taxpayer may recognize exchange gain or loss based on currency fluctuations between the trade date and the settlement date. Any foreign currency gain or loss a U.S. holder realizes will be U.S. source ordinary income or loss.

### **Passive Foreign Investment Company Rules**

A special set of U.S. federal income tax rules applies to a foreign corporation that is a PFIC for U.S. federal income tax purposes. As noted above, based on our audited financial statements and relevant market and shareholder data, we believe that we were a PFIC for U.S. federal income tax purposes for our taxable year ended June 30, 2023. There can be no assurance that we will not be considered a PFIC in any past, current or future taxable year. However, our PFIC status is based on an annual determination and may change from year to year. Our status as a PFIC will depend on the composition of our income (including with respect to the R&D Tax Credit) and the composition and value of our assets, which may be determined in large part by reference to the market value of the ADSs and Ordinary Shares, which may be volatile, from time to time. Our status may also depend, in part, on how quickly we utilize the cash we raise in any offering of our securities. Our U.S. counsel expresses no opinion regarding our conclusions or our expectations regarding our PFIC status.

In general, a non-U.S. corporation is a PFIC if at least 75% of its gross income for the taxable year is passive income (the "income test") or if at least 50% of the average quarterly value of its total gross assets for the taxable year (which would generally be measured by fair market value of our assets, and for which purpose the total value of our assets may be determined in part by the market value of the ADSs and Ordinary Shares, which are subject to change) produce passive income or are held for the production of passive income (the "asset test"). Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of our securities. If a non-U.S. corporation owns directly or indirectly at least 25% by value of the stock of another corporation or the partnership interests in a partnership, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation or partnership and as receiving directly its proportionate share of the other corporation's or partnership's income.

If we are classified as a PFIC in any year with respect to which a U.S. holder owns ADSs or Ordinary Shares, we will continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ADSs or Ordinary Shares, regardless of whether we continue to meet the tests described above unless we cease to be a PFIC and the U.S. holder has made a "deemed sale" election under the PFIC rules. If the "deemed sale" election is made, a U.S. holder will be deemed to have sold the securities the U.S. holder holds at their fair market value as of the date of such deemed sale and any gain from such deemed sale would be subject to the rules described below.

After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. holder's securities with respect to which such election was made will not be treated as shares in a PFIC and the U.S. holder will not be subject to the rules described below with respect to any "excess distribution" the U.S. holder receives from us or any gain from an actual sale or other disposition of the securities. U.S. holders should consult their tax advisors as to the possibility and consequences of making a deemed sale or other "purging" election if such election becomes available.

If we are a PFIC, and you are a U.S. holder that does not make one of the elections described herein, a special tax regime will apply to both (a) any "excess distribution" by us to you (generally, your ratable portion of distributions in any year, other than the taxable year in which your holding period in the Ordinary Shares or ADSs begins, which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or the portion of your holding period for the ADSs or Ordinary Shares that preceded the year of the distribution) and (b) any gain realized on the sale or other disposition of the ADSs or Ordinary Shares. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period, (b) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would be subject to tax at the U.S. holder's regular ordinary income rate for the current year and would not be subject to the interest charge discussed below) and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to you will not qualify for the lower rates of taxation applicable to qualified dividends discussed above under "Distributions."

Certain elections may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment of our Ordinary Shares or ADSs. If a U.S. holder makes a mark-to-market election with respect to their Ordinary Shares or ADSs, the U.S. holder generally will recognize as ordinary income any excess of the fair market value of such Ordinary Shares or ADSs at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of such Ordinary Shares or ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in their Ordinary Shares or ADSs will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of Ordinary Shares or ADSs in a year in which we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). The mark-to-market election is available only if we are a PFIC and the Ordinary Shares or ADSs are "regularly traded" on a "qualified exchange." Our Ordinary Shares or ADSs will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of our Ordinary Shares or ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter (subject to the rule that trades that have as one of their principal purposes the meeting of the trading requirement are disregarded). The NASDAQ Capital Market is a qualified exchange for this purpose and, consequently, if the ADSs are regularly traded, the mark-to-market election will be available to a U.S. holder. It should be noted that it is intended that only the ADSs and not the Ordinary Shares will be listed on the NASDAQ Capital Market. Consequently, the Ordinary Shares may not be marketable if the ASX (where the Ordinary Shares are currently listed) does not meet the applicable requirements. U.S. holders should consult their tax advisors regarding the availability of the mark-to-market election for Ordinary Shares that are not represented by ADSs.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. holder validly makes a mark-to-market election with respect to our Ordinary Shares or ADSs, the U.S. holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. holders should consult their tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

We do not currently intend to provide the information necessary for U.S. holders to make qualified electing fund elections if we were treated as a PFIC for any taxable year. U.S. holders should consult their tax advisors to determine whether any of the other elections described above would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

If we are determined to be a PFIC, the general tax treatment for U.S. holders described in this section would apply to indirect distributions and gains deemed to be realized by U.S. holders in respect of any of our subsidiaries that also may be determined to be PFICs. U.S. holders should consult their tax advisors regarding the application of the PFIC rules to our subsidiaries. If a U.S. holder owns Ordinary Shares or ADSs during any taxable year in which we are a PFIC, the U.S. holder may be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to the company, generally with the U.S. holder's federal income tax return for that year. You should consult your tax advisor concerning any filing requirements arising from the PFIC rules.

The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. investors are urged to consult their own tax advisors with respect to the acquisition, ownership and disposition of our Ordinary Shares or ADSs, the consequences to them of an investment in a PFIC, any elections available with respect to Ordinary Shares and ADSs and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of Ordinary Shares and ADSs.

## **Information Reporting and Backup Withholding**

U.S. holders generally will be subject to information reporting requirements with respect to dividends on the Ordinary Shares or ADSs and on the proceeds from the sale, exchange or disposition of the Ordinary Shares or ADSs that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an “exempt recipient.” In addition, U.S. holders may be subject to backup withholding on such payments unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

## **Reporting Obligations of Individual Owners of Foreign Financial Assets**

Subject to certain exceptions (including an exception for property held in accounts maintained by U.S. financial institutions), Section 6038D of the Code generally requires certain individual U.S. holders (and certain entities that are closely held by U.S. individuals) to report information relating to an interest in the Ordinary Shares or ADSs by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their U.S. federal income tax return. Such U.S. holders (or entities) who fail to timely furnish the required information may be subject to penalties. Additionally, if any such U.S. holder (or entity) does not report the required information, the statute of limitations with respect to tax returns of the U.S. holder (or entity) to which the information relates may not close until three years after such information is reported. U.S. holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the Ordinary Shares or ADSs.

THE DISCUSSION ABOVE IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO AN INVESTMENT IN ORDINARY SHARES OR ADSs. EACH CURRENT AND POTENTIAL HOLDER IS URGED TO CONSULT THEIR OWN TAX ADVISERS CONCERNING THE TAX CONSEQUENCES RELEVANT TO THEM IN THEIR PARTICULAR SITUATION.

## **Item 10.F Dividends and Paying Agents**

No dividends were declared or paid to members for the year ended June 30, 2023 (2022: nil). The Company’s franking account balance was nil at June 30, 2023 (2022: nil).

## **Item 10.G Statement by Experts**

Not applicable.

## **Item 10.H Documents on Display**

The documents concerning the Company which are referred to in this Annual Report may be inspected at the offices of the Company at 60-66 Hanover Street, Fitzroy, Victoria 3065 Australia. As a “foreign private issuer” we are subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended, and, in accordance therewith, we are required to file reports, including annual reports on Form 20-F, and other information with the U.S. Securities and Exchange Commission in electronic form. Any filings we make electronically are available to the public over the Internet at the Commission’s website at <http://www.sec.gov>. We also maintain a website at [www.genetype.com](http://www.genetype.com). Information on our website and websites linked to it do not constitute a part of this Annual Report.

## **Item 10.I Subsidiary Information**

Not applicable.

## **Item 10.J Annual Report to Security Holders**

Not applicable.

## **Item 11. Quantitative and Qualitative Disclosures about Market Risk**

Our market risk relates primarily to exposure to changes in foreign currency exchange rates and interest rates. Refer Note 31 of the attached financial statements for further analysis surrounding market risk.

**Interest Rate Risk.** As of June 30, 2023, we had A\$7,851,197 in cash and cash equivalents of which A\$6,216,646 was subject to interest rate risk. Interest income earned on the cash balances is affected by changes in the levels of market interest rates. We invest excess cash in interest-bearing, investment-grade securities and time deposits in high-quality institutions. We do not utilize derivative financial instruments, derivative commodity instruments, positions or transactions in any material matter.

Accordingly, we believe that, while the investment-grade securities and time-deposits we hold are subject to changes in financial standing of the issuer of such securities, the principal is not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive instruments. Since we hold cash and cash equivalents in Banks which are located outside Australia, we are subject to certain cross-border risks, though due to the size of the holdings these risks are not generally significant.

**Foreign Currency Exchange Rate Risk.** We operate in Australia with active operations in the U.S.A., United Kingdom and Europe, and are accordingly subject to certain foreign currency exposure. This includes foreign-currency denominated receivables, payables, and other balance sheet positions as well as future cash flows resulting from anticipated transactions including intra-company transactions. Historically, currency translation gains and losses have been reflected as adjustments to stockholders' equity, while transaction gains and losses have been reflected as components of income and loss. Transaction gains and losses could be material depending upon changes in the exchange rates between the Australian dollar and the U.S. dollar. A significant amount of our current revenue is denominated in U.S. dollars which provides us with a limited natural hedge against exchange rate movements.

## **Item 12. Description of Securities Other Than Equity Securities**

### **Item 12.A Debt Securities**

Not applicable.

### **Item 12.B Warrants and Rights**

Not applicable.

### **Item 12.C Other Securities**

Not applicable

### **Item 12.D American Depositary Shares Fees and Charges Payable by ADS Holders**

The table below summarizes the fees and charges that a holder of our ADSs may have to pay, directly or indirectly, to our depositary, The Bank of New York Mellon, or BNYM, pursuant to the Deposit Agreement, which was filed as Exhibit 2.1 to our Registration Statement on Form F-6 filed with the SEC on January 14, 2002, and the types of services and the amount of the fees or charges paid for such services. The disclosure under this heading "Fees and Charges Payable by ADS Holders" is subject to and qualified in its entirety by reference to the full text of the Deposit Agreement. The holder of an ADS may have to pay the following fees and charges to BNYM in connection with ownership of the ADS:

#### **Persons Depositing or Withdrawing Shares Must**

<b>Pay:</b>	<b>For:</b>
<ul style="list-style-type: none"> <li>● US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)</li> <li>● US\$0.02 (or less) per ADS</li> <li>● A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs</li> <li>● US\$1.50 (or less) per ADR</li> <li>● Expenses of the depositary</li> </ul>	<ul style="list-style-type: none"> <li>● Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property</li> <li>● Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates</li> <li>● Any cash distribution to you</li> <li>● Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders</li> <li>● Transfers, combination and split-up of ADRs</li> <li>● Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)</li> <li>● Converting foreign currency to U.S. dollars</li> </ul>

The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

## **PART II**

### **Item 13. Defaults, Dividend Arrearages and Delinquencies**

Not applicable.

### **Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds**

Not applicable.

### **Item 15. Controls and Procedures**

#### **Item 15.A Disclosure controls and procedures**

We maintain disclosure controls and procedures as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), as amended, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our Management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures or our internal control over financial reporting are designed and operated to be effective at the reasonable assurance level. However, our Management does not expect that our disclosure controls and procedures and our internal control over financial reporting will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Additionally, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected or that our control system will operate effectively under all circumstances. Moreover, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Our Management has carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of June 30, 2023. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of June 30, 2023.

#### **Item 15.B Management’s annual report on internal control over financial reporting**

Our Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities Exchange Act of 1934 defines internal control over financial reporting in Rules 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, the Company’s Chief Executive Officer and Chief Financial Officer effected by the Company’s Board of Directors, Management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the consolidated financial statements.

Our Management, under the supervision and with participation of our Chief Executive Officer and Chief Financial Officer, has assessed the effectiveness of the Company’s internal control over financial reporting as of June 30, 2023. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company’s internal control over financial reporting was effective as of June 30, 2023. In making this assessment, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in Internal Control-Integrated Framework (2013).

This Annual Report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only Management's report in this Annual Report.

**Item 15.C Attestation report of the registered public accounting firm**

Not applicable.

**Item 15.D Changes in Internal Control over Financial Reporting**

There were no changes in the internal control over financial reporting during the year ended June 30, 2023.

**Item 16. Reserved**

Reserved.

**Item 16.A Audit Committee Financial Expert**

On September 2, 2019, the Company appointed Mr. Nick Burrows to the Board as an independent Non-Executive Director. Mr. Burrows is a financial expert and hence the Company subsequently appointed Mr. Burrows as the Chairman of the Audit & Risk Committee replacing Mr. Peter Rubinstein, former Chairman of the Audit & Risk Committee.

**Item 16.B Code of Ethics**

We have adopted a Code of Ethics (styled "Code of Conduct") that applies to all of our Directors and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller. The Code can be downloaded at our website ([www.genotype.com](http://www.genotype.com)). Additionally, any person, upon request, can ask for a hard copy or electronic file of the Code. If we make any substantive amendment to the Code or grant any waivers, including any implicit waiver, from a provision of the Code, we will disclose the nature of such amendment or waiver on our website. During the year ended June 30, 2023, no such amendment was made, or waiver granted.

**Item 16.C Principal Accountant Fees and Services**

The following table sets forth the fees billed to us by our Independent Registered Public Accounting Firms, Grant Thornton Audit Pty Ltd and PricewaterhouseCoopers, during the financial years ended June 30, 2023 and 2022, respectively:

	2023	2022
	A\$	A\$
<b>Services rendered</b>		
PricewaterhouseCoopers in respect of:		
Audit fees <sup>(1)</sup>	-	20,000
Audit-related fees <sup>(2)</sup>	-	-
All other fees <sup>(3)</sup>	-	-
Grant Thornton Audit Pty Ltd in respect of:		
Audit fees <sup>(1)</sup>	320,569	241,882
Audit-related fees <sup>(2)</sup>	-	-
All other fees <sup>(3)</sup>	-	30,000

<sup>(1)</sup> Audit fees consist of services that would normally be provided in connection with statutory, half year review and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide such as comfort letters.

<sup>(2)</sup> Audit-related fees consist of fees billed for assurance and related services that generally only the statutory auditor could reasonably provide to a client.

<sup>(3)</sup> All other fees consist of fees billed for financial and information technology due diligence services in respect of the Company's acquisition of the business and assets associated with the EasyDNA brand that completed on August 13<sup>th</sup>, 2021

### *Audit Committee Pre-Approval Policies and Procedures*

Our Board of Directors has established pre-approval and procedures for the engagement of its Independent Registered Public Accounting Firm for audit and non-audit services. The Board of Directors reviews the scope of the services to be provided, before their commencement, in order to ensure that there are no independence issues and the services are not prohibited services, as defined by the Sarbanes-Oxley Act of 2002. The Board of Directors has considered advice received from the Audit & Risk Committee and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of the non-audit services as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 because the services are not deemed to undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

#### **Item 16.D Exemptions from the Listing Standards for Audit Committees**

Not applicable.

#### **Item 16.E Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Not applicable.

#### **Item 16.F Change in Registrant's Certifying Accountant**

Not applicable.

#### **Item 16.G Corporate Governance**

Refer to Item 6C regarding the Company's Corporate Governance practices and the key differences between the Listing Rules of the Australian Securities Exchange and NASDAQ's Marketplace Rules as they apply to us.

#### **Item 16.H Mine Safety Disclosure**

Not applicable.

#### **Item 16.I Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

#### **Item 16.J Insider Trading Policies**

The Company has adopted a Securities Trading Policy which covers insider trading. Refer to exhibit 4.13 for further details.

### **PART III**

#### **Item 17. Financial Statements**

The Company has responded to Item 18 in lieu of responding to this Item.

#### **Item 18. Financial Statements**

The full text of the Company's audited financial statements for the fiscal years ended June 30, 2023 and 2022 begins on page F-1 of this Annual Report on Form 20-F.

Australian Disclosure Requirements

Directors' Declaration

In the directors' opinion:

(a) the financial statements and Notes set out on pages 97 to 151 are in accordance with the Corporations Act 2001, including:

(i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) Giving a true and fair view of the consolidated entity's financial position as at June 30, 2023 and of its performance for the fiscal year ended on that date, and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 'Basis of preparation' confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

*/s/ Peter Rubinstein*

Chairman

Melbourne, August 30, 2023

## Item 19. Exhibits

The following documents are filed as exhibits to this Annual Report on Form 20-F:

- 1.1 [Constitution of the Registrant \(incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 20-F filed with the Commission on December 21, 2010\)](#)
- 2.1 [Deposit Agreement, dated as of January 14, 2002, by and among Genetic Technologies Limited, The Bank of New York Mellon, as Depositary, and the Owners and Holders of American Depositary Receipts \(such agreement is incorporated herein by reference to the Registration Statement on Form F-6 relating to the ADSs \(File No. 333-14270\) filed with the Commission on January 14, 2002\).](#)
- 2.2 [Description of Securities \(incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 20-F filed with the Commission on October 22, 2020\)](#)
- 2.5 [Form of Compensation Warrant issued on April 3, 2020 \(incorporated by reference to Exhibit 10.3 of the Company's Report on Form 6-K filed with the Commission on April 2, 2020\)](#)
- 2.6 [Form of Pre-funded Warrant \(incorporated by reference to Exhibit 4.5 to the Company's registration statement on Form F-1/A filed on May 12, 2020\)](#)
- 2.7 [Form of Placement Agent Warrant \(incorporated by reference to Exhibit 4.6 to the Company's registration statement on Form F-1/A filed on May 12, 2020\)](#)
- 2.8 [Staff Share Plan 2001 dated November 30, 2001 \(incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form 20-F filed with the Commission on August 19, 2005\)](#)
- 4.5 [Placement Agent Agreement effective March 30, 2020 \(incorporated by reference to Exhibit 10.2 of the Company's Report on Form 6-K filed with the Commission on April 2, 2020\)](#)
- 4.6 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.9 to the Company's registration statement on Form F-1/A filed on May 12, 2020\)](#)
- 4.7 [Renewal of Lease over premises in Fitzroy, Victoria, Australia with an effective date of September 1, 2018 \(incorporated by reference to 20-F filed October 3, 2019\)](#)
- 4.8 [Form of Securities Purchase Agreement dated July 16, 2020 \(incorporated by reference to Exhibit 10.1 of the Company's Report on Form 6-K filed with the Commission on July 20, 2020\)](#)
- 4.9 [Form of Securities Purchase Agreement dated January 21, 2021 \(incorporated by reference to Exhibit 10.1 of the Company's Report on Form 6-K filed with the Commission on January 5, 2021\)](#)
- 4.10 [Registration Rights Agreement dated August 12, 2021 \(incorporated by reference to Exhibit 4.11 of the Company's Annual Report on Form 20-F filed with the Commission on August 31, 2021\)](#)
- 4.11 [Non-Solicitation Agreement dated July 18, 2021 \(incorporated by reference to Exhibit 4.12 of the Company's Annual Report on Form 20-F filed with the Commission on August 31, 2021\)](#)
- 4.12 [Sale of Business Agreement dated July 14, 2022 \(incorporated by reference to Exhibit 4.12 of the Company's Annual Report on Form 20-F filed with the Commission on August 30, 2022\)](#)
- 4.13 [Securities Trading Policy](#)
- 4.14 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Report on Form 6-K filed with the Commission on February 7, 2023\)](#)

12.01	<a href="#">Section 302 Certification of the Chief Executive Officer</a>
12.02	<a href="#">Section 302 Certification of the Chief Financial Officer</a>
13.01	<a href="#">Section 906 Certification of the Chief Executive Officer</a>
13.02	<a href="#">Section 906 Certification of the Chief Financial Officer</a>
15.1	<a href="#">Appendix 4E</a>
15.2	<a href="#">Auditor's Independence Declaration</a>
15.3	<a href="#">Independent Auditor's Report</a>
101. INS	XBRL Instance Document
101. SCH	XBRL Schema Document
101. CAL	XBRL Calculation Linkbase Document
101. DEF	XBRL Definition Linkbase Document
101. LAB	XBRL Labels Linkbase Document
101. PRE	XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\*Certain information which constitutes a clearly unwarranted invasion of personal privacy pursuant to Item 601(a)(6) of Regulation S-K has been omitted.

## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this Annual Report on its behalf.

Dated: August 30, 2023

GENETIC TECHNOLOGIES LIMITED

By: */s/ Simon Morriss*  
Name: Simon Morriss  
Title: Chief Executive Officer

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the year ended June 30, 2023

(in Australian dollars, except number of shares)

	Note	Year ended June 30, 2023 A\$	Year ended June 30, 2022 A\$	Year ended June 30, 2021 A\$
Revenue	4A	8,686,118	6,794,816	120,554
Finance income	8	220,161	36,256	62,394
Other income	5	1,836,822	2,783,391	1,559,961
Changes in inventories		72,257	(321,223)	14,463
Raw materials		(4,407,522)	(2,692,311)	(184,920)
Commissions		(236,019)	(156,625)	-
Employee benefits expenses	6	(6,208,066)	(5,868,655)	(3,868,331)
Advertising and promotional expenses		(2,712,353)	(1,885,402)	(436,274)
Professional fees		(1,360,640)	(1,835,444)	(1,461,401)
Research and development expenses		(1,281,157)	(705,507)	(1,165,531)
Depreciation and amortization		(676,583)	(578,668)	(386,277)
Impairment expenses		(2,125,725)	(564,161)	(32,048)
Other expenses	7	(3,687,030)	(2,154,375)	(1,283,871)
Finance costs	8	(29,515)	(15,215)	(16,338)
<b>Loss from operations before income tax</b>		<b>(11,909,252)</b>	<b>(7,163,123)</b>	<b>(7,077,619)</b>
Income tax credit	9	158,329	32,125	-
<b>Loss for the year</b>		<b>(11,750,923)</b>	<b>(7,130,998)</b>	<b>(7,077,619)</b>
<b>Other comprehensive income/(loss)</b>				
Exchange gains/(losses) on translation of controlled foreign operations		100,589	27,864	(37,468)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>100,589</b>	<b>27,864</b>	<b>(37,468)</b>
<b>Total comprehensive loss attributable to the members of Genetic Technologies Ltd</b>		<b>(11,650,334)</b>	<b>(7,103,134)</b>	<b>(7,115,087)</b>
<b>Loss per share (cents per share)</b>				
Basic and diluted net loss per ordinary share	10	(0.012)	(0.08)	(0.08)
Weighted-average shares outstanding	10	10,138,075,003	9,220,348,281	8,544,157,979

The above consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

(in Australian dollars)

	Note	2023 A\$	2022 A\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	7,851,197	11,731,325
Trade and other receivables	12	1,921,657	2,421,238
Inventories		325,893	398,150
Other current assets	13	399,048	166,087
<b>Total current assets</b>		<b>10,497,795</b>	<b>14,716,800</b>
<b>Non-current assets</b>			
Right-of-use assets	20	509,553	647,150
Property, plant and equipment	14	89,623	306,175
Goodwill	15	3,116,893	4,506,653
Other intangible assets	16	520,472	624,920
Other non-current assets		-	-
Deferred tax asset	9	121,901	-
<b>Total non-current assets</b>		<b>4,358,442</b>	<b>6,084,898</b>
<b>Total assets</b>		<b>14,856,237</b>	<b>20,801,698</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	18	1,617,333	2,122,379
Contract liabilities	4C	849,212	814,150
Provisions	19	541,930	611,060
Lease liabilities	20	303,570	264,130
<b>Total current liabilities</b>		<b>3,312,045</b>	<b>3,811,719</b>
<b>Non-current liabilities</b>			
Provisions	19	30,439	22,499
Lease liabilities	20	229,276	388,396
Deferred tax liability	9	121,901	148,013
<b>Total non-current liabilities</b>		<b>381,616</b>	<b>558,908</b>
<b>Total liabilities</b>		<b>3,693,661</b>	<b>4,370,627</b>
<b>Net assets</b>		<b>11,162,576</b>	<b>16,431,071</b>
<b>EQUITY</b>			
Contributed equity	21	161,342,707	155,138,636
Reserves	22	6,535,556	11,498,651
Accumulated losses	23	(156,715,687)	(150,206,216)
<b>Total equity</b>		<b>11,162,576</b>	<b>16,431,071</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

(in Australian dollars)

		2023	2022	2021
	Note	A\$	A\$	A\$
<b>Cash flows from/(used in) operating activities</b>				
Receipts from customers		8,771,325	5,745,162	121,190
Payments to suppliers and employees		(20,453,567)	(13,802,170)	(7,747,186)
R&D tax incentive and other grants received		1,959,147	2,397,552	1,330,067
<b>Net cash flows (used in) operating activities</b>	11	<b>(9,723,095)</b>	<b>(5,659,456)</b>	<b>(6,295,929)</b>
<b>Cash flows from/(used in) investing activities</b>				
Purchases of plant and equipment		(17,552)	(63,926)	(748,706)
Purchases of intangible assets		-	(32,868)	-
Interest received		191,803	36,256	-
Payment for purchase of business, net of cash acquired	17	(486,188)	(3,400,625)	-
<b>Net cash flows (used in) investing activities</b>		<b>(311,937)</b>	<b>(3,461,163)</b>	<b>(748,706)</b>
<b>Cash flows from/(used in) financing activities</b>				
Proceeds from the issue of shares		7,172,399	-	15,897,629
Equity transaction costs		(916,060)	(10,474)	(1,956,691)
Principal elements of lease payments		(336,396)	(268,590)	(236,893)
Interest paid		-	-	(14,049)
<b>Net cash flows from/(used in) financing activities</b>		<b>5,919,943</b>	<b>(279,064)</b>	<b>13,689,996</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(4,115,089)</b>	<b>(9,399,683)</b>	<b>6,645,361</b>
Cash and cash equivalents at beginning of year		11,731,325	20,902,282	14,214,160
Net foreign exchange difference		234,961	228,726	42,761
<b>Cash and cash equivalents at end of year</b>	11	<b>7,851,197</b>	<b>11,731,325</b>	<b>20,902,282</b>

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

(in Australian dollars)

	Contributed equity A\$	Reserves A\$	Accumulat- ed losses A\$	Total equity A\$
<b>Balance at June 30, 2020</b>	<b>140,111,073</b>	<b>9,928,571</b>	<b>(136,047,037)</b>	<b>13,992,607</b>
Loss for the year	-	-	(7,077,619)	(7,077,619)
Other comprehensive loss	-	(37,468)	-	(37,468)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(37,468)</b>	<b>(7,077,619)</b>	<b>(7,115,087)</b>
<b>Transactions with owners in their capacity as owners</b>				
Contributions of equity, net of transaction costs and tax	11,764,379	-	-	11,764,379
Exercise of options/warrants	1,699,522	(973,467)	-	726,055
Issue of performance rights	-	622,725	-	622,725
Options expired	-	(49,438)	49,438	-
Issue of options/warrants	-	1,542,356	-	1,542,356
	13,463,901	1,142,176	49,438	14,655,515
<b>Balance at June 30, 2021</b>	<b>153,574,974</b>	<b>11,033,279</b>	<b>(143,075,218)</b>	<b>21,533,035</b>
Loss for the year	-	-	(7,130,998)	(7,130,998)
Other comprehensive income	-	27,864	-	27,864
<b>Total comprehensive loss</b>	<b>-</b>	<b>27,864</b>	<b>(7,130,998)</b>	<b>(7,103,134)</b>
<b>Transactions with owners in their capacity as owners</b>				
Contributions of equity, net of transaction costs	1,563,662	-	-	1,563,662
Issue of performance rights	-	437,508	-	437,508
	1,563,662	437,508	-	2,001,170
<b>Balance at June 30, 2022</b>	<b>155,138,636</b>	<b>11,498,651</b>	<b>(150,206,216)</b>	<b>16,431,071</b>
Loss for the year	-	-	(11,750,923)	(11,750,923)
Other comprehensive income	-	100,589	-	100,589
<b>Total comprehensive loss</b>	<b>-</b>	<b>100,589</b>	<b>(11,750,923)</b>	<b>(11,650,334)</b>
<b>Transactions with owners in their capacity as owners</b>				
Contributions of equity, net of transaction costs	6,256,339	-	-	6,256,339
Valuation of warrants	(134,956)	134,956	-	-
Exercise of performance rights	82,688	(82,688)	-	-
Options/warrants expired	-	(5,241,452)	5,241,452	-
Issue of performance rights	-	125,500	-	125,500
	6,204,071	(5,063,684)	5,241,452	6,381,839
<b>Balance at June 30, 2023</b>	<b>161,342,707</b>	<b>6,535,556</b>	<b>(156,715,687)</b>	<b>11,162,576</b>

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

### 1. CORPORATE INFORMATION

Genetic Technologies Limited (the "Company") is a molecular diagnostics company that offers predictive genetic testing and risk assessment tools. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Financial Report of the Company for the year ended June 30, 2023 was authorized for issue in accordance with a resolution of the Directors dated on August 30, 2023. Genetic Technologies Limited is incorporated in Australia and is a company limited by shares. The Directors have the power to amend and reissue the financial statements.

The Company's Ordinary Shares are publicly traded on the Australian Securities Exchange under the symbol GTG and, via Level II American Depositary Receipts, on the NASDAQ Capital Market under the ticker GENE.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

*(i) Compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board*

The general purpose financial statements of Genetic Technologies Limited and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Australian equivalent International Financial Reporting Standards, as issued by the Australian Accounting Standards Board. Genetic Technologies Limited is a for-profit entity for the purpose of preparing the financial statements.

*(ii) Historical cost convention*

These financial statements have been prepared under the historical cost convention except for financial assets and liabilities (including derivative instruments) which are measured at fair value.

*(iii) Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements, are disclosed in Note 3.

*(iv) Going concern*

For the year ended June 30, 2023, the Company incurred a total comprehensive loss of A\$11,650,334 (2022: A\$7,103,134) and net cash outflow from operations of A\$9,723,095 (2022: A\$5,659,456). As at June 30, 2023, the Company held total cash and cash equivalents of A\$7,851,197 and total net current assets of A\$7,185,750.

The company expects to continue to incur losses and cash outflows for the foreseeable future as it continues to invest resources in research and development activities for geneType risk assessment tests and to invest in the commercialization activities for geneType, EasyDNA and AffinityDNA, via marketing, sales and distribution channels.

The continuing viability of the company and its ability to continue as a going concern, and meet its debts and commitments as they fall due, is dependent on the satisfactory completion of an equity raising forecast for the early part of the 2024 calendar year. The Company does not currently have binding commitments from any party to subscribe for shares and any raise will be subject to maintaining active listing on the NASDAQ exchange as well as compliance with the Group's obligations under ASX Listing Rule 7.1.

On July 17, 2023, the company received notification from The Nasdaq Stock Market LLC that it is not in compliance with the minimum bid price requirement of Nasdaq Listing Rule 5550(a)(2) for continued listing on the Nasdaq Capital Market, since the closing bid price for the company's American Depositary Shares (ADS) on the Nasdaq Capital Market was below US\$1.00 for 34 consecutive trading days.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (a) Basis of preparation (cont.)

##### (iv) *Going concern (cont.)*

Under Nasdaq Listing Rule 5810(c)(3)(A), the company has a period of 180 calendar days from the date of Notification to regain compliance with the minimum bid requirement, during which time the ADS will continue to trade on the Nasdaq Capital Market. If at any time before January 15, 2024, the bid price of the ADS closes at or above US\$1.00 per ADS for a minimum of 10 consecutive business days, the Company will regain compliance with the Minimum Bid Requirement.

Due to the uncertainty surrounding the timing, quantum or the ability to raise additional equity, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Directors believe that the Company will be successful in its equity raising endeavours, and has a strong track record in this regard, and accordingly, have prepared the financial report on a going concern basis. As such no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

##### (v) *New standards and interpretations*

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2022:

- *Onerous Contracts – Cost of Fulfilling a Contract* – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
- *Property, Plant and Equipment: Proceeds before Intended Use* – Amendments to IAS 16
- *Reference to the Conceptual Framework* – Amendments to IFRS 3

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

##### (vi) *New standards and interpretations not yet adopted.*

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting years and on foreseeable future transactions.

#### (b) Principles of consolidation

##### (i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power to direct the activities of the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Company.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

##### (ii) *Loss of control*

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (c) Business combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (Note 2(b)(i)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (Note 2(k)). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (Note 2(u)).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

#### (d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The acquisition of EasyDNA in the 2022 financial year changed how the Company reports segment information as compared to the prior year. Therefore, the 2021 financial year period presentation of segment information was recast to conform with the current segment reporting structure.

#### (e) Foreign currency translation

##### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Genetic Technologies Limited's functional and presentation currency.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

All foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis, within other expenses or other income, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (e) Foreign currency translation (cont.)

##### *(ii) Transactions and balances (cont.)*

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

##### *(iii) Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

#### (f) Revenue recognition

Under IFRS 15, revenue is recognized based on contract with customers when performance obligations were satisfied. The following recognition criteria must also be met before revenue is recognized:

##### *(i) Revenue from sale of goods - Genetic testing revenues*

###### *Genetype*

Revenues from the provision of genetic and clinical risk testing for cancer and other serious diseases under the geneType brand are recognized at a point in time when the Company has provided the customer with their test results, the single performance obligation. Invoices are usually payable within 30 days. Where consideration is received in advance of performance, it is initially recorded as contract liabilities and then revenue is recognized as the performance obligations are satisfied. Revenue is recognized where consideration for collection is probable and is above 50%. The geneType brand have more than 75% probability of being collected.

###### *EasyDNA and AffinityDNA*

Revenue from provision of genetic test direct to consumer under the EasyDNA and AffinityDNA brand is recognized at a point in time when the Company has provided the customer with their test results, the single performance obligation. Where consideration is received in advance of performance, it is initially recorded as contract liabilities and then revenue is recognized as the performance obligations are satisfied. Revenue recognized under the EasyDNA and AffinityDNA brands are mainly upfront, hence, no issue in collectability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (f) Revenue recognition (cont.)

##### *(ii) Revenue from services - license fees*

Revenue from contracts with service providers is recognized when the contracted sales parameters are met, the single performance obligation. Revenue is recognized over time based on the higher of actual sales incurred or minimum fees requirement on a quarterly basis. The Company did not recognize or receive any license fee revenue in the current financial year. Fixed license fee revenue recognized in the prior period have been fully impaired as it is unlikely that these amounts will be recovered.

##### *(iii) Contract liabilities*

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred income in its consolidated statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either a contract asset or a receivable in its consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### (g) Other income

##### *(i) Research and development tax incentive income*

The Australian government replaced the research and development tax concession with research and development (R&D) tax incentive from July 1, 2011. The R&D tax incentive applies to expenditure incurred and the use of depreciating assets in an income year commencing on or after July 1, 2011. A refundable tax offset is available to eligible companies with an annual aggregate turnover of less than A\$20 million. A new legislation subsequently came into place, where for the first income year commencing on or after 1 July 2021, for companies with an aggregated turnover below A\$20 million, the refundable R&D tax offset will be a premium of 18.5 percentage points above the claimant's company tax rate.

Management has assessed the Company's activities and expenditure to determine which are likely to be eligible under the incentive scheme. The Company accounts for the R&D tax incentive as a government grant. The grant is recognized as other income over the period in which the R&D expense is recognized.

##### *(ii) Government Grants*

Income from government grants is recognized in the consolidated statement of profit or loss and comprehensive income on a systematic basis over the periods in which the Company recognizes as expense the related costs for which the grants are intended to compensate in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

The receivable for reimbursable amounts that have not been collected is reflected in trade and other receivables on our consolidated statement of financial position.

#### (h) Finance income and finance costs

The Group's finance income and finance costs include interest income and interest expenses. Interest income or expense is recognized using the effective interest method.

#### (i) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (i) Income tax (cont.)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

#### (j) Leases

For any new contracts entered into on or after July 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group,
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract,
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (j) Leases (cont.)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (k) Impairment of assets

##### *Non-financial asset*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets and the asset's value-in-use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. Cash generating unit is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to operations are recognized as a separate line in the statement of profit or loss unless the asset is carried at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless it reverses a decrement previously charged to equity, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. An impairment loss in respect of goodwill is not reversed.

##### *Financial asset*

The Group records the impairment losses for financial assets as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (l) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

#### (m) Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less loss allowance.

Refer Note 31 for details of management of interest rate, foreign exchange and liquidity risks applicable to trade and other payables for which, due to their short-term nature, their carrying value approximates their fair value.

#### (n) Inventories

##### *(i) Raw materials and stores, work in progress and finished goods*

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (o) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Plant and equipment	3 - 5 years
Furniture, fittings and equipment	3 - 5 years
Leasehold improvements	1 - 3 years (lease term)
Leased plant and equipment	3 years (lease term)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(k)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (p) Intangible assets and goodwill

##### *(i) Goodwill*

Goodwill arises on the acquisition of a business combination. Goodwill is calculated as the excess sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

Goodwill is not amortized. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill is allocated to the Group's cash-generating units representing the lowest level at which goodwill is monitored.

##### *(ii) Brand name and customer contracts*

Brand, trademark, trade names and domain names acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values.

Brand, trademark, trade names and domain names are amortized on a straight-lined basis over their estimated useful lives of 5 years.

#### (q) Trade and other payables

Trade payables and other payables are carried at amortized cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables and other payables generally have terms of between 30 and 60 days.

#### (r) Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (s) Employee benefits

##### *(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

##### *(ii) Other long-term employee benefit obligations*

In some countries, the Company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in general and administrative expenses in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (t) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (t) Fair value measurement (cont.)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

#### (u) Contributed equity

Issued and paid-up capital is recognized at the fair value of the consideration received by the Company. Transaction costs arising on the issue of Ordinary Shares are recognized directly in equity as a deduction, net of tax, of the proceeds received. The Company has a share-based payment option plan under which options to subscribe for the Company's shares have been granted to certain executives and other employees.

#### (v) Loss per share

##### (i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

##### (ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

On the basis of the Company's losses, the outstanding options and performance rights as at June 30, 2023 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

#### (w) Goods and services tax (GST) and other sales taxes

Receivables and payables are stated inclusive of the amount of GST and other sales taxes receivable or payable. The net amount of GST and other taxes recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST and other sales taxes components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

#### (x) Parent entity financial information

The financial information for the parent entity, Genetic Technologies Limited, disclosed in Note 33 has been prepared on the same basis as the consolidated financial statements. Loans to subsidiaries are written down to their recoverable value as at balance date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are evaluated and based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### *Share-based payments transactions*

The Company has determined that the fair value of the equity instruments is a critical judgement. The Company measures the cost of equity-settled transactions with employees and service providers by reference to the value of the equity instruments at the date on which they are granted. Management has determined the fair value by engaging an independent valuer for more complex equity instruments, such as warrants and performance rights, by using a Black-Scholes or Binomial model, and utilized internal resources to perform fair value by straight forward equity instruments by using Black-Scholes model.

#### *Goodwill*

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 2(k). The value-in-use calculation used in assessing potential impairment of goodwill incorporates a number of key estimates and assumptions which is a critical judgement. CGUs are identified by determining the smallest identifiable group of assets that generate largely independent cash inflows from other assets or groups of assets. Identifying those largely independent cash inflows requires significant judgement in assessing the Group's sources of revenue and how assets are utilized in generating those revenues. Goodwill is required to be allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination acquired where goodwill cannot be allocated to individual CGUs on a reasonable and consistent basis. Significant judgement is required to assess which CGUs or groups of CGUs benefit from the synergies and thus determine how the goodwill is allocated.

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluation conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculation which incorporate a number of key estimates and assumptions.

#### *Business combination and the contingent consideration*

Business combination are initially accounted for on a provisional basis. The fair value of assets acquired and liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalization of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortization reported.

For the AffinityDNA acquisition, a second payment of A\$486,188 (£277,500) would be due to the prior owners of the business if a pre-determined gross profit target for the 12-month period from the acquisition date is achieved. Management used judgement by not including the second payment in the calculation of fair value of consideration transferred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 4. REVENUE AND DEFERRED INCOME

#### 4A. REVENUE

	2023 A\$	2022 A\$	2021 A\$
Sales of EasyDNA branded test - point in time	7,698,605	5,989,782	-
Sales of AffinityDNA branded test - point in time	944,058	-	-
Sales of geneType branded test - point in time	43,455	7,551	25,347
License fees - over time	-	797,483	95,207
<b>Total revenue from contract with customers</b>	<b>8,686,118</b>	<b>6,794,816</b>	<b>120,554</b>

#### 4B. DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's revenue disaggregated by primary geographical markets is as follows:

	2023 A\$	2022 A\$	2021 A\$
America and Canada	2,242,169	2,274,551	120,554
Europe Middle East and Africa	4,494,626	2,501,302	-
Latin America	322,033	128,840	-
Asia Pacific	1,627,290	1,890,123	-
<b>Total revenue</b>	<b>8,686,118</b>	<b>6,794,816</b>	<b>120,554</b>

#### 4C. CONTRACT BALANCES

	Note	2023 A\$	2022 A\$
Receivables, which are included in 'net trade receivables'	12	1,049,393	390,587
Contract liabilities		849,212	814,150

Contract liabilities arises from revenue for all business units, which is the consideration received in respect of unsatisfied performance obligation. There are no contract assets as at 30 June 2023 (2022: Nil).

The amount of A\$814,150 included in deferred income (contract liabilities) at 30 June 2022 has been recognized as revenue in 2023 (2022: Nil).

No revenue was recognized in 2023 from performance obligations satisfied (or partially satisfied) in previous periods (2022: Nil, 2021: Nil).

### 5. OTHER INCOME

	2023 A\$	2022 A\$	2021 A\$
Research and development tax incentive income (1)	1,616,064	2,397,552	997,908
Export Marketing & Development Grant	-	-	100,000
Other income	45,724	25,955	116,271
Government grant income – COVID-19 relief (2)	-	-	287,883
Net unrealized foreign exchange gain	152,963	244,762	-
Net realized foreign exchange gain	22,071	115,122	57,899
<b>Total other income</b>	<b>1,836,822</b>	<b>2,783,391</b>	<b>1,559,961</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 5. OTHER INCOME

#### (1) R&D tax incentive

The Company's research and development activities are eligible under an Australian government tax incentive for eligible expenditure. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive scheme. Amounts are recognized when it has been established that the conditions of the tax incentive have been met and that the expected amount can be reliably measured. For the year ended June 30, 2023, the Company has included an item in other income of A\$1,616,064, (2022: A\$2,397,552, 2021: A\$997,908) to recognize income over the period necessary to match the grant on a systematic basis with the costs that they are intended to compensate.

On December 5, 2019, the Treasury Laws Amendment (R&D Tax Incentive Bill 2019) was introduced into Parliament. The draft bill contains proposed amendments to the R&D tax incentive regulations. Under the proposed amendments, the refundable tax offset rate for companies with an aggregated turnover of less than A\$20 million would become 41%. In lieu of that bill, the below legislation came into place.

During the 2022 financial year new legislation came into place, where for the first income year commencing on or after 1 July 2021, for companies with an aggregated turnover below A\$20 million, the refundable R&D tax offset will be a premium of 18.5 percentage points above the claimant's company tax rate. The Company has therefore calculated the R&D tax incentive for 2022 and 2023 by applying the legislation brought into effect during the 2022 financial year.

#### (2) Government Grant income – COVID-19 Relief

The COVID-19 relief relates to government assistance received during the year, from the Australian Government (at both federal and state level) and the U.S. Small Business Administration, in response to the economic and financial challenges in the current economy.

### 6. EMPLOYEE BENEFITS EXPENSE

	2023 A\$	2022 A\$	2021 A\$
Salaries and wages	4,938,516	4,490,186	2,480,336
Director fees	288,024	288,024	288,024
Superannuation contribution	415,128	347,018	203,242
Share-based payments	125,500	437,508	714,577
Other employee costs	440,898	305,919	182,152
<b>Total employee benefits expenses</b>	<b>6,208,066</b>	<b>5,868,655</b>	<b>3,868,331</b>

### 7. OTHER EXPENSES

	2023 A\$	2022 A\$	2021 A\$
Buildings and facilities costs	695,844	748,580	345,624
Insurance	403,167	345,450	302,722
Investor relations and shareholder maintenance	469,151	344,355	273,187
Net unrealized foreign exchange loss	13,521	-	47,896
Net realized foreign exchange loss	-	-	-
Bank and credit card merchant charges	426,589	296,883	14,582
IT and communication	670,008	84,133	75,311
Travel and entertainment	366,920	67,298	12,318
Administrative	370,571	121,184	82,264
Other expenses	271,259	146,492	129,967
<b>Total other expenses</b>	<b>3,687,030</b>	<b>2,154,375</b>	<b>1,283,871</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

8. FINANCE INCOME / (FINANCE COSTS)

	2023 A\$	2022 A\$	2021 A\$
Interest income	220,161	36,256	62,394
<b>Total finance income</b>	<b>220,161</b>	<b>36,256</b>	<b>62,394</b>
Lease interest	(29,515)	(15,215)	(16,338)
<b>Total finance costs</b>	<b>(29,515)</b>	<b>(15,215)</b>	<b>(16,338)</b>

9. INCOME TAX CREDIT/(EXPENSE)

	2023 A\$	2022 A\$	2021 A\$
<b>Reconciliation of income tax expense to prima facie tax payable</b>			
Loss before income tax credit	(11,909,252)	(7,163,123)	(7,077,619)
Tax at the Australian tax rate of 25% (2022: 25% and 2021: 26%)	(2,977,313)	(1,790,781)	(1,840,181)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income			
Share-based payments expense	31,375	109,377	185,790
Research and development tax incentive	919,785	1,116,714	588,659
Impairment of goodwill	461,250	-	-
Other assessable items	-	-	-
Income tax expenses before unrecognized tax losses	(1,564,903)	(564,690)	(1,065,732)
Difference in overseas tax rates	53,673	(79,604)	16,688
Over provision in prior years	(454,928)	(348,607)	(235,653)
Temporary differences not recognized	29,979	(301,694)	(419,965)
Research and development tax credit	(404,016)	(599,388)	(275,631)
Tax losses not recognized	2,543,441	1,861,858	1,980,293
Utilization of tax losses not previously recognized	(361,575)	-	-
<b>Income tax credit</b>	<b>(158,329)</b>	<b>(32,125)</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

9. INCOME TAX CREDIT/(EXPENSE) (cont.)

	2023 A\$	2022 A\$	2021 A\$
<b>Net deferred tax assets</b>			
<b>Deferred tax liabilities recognized</b>			
Brands and trademarks	(121,901)	(148,013)	-
<b>Total deferred tax liabilities</b>	(121,901)	(148,013)	-
<b>Deferred tax assets recognized</b>			
Tax losses	121,901	-	-
<b>Total deferred tax assets</b>	121,901	-	-
<b>Deferred tax assets not recognized</b>			
Property, plant and equipment	-	-	8,004
Trade debtor	222,144	58,041	-
Capital raising costs	582,168	661,863	975,270
Intangible assets	1,407,570	1,456,225	1,701,477
Provisions	342,252	442,383	297,907
<b>Total deferred tax assets</b>	2,554,134	2,618,512	2,982,658
<b>Deferred tax liabilities not recognized</b>			
Right-of-use assets	(127,388)	(161,787)	(34,735)
<b>Total deferred tax liabilities</b>	(127,388)	(161,787)	(34,735)
<b>Net deferred tax assets on temporary differences not brought to account</b>	(2,426,746)	(2,456,725)	2,947,923
<b>Total net deferred tax assets/(liabilities)</b>	-	(148,013)	-
	2023 A\$	2022 A\$	2021 A\$
<b>Tax losses</b>			
Unused tax losses for which no deferred tax asset has been recognized	119,096,654	105,287,311	100,694,696
Potential tax benefit @ 26% (Australia)	21,897,732	19,020,914	19,025,063
Potential tax benefit @ 21% (USA)	6,568,458	5,950,299	5,665,976
Potential tax benefit @ 35% (Malta)	65,895	304,115	-
Potential tax benefit @ 19% (UK)	7,427	-	-

Subject to the Company continuing to meet the relevant statutory tests, the tax losses are available for offset against future taxable income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 9. INCOME TAX CREDIT/(EXPENSE) (cont.)

At June 30, 2023, the Company had a potential tax benefit related to tax losses carried forward of A\$28,539,512 (2022: A\$25,275,328, 2021: A\$24,691,039). Such amount includes net losses of A\$6,568,458 (2022: A\$5,950,299, 2021: A\$5,665,976) related to subsidiaries in the United States (U.S.). The Tax Cuts and Jobs Act (TCJA) enacted by Congress in the U.S. on December 22, 2017 cut the top corporate income tax rate from 35% to 21%. For tax years beginning after December 31, 2017, the graduated corporate tax rate structure is eliminated and corporate taxable income will be taxed at 21% flat rate. Additionally, the previous 20-year limitation on carry forward net operating losses (NOL's) has been removed, allowing the NOL's to be carried forward indefinitely. The remaining tax losses carried forward of A\$21,897,732 (2022: A\$19,020,914, 2021: A\$19,025,063) are indefinite and are attributable to the Company's operations in Australia, as well as A\$65,895 (2022: A\$304,115, 2021: Nil) and A\$7,427 (2022: Nil) tax losses attributable to Company's operations in Malta and UK, respectively. As such the total unused tax losses available to the Company, equal A\$28,539,511 (2022: A\$25,275,328, 2021: A\$24,691,039).

As at balance date, there are unrecognized tax losses with a benefit of approximately A\$28,539,511 (2022: A\$25,275,328, 2021: A\$24,691,039) that have not been recognized as a deferred tax asset to the Company. These unrecognized deferred tax assets will only be obtained if:

- (a) The Company derives future assessable income of a nature and amount sufficient to enable the benefits to be realized;
- (b) The Company continues to comply with the conditions for deductibility imposed by the law; and
- (c) No changes in tax legislation adversely affect the Company from realizing the benefit.

Management has assessed the tax position of the Company and concluded that any potential uncertainty does not have a material impact on the financial statements.

#### **Tax consolidation legislation**

Genetic Technologies Limited and its wholly owned Australian subsidiaries implemented the tax consolidation legislation as from July 1, 2003. The accounting policy in relation to this legislation is set out in Note 2(i).

The entities in the tax consolidated Company have entered into a Tax Sharing Agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly owned entities in the case of a default by the head entity, Genetic Technologies Limited.

The entities have also entered into a Tax Funding Agreement under which the wholly owned entities fully compensate Genetic Technologies Limited for any current tax payable assumed and are compensated by Genetic Technologies Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Genetic Technologies Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognized in the respective subsidiaries' financial statements.

The amounts receivable or payable under the Tax Funding Agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

As at June 30, 2023, there are no unrecognized temporary differences associated with the Company's investments in subsidiaries, as the Company has no liability for additional taxation should unremitted earnings be remitted (2022: Nil, 2021: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 10. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2023 A\$	2022 A\$	2021 A\$
Loss for the year	(11,750,923)	(7,130,998)	(7,077,619)
Weighted average number of Ordinary Shares used in calculating loss per share (number of shares)	10,138,075,003	9,220,348,281	8,544,157,979

Note: None of the 233,400,000 (2022: 757,400,000 and 2021: 725,787,500) options/performance rights over the Company's Ordinary Shares that were outstanding as at the reporting date are considered to be dilutive for the purposes of calculating diluted earnings per share.

### 11. CASH AND CASH EQUIVALENTS

	2023 A\$	2022 A\$	2021 A\$
<b>Reconciliation of cash and cash equivalents</b>			
Cash at bank and on hand	7,851,197	11,731,325	20,902,282
Total cash and cash equivalents	7,851,197	11,731,325	20,902,282

#### Reconciliation of loss for the year

Reconciliation of loss for the year after income tax to net cash flows used in operating activities is as follows:

Loss for the year after income tax	(11,750,923)	(7,130,998)	(7,077,619)
Tax credit	158,329	32,125	-
Loss for the year before income tax	(11,909,252)	(7,163,123)	(7,077,619)

#### Adjust for non-cash items and non-operational items

Amortization and depreciation expenses	380,409	343,427	265,748
Depreciation of right-of-use of assets	296,174	235,241	212,474
Impairment of receivables	280,725	564,161	-
Impairment of goodwill	1,845,000	-	-
Share-based payments expense	125,500	437,508	714,577
Inventory written-off	-	30,214	54,523
Finance costs	29,515	15,215	16,338
Finance income	(220,161)	(36,256)	(62,394)
Net foreign exchange (gains) / losses	(152,963)	(244,762)	9,755
	(9,325,053)	(5,818,375)	(5,866,598)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 11. CASH AND CASH EQUIVALENTS (cont.)

	2023 A\$	2022 A\$	2021 A\$
<b>Reconciliation of cash and cash equivalents (cont.)</b>			
<i>Adjust for changes in assets and liabilities</i>			
Decrease / (Increase) in trade and other receivables	256,213	(1,889,124)	(284,971)
(Increase) / Decrease in other operating assets	(232,961)	16,493	(182,602)
Decrease / (Increase) in inventories	72,257	(351,437)	14,463
Decrease / (Increase) in other non-current assets	-	97,868	-
(Decrease) / Increase in trade and other payables	(432,361)	2,178,301	(14,991)
(Decrease) / Increase in provisions	(61,190)	106,818	38,770
<b>Net cash flows used in operating activities</b>	<b>(9,723,095)</b>	<b>(5,659,456)</b>	<b>(6,295,928)</b>
<b>Financing facilities available</b>			
As at June 30, 2023, the following financing facilities had been negotiated and were available:			
<i>Total facilities</i>			
Credit cards	188,630	190,020	190,020
<i>Facilities used as at reporting date</i>			
Credit cards	(16,029)	-	(9,511)
<i>Facilities unused as at reporting date</i>			
Credit cards	172,601	190,020	180,509

The Company's main interest rate risk arises in relation to its short-term deposits with various financial institutions. If rates were to decrease, the Company may generate less interest revenue from such deposits. However, given the relatively short duration of such deposits, the associate risk is relatively minimal.

The Company has a Short-Term Investment Policy which was developed to manage the Company's surplus cash and cash equivalents. In this context, the Company adopts a prudent approach that is tailored to cash forecasts rather than seeking high returns that may compromise access to funds as and when they are required. Under the policy, the Company deposits its surplus cash in a range of deposits over different time frames and with different institutions in order to diversify its portfolio and minimize risk.

### 12. TRADE AND OTHER RECEIVABLES (CURRENT)

	2023 A\$	2022 A\$
Trade receivables	1,080,479	1,036,998
Less: impairment loss <sup>(1)</sup>	(888,576)	(594,798)
Net trade receivables	191,903	442,200
Other receivables <sup>(2)</sup>	1,729,754	1,979,038
<b>Total net current trade and other receivables</b>	<b>1,921,657</b>	<b>2,421,238</b>

<sup>(1)</sup> Provision of impairment losses against trade receivables relate to licence fees from IBX contract in the prior year. The Company did not recognize or receive any license fee revenue in the current financial year.

<sup>(2)</sup> Other receivables includes the R&D tax incentive refund accrued for the 2023 financial year A\$1,616,064 (2022: A\$1,943,083).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

13. OTHER CURRENT ASSETS

	2023 A\$	2022 A\$
Prepayments	381,608	147,854
Bonds and deposits	17,440	13,257
Other	-	4,976
<b>Total current prepayments and other assets</b>	<b>399,048</b>	<b>166,087</b>

14. PROPERTY, PLANT AND EQUIPMENT

	2023 A\$	2022 A\$
Laboratory equipment, at cost	975,619	960,872
Less: cost written-off during the year	(8,243)	-
Add: additions during the year	6,402	14,747
Less: accumulated depreciation	(941,545)	(744,615)
Add: accumulated depreciation written-off during the year	8,243	-
<b>Net laboratory equipment</b>	<b>40,476</b>	<b>231,004</b>
Computer equipment, at cost	292,817	251,852
Less: cost written-off during the year	(3,099)	-
Less: cost transferred	(11,603)	-
Add: additions during the year	11,150	40,965
Less: accumulated depreciation	(261,580)	(230,186)
Add: accumulated depreciation transferred	11,897	-
Add: accumulated depreciation written-off during the year	3,099	-
<b>Net computer equipment</b>	<b>42,681</b>	<b>62,631</b>
Office equipment, at cost	18,709	10,495
Less: cost written-off during the year	-	-
Add: cost transferred	11,603	-
Add: additions during the year	-	8,214
Less: accumulated depreciation	(11,949)	(6,169)
Less: accumulated depreciation transferred	(11,897)	-
Add: accumulated depreciation written-off during the year	-	-
<b>Net office equipment</b>	<b>6,466</b>	<b>12,540</b>
<b>Total net property, plant and equipment</b>	<b>89,623</b>	<b>306,175</b>

**Reconciliation of property, plant and equipment**

Opening gross carrying amount	1,284,395	1,220,469
Add: additions purchased during the year	17,552	63,926
Less: cost written-off during the year	(11,342)	-
<b>Closing gross carrying amount</b>	<b>1,290,605</b>	<b>1,284,395</b>
Opening accumulated depreciation and impairment losses	(978,220)	(763,291)
Add: accumulated depreciation written-off during the year	11,342	-
Less: cost written-off during the year	(234,697)	(214,929)
Add: foreign currency translation	593	-
<b>Closing accumulated depreciation and impairment losses</b>	<b>(1,200,982)</b>	<b>(978,220)</b>
<b>Total net property, plant and equipment</b>	<b>89,623</b>	<b>306,175</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

14. PROPERTY, PLANT AND EQUIPMENT (cont.)

Reconciliation of movements in property, plant and equipment by asset category for the year ended June 30, 2023

Asset category	Opening net carrying Amount A\$	Additions during year A\$	Transfer during year A\$	Depreciation expense A\$	Foreign currency translation A\$	Closing net carrying amount A\$
Laboratory equipment	231,004	6,402	-	(196,928)	(2)	40,476
Computer equipment	62,631	11,150	294	(31,394)	-	42,681
Office equipment	12,540	-	(294)	(6,375)	595	6,466
<b>Totals</b>	<b>306,175</b>	<b>17,552</b>	<b>-</b>	<b>(234,697)</b>	<b>593</b>	<b>89,623</b>

Reconciliation of movements in property, plant and equipment by asset category for the year ended June 30, 2022

Asset category	Opening net carrying Amount A\$	Additions during year A\$	Disposals during year A\$	Depreciation expense A\$	Closing net carrying amount A\$
Laboratory equipment	412,889	14,747	-	(196,632)	231,004
Computer equipment	34,917	40,965	-	(13,251)	62,631
Office equipment	9,372	8,214	-	(5,046)	12,540
<b>Totals</b>	<b>457,178</b>	<b>63,926</b>	<b>-</b>	<b>(214,929)</b>	<b>306,175</b>

15. GOODWILL

The following table shows the movements in goodwill:

	2023 A\$	2022 A\$
Gross carrying amount:		
Balance at beginning of period	4,506,653	-
Acquired through business combination - AffinityDNA (Note 17)	455,240	4,506,653
Balance at end of period	4,961,893	4,506,653
Accumulated impairment:		
Balance at beginning of period	-	-
Impairment loss recognized	(1,845,000)	-
Balance at end of period	(1,845,000)	-
Carrying amount at the end of the period	<b>3,116,893</b>	<b>4,506,653</b>

Management has determined that the acquisition of AffinityDNA in the current year is a single cash generating unit. The total goodwill acquired through business combination for AffinityDNA amounted to \$455,240. Further details of net assets acquired and of goodwill is disclosed in Note 17.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 15. GOODWILL (cont.)

#### (i) Impairment testing for CGUs containing goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	2023	2022
	A\$	A\$
Net carrying amount at the end of the period:		
EasyDNA	2,661,653	4,506,653
AffinityDNA	455,240	-
Goodwill allocation at 30 June	<b>3,116,893</b>	<b>4,506,653</b>

#### (ii) Key assumptions used for value-in-use calculations

The estimates below were used in the goodwill impairment assessment for the acquired EasyDNA and AffinityDNA businesses:

	EasyDNA	AffinityDNA
Revenue growth (FY2025 to FY2028)	4.3%	4.5%
Gross margin	47.5%	45.0%
Pre-tax discount rate	22.7%	22.7%
Post-tax discount rate	17%	17%
Growth rate beyond FY2027	4.3%	4.5%

The key assumptions in the value-in-use impairment tests are estimated post-tax cash flows, revenue growth rates, gross margins and the discount rate. Management is aware that reasonably possible negative changes in the estimated post-tax cash flows or the discount rate could cause the recoverable amount to fall below the carrying amounts of the acquired EasyDNA and AffinityDNA businesses.

#### (iii) Impairment charge for goodwill

##### EasyDNA

Based upon the impairment testing undertaken by management for the financial year ending June 30, 2023 an impairment loss of A\$1,845,000 (2022: Nil) was recorded for the goodwill asset recorded as part of the EasyDNA business acquisition indicating that the carrying value exceeded the recoverable amount of the CGU as at 30 June 2023. Although significant revenue was recorded in the financial year for EasyDNA, revenue did not meet forecast expectations. Management believes there were a number of contributing factors, including increased competition for the genetic tests offered by EasyDNA and slowing economic activity in key markets following the actions of central banks to bring down inflation.

Following the impairment loss recognized in the Group's EasyDNA CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

##### AffinityDNA

Management's assessment of impairment for AffinityDNA did not result in an impairment for AffinityDNA as the recoverable amounts exceeds its carrying value by A\$78,000.

Sensitivity analysis undertaken on the key impairment model assumptions indicates that in order for the recoverable amount to be equal to their carrying value for AffinityDNA, the discount rate would need to increase to 17.5% and revenue growth rate would need to decrease by 0.5%. Management is not aware of any events that are expected to have an adverse effect on revenue growth.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 16. OTHER INTANGIBLE ASSETS

The following table shows the movements in other intangible assets:

	2023	2022
	A\$	A\$
Other intangible assets:		
Gross carrying amount		
Balance at beginning of period	753,418	-
Brands, trademark and trade names, acquired through business combination	41,264	720,550
Domain names	-	32,868
Balance at end of period	794,682	753,418
Accumulated amortization:		
Balance at beginning of period	(128,498)	-
Amortization for the period	(145,712)	(128,498)
Balance at end of period	(274,210)	(128,498)
Carrying amount at the end of the period	<b>520,472</b>	<b>624,920</b>

Brand, trademark, trade names and domain names acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values. Brands, trademarks and trade names acquired through business combination for EasyDNA and AffinityDNA have been recognized a one category of intangible asset for each segment as they are interconnected elements that collectively contribute to a company's image, recognition, and legal protection. They are essential components for establishing a strong market presence, building consumer trust, and safeguarding a company's intellectual property.

The Brand, trademark, trade names and domain names acquired in respect of the purchase of the EasyDNA business and its assets have been valued using the 'relief from royalty method'. The projected royalty cashflows were discounted to their present value assuming a weighted average cost of capital of 16%. A net royalty rate of 1.5% of projected EasyDNA revenues has been assumed.

The Brand, trademark, trade names and domain names acquired in respect of the purchase of AffinityDNA's business and its assets have been valued using the 'relief from royalty method'. The projected royalty cashflows have been discounted to their present value assuming a weighted average cost of capital of 48%. A net royalty rate of 1.5% of projected AffinityDNA revenues has been assumed.

Brand, trademark, trade names and domain names are amortized on a straight-line basis over their estimated useful lives of five years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 17. BUSINESS ACQUISITION

On 14 July 2022, the Company completed the acquisition of AffinityDNA's direct-to-consumer eCommerce business and distribution rights. The purchase consideration has two parts, A\$486,188 (£277,500) on the acquisition date (which has been paid) and a further A\$486,188 (£277,500) as contingent consideration. The second payment is payable on the achievement of certain financial targets and remained unpaid at June 30, 2023. The second payment was payable on the achievement of a gross profit target for the 12-month period from the acquisition date. This target was not achieved and therefore no further payment is to be made in respect of the acquisition of AffinityDNA.

Costs incurred in respect of acquisition were A\$40,625, these have been recognized through profit or loss for the period.

The acquisition of AffinityDNA provides the Group with an additional and complimentary platform to further build its existing direct-to-consumer offerings and lifestyle division. The acquisition also expands the Group's portfolio of tests, geographic (including the UK and US markets) and demographic access. The acquisition provides the group with operational, supply chain, distribution and commercial synergies with its existing EasyDNA direct-to-consumer business that represents goodwill, which cannot be separately measured and identified.

Intangible assets arising on acquisition were valued by an independent valuer. Details of net assets acquired and of goodwill are as follows:

	A\$
Fair value of consideration transferred	
Amount settled in cash	486,188
Total consideration	<b>486,188</b>
Recognized amounts of identifiable net assets	
Intangible assets <sup>(1)</sup>	41,264
Deferred tax liabilities	(10,316)
Identifiable net assets	<b>30,948</b>
Goodwill on acquisition (Note 15)	<b>455,240</b>

The total fair value of the contingent consideration transferred was on the basis that the probability of achieving the earn-out payment at acquisition date was 0%.

Goodwill arises on the acquisition of a business combination. Goodwill is calculated as the excess sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

Goodwill is not amortized. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

<sup>(1)</sup> Intangible assets relate to brand, trademark, trade names and domain names acquired as part of the business acquisition amounted to A\$41,264 (refer to Note 16 for further details). The useful life of these intangibles are amortized on a straight-line basis over their estimated useful lives of five years.

AffinityDNA reported revenue of A\$944,058 and incurred an operating loss of A\$89,618 from July 14, 2022 to the June 30, 2023. Given that the acquisition date was fairly close to the start of the year, the impact to consolidated revenue and loss for the year would be immaterial, even if the acquisition had occurred on 1 July 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 17. BUSINESS ACQUISITION (cont.)

#### *Prior year's business acquisition*

On 13 August 2021, the Company completed the acquisition of EasyDNA's assets and business. The purchase was settled by A\$3,400,625 in cash and A\$1,574,136 in GTG shares. Costs incurred in respect of acquisition were A\$116,682, these have been recognized through profit or loss for the period. The acquisition provides the foundation for the Company to grow its portfolio of serious disease test through direct-to-consumer market and additional platform for growth and expansion into lifestyle testing. The acquisition will provide the Group with operational and sales channel synergies that represents goodwill, which cannot be separately measured and identified.

Intangible assets arising on acquisition were valued by an independent valuer. Details of net assets acquired and of goodwill are as follows:

	<u>Number of shares</u>	<u>A\$</u>
Fair value of consideration transferred		
Amount settled in cash		3,400,625
Amount settled in shares	209,363,400	1,574,136
Total consideration		<u>4,974,761</u>
Recognized amounts of identifiable net assets		
Right-of-use asset		42,289
Intangible assets <sup>(1)</sup>		720,550
Other payables		(19,193)
Lease liability		(42,289)
Employee benefit provisions		(53,111)
Deferred tax liability		(180,138)
Identifiable net assets		<u>468,108</u>
Goodwill on acquisition (Note 15)		<u>4,506,653</u>

Goodwill arises on the acquisition of a business combination. Goodwill is calculated as the excess sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest; over the acquisition date fair value of net identifiable assets acquired.

Goodwill is not amortized. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

<sup>(1)</sup> Intangible assets relate to brand, trademark, trade names and domain names acquired as part of the business acquisition amounted to A\$720,550 (refer to Note 16 for further details).

EasyDNA reported revenue of A\$5,989,782 and incurred an operating loss of A\$165,000 from August 13, 2021 to the June 30, 2022. The revenue and operating loss as at June 30, 2023 for EasyDNA CGU are A\$7,698,605 and A\$2,871,259, respectively (see Note 25).

There are no contingent consideration arrangements related to the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

18. TRADE AND OTHER PAYABLES (CURRENT)

	2023 A\$	2022 A\$
Trade payables	837,952	1,153,856
Accrued expenses	618,163	953,439
Other payables	161,218	15,084
<b>Total current trade and other payables</b>	<b>1,617,333</b>	<b>2,122,379</b>

19. PROVISIONS (CURRENT AND NON-CURRENT)

	2023 A\$	2022 A\$
<b>Current provisions</b>		
Annual leave	328,924	312,665
Long service leave	121,416	206,805
Make good <sup>(1)</sup>	91,590	91,590
<b>Total current provisions</b>	<b>541,930</b>	<b>611,060</b>
<b>Non-current provisions</b>		
Long service leave	30,439	22,499
Total non-current provisions	30,439	22,499
<b>Total provisions</b>	<b>572,369</b>	<b>633,559</b>

<sup>(1)</sup> Make good provision in respect of the lease of the Melbourne office and laboratory

	2023 A\$	2022 A\$
<b>Reconciliation of annual leave provision</b>		
Balance at the beginning of the financial year	312,665	171,398
Add: obligation accrued during the year	400,780	366,816
Less: utilized during the year	(388,457)	(225,549)
Less: FX on translation	3,936	-
<b>Balance at the end of the financial year</b>	<b>328,924</b>	<b>312,665</b>
<b>Reconciliation of long service leave provision</b>		
Balance at the beginning of the financial year	229,304	210,642
Add: obligation accrued during the year	21,723	18,662
Less: reversal during the year	(472)	-
Less: paid off during the year	(98,700)	-
<b>Balance at the end of the financial year</b>	<b>151,855</b>	<b>229,304</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 20. RIGHT-OF-USE ASSET / (LEASE LIABILITIES)

#### (a) Amounts recognized in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2023	2022
	A\$	A\$
<b><i>Right-of-use assets</i></b>		
Right-of-use assets	509,553	647,150
<b><i>Lease Liabilities</i></b>		
Lease liabilities - Current	(303,570)	(264,130)
Lease liabilities - Non-Current	(229,276)	(388,396)
<b>Total</b>	<b>(532,846)</b>	<b>(652,526)</b>

#### (b) Amounts recognized in the statement of profit or loss

The statement of profit or loss under general and administrative expenses includes the following amounts relating to leases:

	2023	2022
	A\$	A\$
<b><i>Depreciation charge of right-of-use assets</i></b>		
Depreciation Expense (for Leased Assets)	296,174	235,241
Interest expense (included in finance costs)	29,515	15,215
Low value leases	32,094	26,408

During the financial year ended June 30, 2023, the total cash outflow was A\$336,396 (2022: A\$268,590).

### 21. CONTRIBUTED EQUITY

	2023	2022
	A\$	A\$
<b>Issued and paid-up capital</b>		
Fully paid Ordinary Shares	161,342,707	155,138,636
<b>Total contributed equity</b>	<b>161,342,707</b>	<b>155,138,636</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 21. CONTRIBUTED EQUITY (cont.)

#### Movements in shares on issue

	Number of Shares	A\$
<b>Year ended June 30, 2023</b>		
Balance at the beginning of the financial year	9,233,965,143	155,138,636
Shares issued during the year	2,307,693,000	7,172,399
Add: Exercise of performance rights	-	82,688
Less: transaction costs arising on share issue <sup>(i)</sup>	-	(916,060)
Less: valuation of warrants to be issued	-	(134,956)
<b>Balance at the end of the financial year</b>	<b>11,541,658,143</b>	<b>161,342,707</b>
<b>Year ended June 30, 2022</b>		
Balance at the beginning of the financial year	9,016,726,743	153,574,974
Shares issued during the year	217,238,400	1,574,136
Less: transaction costs arising on share issue <sup>(i)</sup>	-	(10,474)
<b>Balance at the end of the financial year</b>	<b>9,233,965,143</b>	<b>155,138,636</b>

<sup>(i)</sup> The details of securities arising on shares issued for the year ended June 30, 2023 and June 30 2022 are as below:

- On July 19, 2021, the Company issued 209,363,400 new ordinary shares, at fair value of A\$1,574,136 in part consideration for the acquisition of 100% of EasyDNA.
- On November 3, 2021, the Company issued 7,875,000 new ordinary shares pursuant to the Company's Employee Performance Rights Plan.
- On February 7, 2023, the Company issued 3,846,155 ADSs, each representing six hundred (600) of the Company's ordinary shares, totaling 2,307,693,000 ordinary shares, at a purchase price of United States Dollars (US\$) US\$1.30 per ADS. The gross proceeds for this offering were approximately US\$5 million. Against the offering, the Company agreed to issue 250,000 warrants exercisable at US\$1.625 each, expiring in 5 years from issue date, to H.C. Wainwright & Co which would form part of cost of raising capital. The said warrants are subject to shareholder approval at the Company's 2023 annual general meeting.

#### Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares, which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

22. RESERVES

	2023	2022
	A\$	A\$
Foreign currency translation	847,408	746,819
Share-based payments	5,688,148	10,751,832
<b>Total reserves</b>	<b>6,535,556</b>	<b>11,498,651</b>
<b>Reconciliation of foreign currency translation reserve</b>		
Balance at the beginning of the financial year	746,819	718,955
Add: net currency translation gain / (loss)	100,589	27,864
<b>Balance at the end of the financial year</b>	<b>847,408</b>	<b>746,819</b>
<b>Reconciliation of share-based payments reserve</b>		
Balance at the beginning of the financial year	10,751,832	10,314,324
Add: share-based payments expense	-	-
Add: Issue of performance rights	125,500	437,508
Add: Valuation of warrants	134,956	-
Less: Options/warrants expired	(5,241,452)	-
Less: Exercise of performance rights	(82,688)	-
<b>Balance at the end of the financial year</b>	<b>5,688,148</b>	<b>10,751,832</b>

**Share Based Payments Reserve**

Nature and Purpose

The share-based payment reserve records items recognized as expenses on valuation of warrants, share options, and performance shares issued to capital raising agents, key management personnel, other employees, and eligible contractors.

*Warrants*

During the financial year ended June 30, 2023, the following warrants were issued to as a part of capital raising costs.

	2023
Valuation date	December 20, 2022
Grant Date	December 20, 2022
Warrants issued	250,000
Underlying asset price	A\$ 1.525
Risk free rate	4.1 %
Volatility	75 %
Exercise price presented in United States Dollar	US\$ 1.625
Exchange rate at valuation date	A\$ 1 to USD\$0.669
Exercise price presented in Australian Dollar	A\$ 2.429
Time to maturity of underlying warrants (years)	5.12
Value per warrant in Australian Dollar	A\$ 0.5398
Model used	Black Scholes
Valuation amount	A\$ 134,956

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 22. RESERVES (cont.)

No warrants were issued for the financial year ended June 30, 2022. During the financial year ended June 30, 2021, the following warrants were issued to as a part of capital raising costs.

	<b>2021</b>	
Valuation date		July 21, 2020
Grant Date		June 1, 2020
Warrants issued		39,975,000
Underlying asset price	A\$	0.0070
Risk free rate		0.42 %
Volatility		148.66 %
Exercise price presented in United States Dollar	US\$	0.00417
Exchange rate at valuation date	A\$	1 to US\$0.7127
Exercise price presented in Australian Dollar	A\$	0.0146
Time to maturity of underlying warrants (years)		5
Value per warrant in Australian Dollar	A\$	0.009
Model used		Binomial
Valuation amount	A\$	360,017

	<b>2021</b>	
Valuation date		January 25, 2021
Grant Date		January 25, 2021
Warrants issued		48,750,000
Underlying asset price	A\$	0.0110
Risk free rate		0.414 %
Volatility		147.29 %
Exercise price presented in United States Dollar	US\$	0.0109
Exchange rate at valuation date	A\$	1 to US\$0.7708
Exercise price presented in Australian Dollar	A\$	0.0142
Time to maturity of underlying warrants (years)		5
Value per warrant in Australian Dollar	A\$	0.0098
Model used		Binomial
Valuation amount	A\$	476,297

#### Share Options

No share options were issued during the financial year ending June 30, 2023 or June 30, 2022. The following information relates to options granted and issued against under the Employee Option Plan for the year ended June 30, 2021;

<b>Options issued to</b>	<b>Grant date for options issued</b>	<b>Number of options issued</b>
Employee Option Plan	December 21, 2020	12,850,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 22. RESERVES (cont.)

		<b>2021</b>
Grant Date		December 21, 2020
Options issued		12,850,000
Dividend yield		-
Historic volatility and expected volatility		155.34 %
Option exercise price	A\$	0.008
Fair value of options at grant date	A\$	0.007
Weighted average exercise price	A\$	0.008
Risk-free interest rate		0.111 %
Expected life of an option		3 years
Model used		Binomial
Valuation amount	A\$	72,439

#### *Performance Rights*

No Performance Rights were issued for financial year ended June 30, 2023. The following information relates to issued Performance Rights for the year ended June 30, 2022;

<b>Performance rights issued to</b>	<b>Grant date for performance rights issued</b>	<b>Number of performance rights issued</b>
Adam Kramer	March 3, 2021	3,937,500
Mike Tonroe	June 15, 2021	40,000,000
Carl Stubbings	September 22, 2021	20,000,000
Kevin Camilleri	November 22, 2021	20,000,000

		<b>2022</b>			
		March 3, 2021	June 15, 2021	September 22, 2021	November 22, 2021
Grant Date					
Performance rights issued		3,937,500	40,000,000	20,000,000	20,000,000
Dividend yield		-	-	-	-
Historic volatility and expected volatility		161	152	149	150 %
Performance rights exercise price	A\$	0.009	0.0069	0.0047	0.0038
Fair value of performance rights at grant date	A\$	0.012	0.0073	0.0052	0.0042
Weighted average exercise price	A\$	0.008	0.008	0.008	0.008
Risk-free interest rate		0.110	0.085	0.160	0.960 %
Expected life of the performance rights		2.02 years	3 years	3 years	3 years
Model used		Binomial	Binomial	Binomial	Binomial
Valuation amount	A\$	47,250	291,428	103,104	83,216

#### **Foreign currency translation reserve**

##### Nature and Purpose

Exchange differences arising on translation of the foreign controlled entities are recognized in other comprehensive income as described in Note 2(e) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 23. ACCUMULATED LOSSES

	2023	2022
	A\$	A\$
Balance at the beginning of the financial year	(150,206,216)	(143,075,218)
Add: net loss attributable to owners of Genetic Technologies Limited	(11,750,923)	(7,130,998)
Less: Options/warrants expired	5,241,452	-
<b>Balance at the end of the financial year</b>	<b>(156,715,687)</b>	<b>(150,206,216)</b>

### 24. SHARE OPTIONS

#### Employee Option Plan

The fair value of options granted under an Employee Option Plan is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the vesting period over which the service vesting conditions are to be satisfied. Employee Option Plan options have no other vesting conditions. The fair value at grant date is determined by management with the assistance of an independent valuer, using a Black-Scholes option pricing model or a Binomial model simulation analysis. The total amount to be expensed is determined by reference to the fair value of the options granted;

- including any market performance conditions (e.g. the entities share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. remaining an employee over a specified time period)

The cumulative employee benefits expense recognized at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best information available at balance date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as at the date of modification. Where appropriate, the dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. The Company's policy is to treat the options of terminated employees as forfeitures if termination occurs prior to vesting conditions being reached.

On November 30, 2001, the Directors of the Company established a Staff Share Plan. On November 19, 2008, the shareholders of the Company approved the introduction of a new Employee Option Plan. Under the terms of the respective Plans, the Directors may, at their discretion, grant options over the ordinary shares in the Genetic Technologies Limited to executives, consultants, employees, and former Non-Executive Directors, of the Company. The options, which are granted at nil cost, are not transferable and are not quoted on the ASX. As at June 30, 2023, there were 1 executive and 7 employees who held options that had been granted under the Plans. Options granted under the Plans carry no rights to dividends and no voting rights.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 24. SHARE OPTIONS (cont.)

#### (i) Fair value of options granted

During the year ended June 30, 2023, there were no options granted (2022: Nil). The Company, however issued various unlisted options to underwriters and sub-underwriters as a part of capital raising costs in 2021. For valuations on the unlisted options issued please refer to Note 22.

Set out below are summaries of all and unlisted options, including ESOP which were issued in prior periods:

	2023		2022	
	Average exercise price per share option A\$	Number of options	Average exercise price per share option A\$	Number of options
Opening balance	0.008	492,400,000	0.008	521,850,000
Lapsed during the year	0.008	(481,500,000)	0.012	(29,450,000)
Forfeited during the year	0.008	(2,500,000)	-	-
<b>Closing balance</b>	<b>0.008</b>	<b>8,400,000</b>	<b>0.008</b>	<b>492,400,000</b>

The movements in the number of options granted under the Employee share plans are as follows:

	2023		2022	
	Average exercise price per share option A\$	Number of options	Average exercise price per share option A\$	Number of options
Balance at the beginning of the financial year	0.008	10,900,000	0.011	27,850,000
Add: options granted during the year	-	-	-	-
Less: options lapsed during the year	-	-	0.010	(16,950,000)
Less: options forfeited during the year	0.008	(2,500,000)	-	-
<b>Balance at the end of the financial year</b>	<b>0.008</b>	<b>8,400,000</b>	<b>0.008</b>	<b>10,900,000</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 24. SHARE OPTIONS (cont.)

The number of options outstanding as at June 30, 2023 by ASX code, including the respective dates of expiry and exercise prices, are tabled below. The options tabled below are not listed on ASX.

Unlisted options	2023		2022	
	Average exercise price per share option A\$	Number of options	Average exercise price per share option A\$	Number of options
Options to various underwriters (expiring October 30, 2022)	-	-	0.008	229,000,000
Options to directors (expiring December 20, 2022)	-	-	0.008	250,000,000
Options issued Lodge Corporate Pty Ltd (expiring March 6, 2023)	-	-	0.008	2,500,000
ESOP options (expiring December 1, 2023)	0.008	8,400,000	0.008	12,850,000
<b>Total</b>	<b>0.008</b>	<b>8,400,000</b>	<b>0.008</b>	<b>494,350,000</b>
<b>Exercisable at the end of the financial year</b>	<b>0.008</b>	<b>8,400,000</b>	<b>0.008</b>	<b>494,350,000</b>

The weighted average remaining contractual life of options outstanding as at June 30, 2023 was 0.42 years (2022: 0.43 years).

### 25. SEGMENT INFORMATION

#### (a) Identification of reportable segments

The Company has identified three reportable segments as reported that is consistent with the internal reporting provided to the chief operating decision maker, Chief Executive Officer.

As of June 30, 2022, the Company changed its reportable operating segments from two geographical segments, previously Australia and USA, to two business unit segments, EasyDNA and geneType/Corporate as a result of integrating the EasyDNA acquisition in fiscal 2022. The Company changed its reporting structure to better reflect what the chief operating decision maker is reviewing to make organizational decisions and resource allocations. As a result, the 2021 presentation of segment information has been recast to conform with the current segment reporting structure. In July 2022, a new business unit was created as a result of AffinityDNA acquisition.

Management considers the business from a business unit perspective and has identified three reportable segments:

**EasyDNA:** relates to EasyDNA branded test sales and expenses.

**AffinityDNA:** relates to AffinityDNA branded test sales and expenses.

**GeneType / Corporate:** relates to geneType branded test sales and expense, includes corporate charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

25. SEGMENT INFORMATION (cont.)

(b) Business unit segments

The segment information for the reportable segments is as follows:

2023	AffinityDNA A\$	EasyDNA A\$	geneType/ Corporate A\$	Total A\$
<b>Segment revenue &amp; other income</b>				
Revenue from contracts with customers	944,058	7,698,605	43,455	8,686,118
Other income	-	17	1,836,805	1,836,822
Finance income	-	-	220,161	220,161
<b>Total segment revenue &amp; other income</b>	<b>944,058</b>	<b>7,698,622</b>	<b>2,100,421</b>	<b>10,743,101</b>
<b>Segment expenses</b>				
Depreciation and amortization	(22,310)	(30,074)	(624,199)	(676,583)
Finance costs	(2,693)	(2,132)	(24,690)	(29,515)
Raw materials and change in inventories	(404,660)	(3,896,000)	(34,605)	(4,335,265)
Commissions	(42,727)	(193,292)	-	(236,019)
Employee benefits expenses	(209,219)	(1,593,699)	(4,405,148)	(6,208,066)
Advertising and promotional expenses	(35,926)	(1,681,875)	(994,552)	(2,712,353)
Professional fees	(62,522)	(18,414)	(1,279,704)	(1,360,640)
Research and development expenses	-	-	(1,281,157)	(1,281,157)
Impairment expenses	-	(2,125,725)	-	(2,125,725)
Other expenses	(253,619)	(1,028,670)	(2,404,741)	(3,687,030)
<b>Total segment expenses</b>	<b>(1,033,676)</b>	<b>(10,569,881)</b>	<b>(12,513,521)</b>	<b>(22,652,353)</b>
Income tax credit	-	-	158,329	158,329
<b>Loss for the period</b>	<b>(89,618)</b>	<b>(2,871,259)</b>	<b>(10,254,771)</b>	<b>(11,750,923)</b>
<b>Total Segment Assets</b>	<b>625,421</b>	<b>3,320,967</b>	<b>10,909,849</b>	<b>14,856,237</b>
<b>Total Segment Liabilities</b>	<b>(208,468)</b>	<b>(1,308,206)</b>	<b>(2,176,987)</b>	<b>(3,693,661)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

25. SEGMENT INFORMATION (cont.)

2022	AffinityDNA A\$	EasyDNA A\$	geneType/ Corporate A\$	Total A\$
<b>Segment revenue &amp; other income</b>				
Revenue from contracts with customers	-	5,989,782	805,034	6,794,816
Other income	-	-	2,783,391	2,783,391
Finance income	-	-	36,256	36,256
<b>Total segment revenue &amp; other income</b>	<b>-</b>	<b>5,989,782</b>	<b>3,624,681</b>	<b>9,614,463</b>
<b>Segment expenses</b>				
Depreciation and amortization	-	-	(578,668)	(578,668)
Finance costs	-	-	(15,215)	(15,215)
Raw materials and change in inventories	-	(2,951,815)	(61,719)	(3,013,534)
Commissions	-	(156,625)	-	(156,625)
Employee benefits expenses	-	(1,235,657)	(4,632,998)	(5,868,655)
Advertising and promotional expenses	-	(1,079,291)	(806,111)	(1,885,402)
Professional fees	-	(21,685)	(1,813,759)	(1,835,444)
Research and development expenses	-	-	(705,507)	(705,507)
Impairment expenses	-	-	(564,161)	(564,161)
Other expenses	-	(721,226)	(1,433,149)	(2,154,375)
<b>Total segment expenses</b>	<b>-</b>	<b>(6,166,299)</b>	<b>(10,611,287)</b>	<b>(16,777,586)</b>
Income tax credit	-	-	32,125	32,125
<b>Loss for the period</b>	<b>-</b>	<b>(176,517)</b>	<b>(6,954,481)</b>	<b>(7,130,998)</b>
<b>Total Segment Assets</b>	<b>-</b>	<b>2,668,618</b>	<b>18,133,080</b>	<b>20,801,698</b>
<b>Total Segment Liabilities</b>	<b>-</b>	<b>(1,969,878)</b>	<b>(2,400,749)</b>	<b>(4,370,627)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

25. SEGMENT INFORMATION (cont.)

2021	AffinityDNA A\$	EasyDNA A\$	geneType/ Corporate A\$	Total A\$
<b>Segment revenue &amp; other income</b>				
Revenue from contracts with customers	-	-	120,554	120,554
Other income	-	-	1,559,961	1,559,961
Finance income	-	-	62,394	62,394
<b>Total segment revenue &amp; other income</b>	-	-	<b>1,742,909</b>	<b>1,742,909</b>
<b>Segment expenses</b>				
Depreciation and amortization	-	-	(386,277)	(386,277)
Finance costs	-	-	(16,338)	(16,338)
Raw materials and change in inventories	-	-	(170,457)	(170,457)
Commissions	-	-	-	-
Employee benefits expenses	-	-	(3,868,331)	(3,868,331)
Advertising and promotional expenses	-	-	(436,274)	(436,274)
Professional fees	-	-	(1,461,401)	(1,461,401)
Research and development expenses	-	-	(1,165,531)	(1,165,531)
Impairment expenses	-	-	(32,048)	(32,048)
Other expenses	-	-	(1,283,871)	(1,283,871)
<b>Total segment expenses</b>	-	-	<b>(8,820,528)</b>	<b>(8,820,528)</b>
Income tax credit	-	-	-	-
<b>Loss for the period</b>	-	-	<b>(7,077,619)</b>	<b>(7,077,619)</b>
<b>Total Segment Assets</b>	-	-	<b>22,971,688</b>	<b>22,971,688</b>
<b>Total Segment Liabilities</b>	-	-	<b>(1,438,653)</b>	<b>(1,438,653)</b>

(c) Geographic information

In presenting the geographic information, segment revenue has been based on geographic location of customers. The geographic information for the reportable segments is as follows:

2023	AffinityDNA A\$	EasyDNA A\$	geneType/ Corporate A\$	Total A\$
America and Canada	15,056	2,190,352	36,761	2,242,169
Europe Middle East and Africa	766,040	3,728,586	-	4,494,626
Latin America	144,727	177,306	-	322,033
Asia Pacific	18,235	1,602,361	6,694	1,627,290
<b>Total revenue</b>	<b>944,058</b>	<b>7,698,605</b>	<b>43,455</b>	<b>8,686,118</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 25. SEGMENT INFORMATION (cont.)

#### (c) Geographic information (cont.)

2022	AffinityDNA A\$	EasyDNA A\$	geneType/ Corporate A\$	Total A\$
America and Canada	-	2,267,474	7,077	2,274,551
Europe Middle East and Africa	-	2,501,302	-	2,501,302
Latin America	-	128,840	-	128,840
Asia Pacific	-	1,092,166	797,957	1,890,123
<b>Total revenue</b>	-	<b>5,989,782</b>	<b>805,034</b>	<b>6,794,816</b>

2021	AffinityDNA A\$	EasyDNA A\$	geneType/ Corporate A\$	Total A\$
America and Canada	-	-	120,554	120,554
Europe Middle East and Africa	-	-	-	-
Latin America	-	-	-	-
Asia Pacific	-	-	-	-
<b>Total revenue</b>	-	-	<b>120,554</b>	<b>120,554</b>

### 26. SHARE BASED PAYMENTS

#### (a) Employee option plan

On December 21, 2020, the Company issued 12,850,000 options with an exercise price of A\$0.008 (0.8cents) per option, expiring December 1, 2023 issued under an employee incentive scheme (2020: Nil). The Company, also issued various unlisted options to underwriters and sub-underwriters as a part of capital raising costs in financial year ended June 30, 2021. Please refer to further details on options on Note 23.

There were no new options issued under the Employee Option Plan during the financial years ending June 30, 2022 and June 30, 2023.

#### (b) Performance Rights Issuance

After receiving requisite shareholder approval on December 10, 2020, the Company issued performance rights to Directors of the Company as follows:

- 5,000,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Jerzy Muchnicki
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Mr. Peter Rubinstein
- 5,000,000 Class A Performance Rights to Mr. Nicholas Burrows

These performance rights remain available to Directors to exercise at June 30, 2023, if vesting conditions are met.

During the financial year ending June 30, 2021, the Board has approved the issue of the following performance rights to the Chief Executive Officer and Chief Operating Officer:

- 60,000,000 Class D Performance Rights to Mr. Simon Morris
- 3,937,500 Class E Performance Rights to Mr. Stanley Sack

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 26. SHARE BASED PAYMENTS (cont.)

#### (b) Performance Rights Issuance (cont.)

Mr. Stanley Sack exercised his performance rights during the financial year ending June 30, 2022. The performance rights issued to Mr. Simon Morriss remain exercisable at June 30, 2023, if vesting conditions are met.

During the financial year ending June 30, 2022, the Board has approved for the following performance rights to be issued to the Key Management Personnel below:

- 40,000,000 Performance Rights to Mr. Michael Tonroe
- 20,000,000 Performance Rights to Mr. Carl Stubbings
- 20,000,000 Performance Rights to Mr. Kevin Camilleri

The performance rights issued to Mr. Michael Tonroe were forfeit during the 2023 financial year following his resignation. The performance rights issued to Mr. Carl Stubbings and Mr. Kevin Camilleri remain exercisable at June 30, 2023, if vesting conditions are met.

The Company has accounted for these performance rights in accordance with its accounting policy for share-based payment transactions and has recorded a share-based payments expense of A\$125,500 in the Statement of Profit or Loss and Other Comprehensive Income for the current reporting period (2022: A\$437,508 & 2021: A\$622,725).

#### Valuation of Performance Rights

The Performance Rights are not currently quoted on the ASX and as such have no ready market value. The performance rights each grant the holder a right of grant of one ordinary Share in the Company upon vesting of the performance rights for nil consideration. Accordingly, the performance rights may have a present value at the date of their grant. Various factors impact upon the value of performance rights including:

- the period outstanding before the expiry date of the performance rights;
- the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon conversion of the performance rights into Shares (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest); and
- the value of the shares into which the performance rights may be converted.

There are various formulae which can be applied to determining the theoretical value of performance rights (including the formula known as the Black-Scholes Model valuation formula and the Binomial model).

The Company commissioned an independent valuation of the performance rights. The independent valuer has applied the Binomial Model in providing the valuation of the performance rights.

#### Valuation of Performance Rights

The Performance Rights are not currently quoted on the ASX and as such have no ready market value. The performance rights each Inherent in the application of the Binomial model are a number of inputs, some of which must be assumed. For the performance rights issued in the year ended June 30, 2021, the data relied upon in applying the Binomial model was:

- a) exercise price being 0.0 cents per performance right for all classes;
- b) VWAP hurdle (10 days consecutive share price hurdle) equaling A\$0.012 for Class A and A\$0.014 for Class B, and (15 days consecutive share price hurdle) equaling \$0.016 for Class D performance rights;
- c) sales and market cap hurdles as listed above for Class C and Class E performance rights;
- d) the continuously compounded risk-free rate being 0.111% for all classes of performance rights (calculated with reference to Refinitiv – closing share price as at December 21, 2020, and 3 year Australian Government yield as at December 21, 2020);
- e) the expected option life of 2 years for Class E performance rights and 3 years for all other classes of performance rights; and
- f) a volatility measure of 158.23%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 26. SHARE BASED PAYMENTS (cont.)

#### Valuation of Performance Rights (cont.)

For the performance Rights issued during the financial year ending June 30, 2022, the data relied upon in applying the Binomial model was:

- a) exercise price being 0.0 cents per performance right for all classes;
- b) VWAP hurdle for key management personnel (15 days consecutive share price hurdle) equaling A\$0.016 for performance rights;
- c) sales and market cap hurdles as listed above for performance rights;
- d) the continuously compounded risk-free rate is as per table below (calculated based on yield of Australian government bonds, as at the grant dates for a 2 or 3 year period matching the expected life of performance rights);
- e) the expected option life of 3 years for key management personnel and 2 years for others; and
- f) a volatility measure between 149% to 161%.

#### Performance hurdles

Key management personnel, being the recipients of the performance rights, must remain engaged by the Company at the time of satisfaction of the performance hurdle in order for the relevant performance right to vest.

There were no performance rights issued for the year ended June 30, 2023.

#### *Performance rights issued during the year ended June 30, 2022*

The performance rights for key management personnel vest and are exercisable upon the Share price reaching A\$0.016 while or greater for more than 15-day consecutive ASX trading days.

#### *Performance rights issued during the year ended June 30, 2021*

The Class A Performance Rights vest and are exercisable upon the Share price reaching A\$0.012 or greater for more than 10-day consecutive ASX trading days.

The Class B Performance Rights vest and are exercisable upon the Share price reaching A\$0.014 or greater for more than 10-day consecutive ASX trading days and sales commence on the Consumer Initiated Testing (CIT) platform in either Australia or the United States of America.

The Class C Performance Rights vest and are exercisable upon a minimum of 4,000 tests being processed in any 12-month period or the market cap of the Company reaching A\$100 million or above and being sustained for more than 10 consecutive ASX trading days, whichever happens sooner.

The Class D Performance Rights vest and are exercisable upon the Share price reaching A\$0.016 or greater for more than 15-day consecutive ASX trading days.

The Class E Performance Rights vest and are exercisable upon the first commercial sale of the Company's COVID-19 risk test with IBX (Infinity BioLogix).

#### *Performance rights issued prior to the year ended June 30, 2021*

The Class A Performance Rights vest and are exercisable upon the Share price reaching A\$0.02 or greater for more than 10-day consecutive ASX trading days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

26. SHARE BASED PAYMENTS (cont.)

*Performance rights issued during prior year*

	Number of Performance Rights issued	Valuation (cents)	Total fair value of Performance Rights A\$	Expense accounted for in 2022 A\$	Expense accounted for during the year A\$
Mr. Carl Stubbings	20,000,000	0.52	103,104	26,459	34,368
Mr. Kevin Camilleri	20,000,000	0.42	83,216	16,719	27,739
<b>Total</b>	<b>40,000,000</b>		<b>186,320</b>	<b>43,178</b>	<b>62,107</b>

*Performance rights issued during prior year, that lapsed during the financial year ending June 30, 2023*

	Number of Performance Rights issued	Valuation (cents)	Total fair value of Performance Rights A\$	Expense accounted for in 2022 A\$	Expense accounted for during the year A\$
Mr. Michael Tonroe	40,000,000	0.73	291,428	101,043	(101,043)
<b>Total</b>	<b>40,000,000</b>		<b>291,428</b>	<b>101,043</b>	<b>(101,043)</b>

	Number of Performance Rights issued	Valuation per Class D (cents)	Total fair value of Class D Performance Rights A\$	Expense accounted for in 2022 A\$	Expense accounted for during the year A\$
Mr Simon Morriss	60,000,000	0.96	574,037	191,346	191,346

	Number of Performance Rights issued	Valuation per Class E (cents)	Total fair value of Class E Performance Rights A\$	Expense accounted for in 2022 A\$	Expense accounted for during the year A\$
Mr Stanley Sack	3,937,500	0.90	35,438	35,438	-

*Performance rights issued during prior years, that lapsed during the financial year ending June 30, 2022*

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights A\$	Expense accounted for in 2021 A\$	Expense accounted for during for in 2022 A\$
Dr. Lindsay Wakefield	3,750,000	0.77	28,875	9,625	4,010
Dr. Jerzy Muchnicki	6,250,000	0.77	48,125	16,042	6,684
Mr. Peter Rubinstein	5,000,000	0.77	38,500	12,833	5,347
<b>Total</b>	<b>15,000,000</b>		<b>115,500</b>	<b>38,500</b>	<b>16,041</b>

No Performance Rights were cancelled/forfeited during the years ended June 30, 2023 and June 30, 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 26. SHARE BASED PAYMENTS (cont.)

*Performance rights issued during prior years, that lapsed during the financial year ending June 30, 2022*

	Number of Performance Rights issued	Valuation per Class A (cents)	Total fair value of Class A Performance Rights A\$	Expense accounted for in 2021 A\$	Expense accounted for during for in 2022 A\$
Dr. Lindsay Wakefield	3,750,000	0.77	28,875	9,625	4,010
Dr. Jerzy Muchnicki	6,250,000	0.77	48,125	16,042	6,684
Mr. Peter Rubinstein	5,000,000	0.77	38,500	12,833	5,347
<b>Total</b>	<b>15,000,000</b>		<b>115,500</b>	<b>38,500</b>	<b>16,041</b>

No Performance Rights were cancelled/forfeited during the years ended June 30, 2023 and June 30, 2022.

#### (e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the period as part of employee benefit expense and equity raising expenses were as follows:

	2023 A\$	2022 A\$	2021 A\$
Kentgrove options issued	-	-	16,667
Warrants to be issued H.C. Wainwright, subject to shareholder approval	134,956	-	-
Performance rights issued	125,500	436,119	622,725
Reversal of forfeited Performance Rights	-	-	-
Options issued under employee option plan	-	1,389	75,186
<b>Total expenses arising from share-based payments</b>	<b>260,456</b>	<b>437,508</b>	<b>714,578</b>

### 27. CAPITAL COMMITMENTS

There were no significant contracted capital expenditures at the end of the reporting periods ending June 30, 2021, 2022 & 2023.

### 28. AUDITORS' REMUNERATION

	2023 A\$	2022 A\$	2021 A\$
<b>Audit and assurance services</b>			
PricewaterhouseCoopers in respect of:			
Audit <sup>(1)</sup>	-	20,000	72,500
Audit related fees <sup>(2)</sup>	-	-	-
All other fees <sup>(3)</sup>	-	-	-
Grant Thornton Audit Pty Ltd in respect of:			
Audit <sup>(1)</sup>	320,569	241,882	168,333
Audit related fees <sup>(2)</sup>	-	-	-
All other fees <sup>(3)</sup>	-	30,000	65,000
Other audit firms in respect of:			
Audit of the Financial Reports of subsidiaries	-	-	-
<b>Total remuneration in respect of audit services</b>	<b>320,569</b>	<b>291,882</b>	<b>305,833</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 28. AUDITORS' REMUNERATION (cont.)

- (1) Audit fees consist of services that would normally be provided in connection with statutory, half year review, and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide.
- (2) Audit related fees consist of fees billed for assurance and related services that generally only the statutory auditor could reasonably provide to a client.
- (3) All other fees consist of fees billed for financial and information technology due diligence services in respect of the Company's acquisition of the business and assets associated with the EasyDNA brand that completed on August 13<sup>th</sup>, 2021.

### 29. RELATED PARTY DISCLOSURES

#### Ultimate parent

Genetic Technologies Limited is the ultimate Australian parent company. As at the date of this Report, no shareholder controls more than 50% of the issued capital of the Company.

#### Transactions within the Company and with other related parties

During the financial years ended June 30, 2023, 2022 and 2021, other than compensation paid to directors and other members of key management personnel, see "Item 6.B Compensation", the only transactions between entities within the Company and other related parties are as listed below. Except where noted, all amounts were charged on similar to market terms and at commercial rates.

#### Performance Rights Issuance

After receiving shareholder approval on December 10, 2020, the Company issued additional 125,000,000 Performance Rights to Directors of the Company as follows:

- 5,000,000 Class A Performance Rights to Dr. Lindsay Wakefield
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Dr. Jerzy Muchnicki
- 7,500,000 Class A Performance Rights, 25,000,000 Class B Performance Rights and 25,000,000 Class C Performance Rights to Mr. Peter Rubinstein
- 5,000,000 Class A Performance Rights to Mr. Nicholas Burrows

During the financial year ending June 30, 2021, the Board has approved for the following Performance Rights to be issued to the Chief Executive Officer and Chief Operating Officer:

- 60,000,000 Class D Performance Rights to Mr. Simon Morris
- 3,937,500 Class E Performance Rights to Mr. Stanley Sack

Mr. Stanley Sack exercised his performance rights during the financial year ending June 30, 2022.

During the financial year ending June 30, 2022, the Board has approved for the following Performance Rights to be issued to the Key Management Personnel below:

- 40,000,000 Performance Rights to Mr. Michael Tonroe
- 20,000,000 Performance Rights to Mr. Carl Stubbings
- 20,000,000 Performance Rights to Mr. Kevin Camilleri

The performance rights issued to Mr. Michael Tonroe were forfeit during the 2023 financial year following his resignation.

The Company has accounted for these Performance Rights in accordance with its accounting policy for share-based payment transactions and has recorded A\$125,500 (2022: A\$437,508 & 2021: A\$622,725) of associated expense in the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 29. RELATED PARTY DISCLOSURES (cont.)

#### **Mr. Phillip Hains (Former Chief Financial Officer)**

On July 15, 2019, the Company announced that it had appointed Mr. Phillip Hains (MBA, CA) as the Chief Financial Officer who has over 30 years of extensive experience in roles with a portfolio of ASX and NASDAQ listed companies and provides CFO services through his firm The CFO Solution. Prior to this point the Company had a similar arrangement with The CFO Solution, where it would engage and provide services of overall CFO, accounting and other finance related activities.

During the reporting period, the Company had not transacted with The CFO Solution towards provision of overall CFO, accounting and other finance related activities (2022: A\$91,615 & 2021: A\$224,971).

#### **Mr. Stanley Sack (former Chief Operating Officer)**

On May 18, 2020, the Company appointed Mr. Stanley Sack who provides consulting in the capacity of Chief Operating Officer. Mr. Sack has spent 15 years in large listed entities in executive positions managing large business divisions. He has worked with a high-net-worth family managing all their operating businesses and private equity activities. Mr. Sack built an Allied Health Business in the aged care and community care space which became the biggest Mobile Allied Health Business in Australia, and was recently sold to a large medical insurance company.

During the reporting period, the Company had not transacted with Mr. Stanley Sack's entity Cobben Investments towards provision of consulting services in relation to provision of duties related to Chief Operating Officer of the Company (2022: A\$107,187 & 2021: A\$143,172).

#### **Mr. Peter Rubinstein (Non-Executive Director and Chairman)**

During the financial year ended June 30, 2020, the Board approved to obtain consulting services in relation to capital raises, compliance, NASDAQ hearings and investor relations from its Non-Executive Director and current Chairman, Mr. Peter Rubinstein. The services procured were through Mr. Peter Rubinstein's associate entity ValueAdmin.com Pty Ltd and amounted to A\$60,000 (2022: A\$60,000 & 2021: A\$60,000) that is included as part of the cash salary and fees in the remuneration report as at June 30, 2023.

#### **Dr. Jerzy Muchnicki (Non-Independent Non-Executive Director)**

During the financial year ended June 30, 2022, the Board approved to obtain consulting services in relation to PRS and Germline Integration; Epigenetics; Somatic Testing; NIPT; Carrier testing and related marketing advice from its Non-Independent Non-Executive Director, Dr. Jerzy Muchnicki. The services procured were through Dr. Jerzy Muchnicki's private consultancy and amounted to A\$50,000 (2021: Nil) that is included as part of the cash salary and fees in the remuneration report.

There were no transactions with parties related to Key Management Personnel during the year other than that disclosed above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 29. RELATED PARTY DISCLOSURES (cont.)

#### Details of Directors and Key Management Personnel as at balance date

##### Directors

- Mr. Peter Rubinstein (Independent Non-Executive & Chairman)
- Dr. Jerzy Muchnicki (Non-Independent Non-Executive)
- Dr. Lindsay Wakefield (Independent Non-Executive)
- Mr. Nicholas Burrows (Independent Non-Executive)

##### Key Management Personnel (KMPs)

- Mr. Simon Morriss (Chief Executive Officer) (appointed 1 February 2021)
- Dr. Richard Allman (Chief Scientific Officer) (ceased full-time employment 6 October 2022, then appointed consulting Scientific Advisor)
- Mr. Tony Di Pietro (Chief Financial Officer) (appointed 28 November 2022)
- Mr. Mike Tonroe (Chief Financial Officer) (appointed 15 June 2021, resigned on 28 November 2022)
- Mr. Phillip Hains (Chief Financial Officer) (July 15, 2019 to 15 June 2021)
- Mr. Stanley Sack (former Chief Operating Officer) (May 18, 2020 to April 30, 2022)
- Mr. Kevin Camilleri (Chief Executive Officer of EasyDNA) (appointed August 16, 2021)
- Mr. Carl Stubbings (Chief Commercial Officer) (appointed September 1, 2021)

	<u>2023</u> <u>A\$</u>	<u>2022</u> <u>A\$</u>	<u>2021</u> <u>A\$</u>
<b>Remuneration of Key Management Personnel</b>			
Short-term employee benefits	1,529,124	1,894,413	1,035,302
Post-employment benefits	113,511	125,822	79,042
Share-based payments	253,453	387,046	650,911
Other long-term benefits	10,978	4,797	4,589
Termination benefits	-	-	-
<b>Total remuneration of Key Management Personnel</b>	<u>1,907,066</u>	<u>2,412,078</u>	<u>1,769,844</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 30. SUBSIDIARIES

The following diagram is a depiction of the Company structure as at June 30, 2023.

Name of Company	Incorporation details	Company interest (%)		Net carrying value (A\$)	
		2023	2022	2023	2022
<i>Entities held directly by parent</i>					
GeneType Pty. Ltd. (Dormant)	September 5, 1990 Victoria, Australia	100%	100%	-	-
Genetic Technologies Corporation Pty. Ltd. (Genetic testing)	October 11, 1996 NSW, Australia	100%	100%	2	2
Gene Ventures Pty. Ltd. <sup>(1)</sup> (Dormant)	March 7, 2001 NSW, Australia	100%	100%	10	10
GeneType Corporation (Dormant)	December 18, 1989 California, U.S.A.	100%	100%	-	-
geneType Inc. <sup>(2)</sup> (formerly Phenogen Sciences Inc.)	June 28, 2010 Delaware, U.S.A.	100%	100%	11,006	11,006
Hainan Aocheng Genetic Technologies Co Ltd	March 18, 2019 Hong Kong, China	100%	100%	-	-
Genetic Technologies HK Ltd	March 18, 2019 Hong Kong, China	100%	100%	-	-
Helix Genetics Limited	July 7, 2021 Malta	100%	100%	1,910	-
Genetype UK Limited	April 26, 2022 United Kingdom	100%	100%	176	-
<b>Total carrying value</b>				<b>13,104</b>	<b>11,018</b>

<sup>(1)</sup> On 26 April 2018, the name of RareCollect Pty Ltd (ACN 096 135 9847) was changed to Gene Ventures Pty Ltd (ACN 096 135 947)

<sup>(2)</sup> On 3 April 2023, the name of Phenogen Sciences Inc. was changed to geneType Inc.

### 31. FINANCIAL RISK MANAGEMENT

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

The Company's risk management is predominantly controlled by the board. The board monitors the Company's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

#### (a) Market risk

##### (i) Foreign exchange risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange rate risk arises from financial assets and financial liabilities denominated in a currency that is not the Company's functional currency. Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument fluctuating due to the movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the Australian dollar (AUD) functional currency of the Company. This risk is measured using sensitivity analysis and cash flow forecasting. The cost of hedging at this time outweighs any benefits that may be obtained.

The consolidated financial statements are presented in Australian Dollar (\$), which is Genetic Technologies Limited's functional and presentational currency.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 31. FINANCIAL RISK MANAGEMENT (cont.)

#### *Exposure*

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	June 30, 2023				June 30, 2022		
	USD A\$	CAD A\$	EUR A\$	GBP A\$	USD A\$	CAD A\$	EUR A\$
Cash at Bank / on hand	1,296,082	10,766	100,369	41,858	3,299,787	3,318	199,758
Trade and other receivables	611,193	11,252	17,690	26,376	606,075	-	16,033
Trade and other payables	(455,167)	(3,795)	(151,327)	(31,441)	(412,511)	(1,652)	(46,790)

#### *Sensitivity*

As shown in the table above, the Company is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments.

The Company has conducted a sensitivity analysis of its exposure to foreign currency risk. Based on the financial instruments held as at June 30, 2023, had the Australian dollar weakened/strengthened by 3.65% (2022: 8.3%) against the USD with all other variables held constant, the Company's post-tax loss for the year would have been A\$52,988 lower/higher (2022: A\$289,607 lower/higher).

- USD: 3.65% (2022: 8.3%)

The Company is less sensitive to movements in the AUD/USD exchange rates in 2023 than 2022 because of the reduced amount of USD denominated cash and cash equivalents. The Company's exposure to other foreign exchange movements is not material.

#### **(b) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

##### *(i) Risk management*

Credit risk is managed through the maintenance of procedures (such as the utilization of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are normally 30 days from the invoice date.

Risk is also minimized through investing surplus funds in financial institutions that maintain a high credit rating.

##### *(ii) Security*

For some trade receivables the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

##### *(iii) Impairment of financial assets*

The Company has one type of financial asset subject to the expected credit loss model:

- trade receivables for sales of inventory

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 31. FINANCIAL RISK MANAGEMENT (cont.)

#### (b) Credit risk (Cont.)

##### (iii) Impairment of financial assets (Cont.)

##### Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables assets have been grouped based on shared credit risk characteristics and the days past due.

#### (c) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realization profile of financial assets.

##### (i) Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>Contractual maturities of financial liabilities</i>	<b>Less than 6 months</b>	<b>6 – 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount (assets)/ liabilities</b>
	A\$	A\$	A\$	A\$	A\$	A\$	A\$
<b>At June 30, 2023</b>							
Trade and other payables	1,617,333	-	-	-	-	1,617,333	1,617,333
Lease liabilities	158,316	161,154	208,957	21,636	1,817	551,880	532,846
<b>Total</b>	<b>1,775,649</b>	<b>161,154</b>	<b>208,957</b>	<b>21,636</b>	<b>1,817</b>	<b>2,169,213</b>	<b>2,150,179</b>

<i>Contractual maturities of financial liabilities</i>	<b>Less than 6 months</b>	<b>6 – 12 months</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount (assets)/ liabilities</b>
	A\$	A\$	A\$	A\$	A\$	A\$	A\$
<b>At June 30, 2022</b>							
Trade and other payables	2,122,379	-	-	-	-	2,122,379	2,122,379
Lease liabilities	133,507	136,250	255,601	163,896	-	689,254	652,526
<b>Total</b>	<b>2,255,886</b>	<b>136,250</b>	<b>255,601</b>	<b>163,896</b>	<b>-</b>	<b>2,811,633</b>	<b>2,774,905</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 31. FINANCIAL RISK MANAGEMENT (cont.)

#### (d) Interest rate risk

The Company's main interest rate risk arises in relation to its short-term deposits with various financial institutions. If rates were to decrease, the Company may generate less interest revenue from such deposits. However, given the relatively short duration of such deposits, the associate risk is relatively minimal.

The Company has a Short-Term Investment Policy which was developed to manage the Company's surplus cash and cash equivalents. In this context, the Company adopts a prudent approach that is tailored to cash forecasts rather than seeking high returns that may compromise access to funds as and when they are required. Under the policy, the Company deposits its surplus cash in a range of deposits / securities over different time frames and with different institutions in order to diversify its portfolio and minimize risk.

On a monthly basis, Management provides the Board with a detailed list of all cash and cash equivalents, showing the periods over which the cash has been deposited, the name and credit rating of the institution holding the deposit and the interest rate at which the funds have been deposited.

At June 30, 2023, if interest rates had changed by +/- 50 basis points from the year-end rates, with all other variables held constant, the Company's loss for the year would have been A\$31,083 lower / higher (2022: loss A\$40,369 lower / higher), as a result of higher / lower interest income from cash and cash equivalents and deposits in place.

The exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognized and unrealized, for the Company is as follows:

	Year	Floating rate A\$	Fixed rate A\$	Carrying amount A\$	Weighted average effective rate %	Average maturity Period Days
<b>Financial assets</b>						
Cash at bank / on hand	2023	1,516,646	6,334,551	7,851,197	4.46	At call
	2022	1,971,827	9,759,498	11,731,325	1.31	At call
Bonds / deposits	2023	-	17,440	17,440		At call
	2022	-	13,257	13,257	-	At call
<b>Totals</b>	<b>2023</b>	<b>1,516,646</b>	<b>6,351,991</b>	<b>7,868,637</b>		
	<b>2022</b>	<b>1,971,827</b>	<b>9,772,755</b>	<b>11,744,582</b>		
<b>Financial liabilities</b>						
Borrowings	2023	-	-	-	-	-
	2022	-	-	-	-	-
Leases	2023	-	532,846	532,846	4.77 %	-
	2022	-	652,526	652,526	4.55 %	-
<b>Totals</b>	<b>2023</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>2022</b>	<b>-</b>	<b>652,526</b>	<b>652,526</b>		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

### 32. CAPITAL MANAGEMENT

#### (a) Risk management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares or reduce its capital, subject to the provisions of the Company's constitution. The capital structure of the Company consists of equity attributed to equity holders of the Company, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the Company's management, the board monitors the need to raise additional equity from the equity markets.

#### (b) Dividends

No dividends were declared or paid to members for the year ended June 30, 2023 (2022: nil). The Company's franking account balance was nil at June 30, 2023 (2022: nil).

### 33. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2023	2022	2021
	A\$	A\$	A\$
<b>Statement of Financial Position</b>			
Current assets	10,035,224	5,022,689	21,809,918
Non-current assets	4,237,344	5,815,118	2,011,338
<b>Total assets</b>	<b>14,272,568</b>	<b>10,837,807</b>	<b>23,821,256</b>
Current liabilities	2,841,919	2,270,626	1,317,378
Non-current liabilities	314,999	589,745	7,694,668
<b>Total liabilities</b>	<b>3,156,918</b>	<b>2,860,371</b>	<b>9,012,046</b>
<i>Shareholders' equity</i>			
Share Capital	161,342,707	155,138,636	153,574,974
Other reserves	(117,131)	(117,131)	(117,131)
Share-based payment	3,917,101	8,937,157	8,499,649
Accumulated losses	(154,027,027)	(155,981,226)	(147,148,282)
<b>Total Equity</b>	<b>11,115,650</b>	<b>7,977,436</b>	<b>14,809,210</b>
<b>Loss for the year</b>	<b>(3,697,316)</b>	<b>(8,833,064)</b>	<b>(1,601,672)</b>

For the year ended June 30, 2023, A\$30,956,037 impairment loss previously recognized on intercompany loan balances between the parent and its subsidiaries was reversed (2022: Nil, 2021: A\$4,482,965 recognized as impairment loss reversal). The parent entity forgave loan balances with subsidiaries representing A\$26,072,596 during the year.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)**

### **34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company is not aware of any contingent liabilities as at June 30, 2023 (2022: There were no contingent liabilities or assets).

### **35. SUBSEQUENT EVENTS**

At the date of this report there have been no matters or circumstances that have arisen since the end of the period which significantly, or may significantly affect:

- The Company’s operations in future years;
- The results of those operations in future years; or
- The Company’s state of affairs in future years.

#### **Australian Disclosure Requirements**

All press releases, financial reports and other information are available using the stock code GTG on the Australian Securities Exchange website: [www2.asx.com.au](http://www2.asx.com.au)

### SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, Simon Morriss, certify that:

1. I have reviewed this annual report on Form 20-F of Genetic Technologies Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit & risk committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 30, 2023

*/s/ Simon Morriss*  
 Simon Morriss  
 Chief Executive Officer

**SARBANES-OXLEY SECTION 302(a) CERTIFICATION**

I, Tony Di Pietro, certify that:

1. I have reviewed this annual report on Form 20-F of Genetic Technologies Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 30, 2023

*/s/ Tony Di Pietro*  
Tony Di Pietro

CERTIFICATION PURSUANT TO 18 U.S.C

SECTION 1350 AS ADOPTED

PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Genetic Technologies Limited (the “Company”) on Form 20-F for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Simon Morriss, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

August 30, 2023

By: */s/ Simon Morriss*  
Simon Morriss  
Chief Executive Officer

\* The originally executed copy of this Certification will be maintained at the Company’s offices and will be made available for inspection upon request.

CERTIFICATION PURSUANT TO 18 U.S.C

SECTION 1350 AS ADOPTED

PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Genetic Technologies Limited (the “Company”) on Form 20-F for the period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Tony Di Pietro, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

August 30, 2023

By: */s/ Tony Di Pietro*  
Tony Di Pietro  
Chief Financial Officer

\* The originally executed copy of this Certification will be maintained at the Company’s offices and will be made available for inspection upon request.

## Appendix 4E

## Preliminary final report for the twelve months to June 30, 2023

## Genetic Technologies Limited

ABN 17 009 212 328

## 1. Reporting period

Report for the financial year ended	June 30, 2023
Previous corresponding period is the financial year ended	June 30, 2022

## 2. Results for announcement to the market

	Up/down	%		Amount reported for the year ended June 30, 2023 A\$
Revenues from ordinary activities ( <i>item 2.1</i> )	Up	28%	to	8,686,118
Loss from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	Up *	65%	to	(11,750,923)
Net loss for the period attributable to members ( <i>item 2.3</i> )	Up *	64%	to	(11,650,334)

\*increase in loss

There are no dividends being proposed or declared for the period (*item 2.4 and 2.5*)

## Commentary related to the above results

Please refer to 'Item 5.A Operating results' within the Form 20-F for the year ended June 30, 2023.

## 3. Net tangible assets per security

	June 30, 2023	June 30, 2022	June 30, 2021
Net tangible asset backing per ordinary security <sup>(1)</sup>	0.07 cents	0.12 cents	0.24 cents

<sup>(1)</sup> Net tangible assets exclude the right-of-use assets under AASB 16 Leases.

## 4. Other documents accompanying this Appendix 4E

This Appendix 4E should be read in conjunction with the Genetic Technologies Limited annual report on the form 20-F, which includes:

- Item 18 Financial Statements; and
- Other sections as tabled below.

This preliminary final report and the associated Directors' Report are found throughout the various sections of the accompanying Genetic Technologies Limited annual report on the form 20-F.

The following table has been provided to assist readers to locate each section of the Directors' Report within the accompanying annual report on the form 20-F.

<b>Sections of Directors' Report</b>	<b>Form 20-F Reference</b>
Principal activities	Item 5.A Operating Results See subheading – "Overview"
Review of operations and activities	Item 4.B Business Overview Item 5.A Operating Results
Business strategies and prospects for future years	Item 4.B Business Overview
Business risks	Item 3.D Risk Factors
Significant changes in the state of affairs	Item 5.A Operating Results See subheading – "Significant changes in the state of affairs"
Matters subsequent to the end of the financial year	Item 8.B Significant Changes Item 5.A Operating Results See subheading – "Likely developments and expected results of operations"
Likely developments and expected results of operations	Item 5.A Operating Results See subheading – "Likely developments and expected results of operations"
Environmental regulations	Item 5.A Operating Results See subheading – "Environmental regulations"
Dividends	Item 4.B Business Overview See subheading – "Dividends"
Information on directors	Item 6.A Directors and Senior Management
Remuneration report	The Remuneration report starts at Item 6 and ends after Item 6.B as indicated
Indemnification of officers	Item 6.B Compensation See subheading – "Indemnification and Insurance with respect to Directors"
Proceedings on behalf of the group	Item 8.A Consolidated Statements and Other Financial Information See subheading – "Legal Proceedings"
Non-Audit Services	Item 16.C Principal Accountant Fees and Services
Auditor's independence declaration	Exhibit 15.4 Auditor's Independence Declaration
Directors' Resolution	Item 6.B Compensation See subheading – "Directors' Resolution"

## **5. Audited Financial Statements 2023**

This preliminary final report has been based on accounts which have been audited.

A copy of the audited Financial Statements for the year ended June 30, 2023 is included in Item 18 Financial Statements within the Form 20-F.

- End of Appendix 4E -




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**Grant Thornton Audit Pty Ltd**  
 Level 22 Tower 5  
 Collins Square  
 727 Collins Street  
 Melbourne VIC 3008  
 GPO Box 4736  
 Melbourne VIC 3001  
 T +61 3 8320 2222

## Auditor's Independence Declaration

### To the Directors of Genetic Technologies Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Genetic Technologies Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd  
 Chartered Accountants

M A Cunningham  
 Partner – Audit & Assurance  
 Melbourne, 30 August 2023

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 ACN-130 913 594

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## Independent Auditor's Report

To the Members of Genetic Technologies Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Genetic Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### Material uncertainty related to going concern

We draw attention to Note 2(a)(iv) in the financial statements, which indicates that the Group incurred a total comprehensive loss of A\$11,650,334 (2022: A\$7,103,134) and net cash outflow from operations of A\$9,723,095 (2022: A\$5,659,456). As at 30 June 2023, the Group held total cash and cash equivalents of A\$7,851,197 and total net current assets of A\$7,185,750. As stated in Note 2(a)(iv) these events or conditions, along with other matters as set forth in Note 2(a)(iv), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### Key audit matter

#### How our audit addressed the key audit matter

##### R&D Tax Incentive – Note 5 and Note 12

Genetic Technologies Limited determines the eligibility of the research and development activities under the Australian government tax incentive scheme.

The R&D receivable for the period was A\$1,616,064 and the income recognised in the consolidated statement of profit or loss and other comprehensive income was A\$1,616,064 for the year then ended.

There is inherent subjectivity involved in the Group's judgements in relation to the calculation and recognition of the R&D tax incentive income and receivable, with several assumptions made in determining the eligibility of claimable expenses. Due to the above reasons, this was assessed as a key audit matter.

Our procedures included, amongst others:

- Obtaining an understanding of the process undertaken to calculate the research and development tax incentive;
  - Utilising an internal research and development tax specialist to:
    - Review the methodology used by the Group for consistency with the R&D tax offset rules; and
    - Consider the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to assess whether the expenses included in the estimate were likely to meet the eligibility criteria;
  - Inspecting supporting documentation for a sample of expenses claimed to assess validity of the claimed amount and eligibility against the R&D tax incentive scheme criteria;
  - Validating the approval process for a sample of expenses;
  - Comparing the nature of R&D expenditure included in the current year estimate to the prior year claim;
  - Considering the Group's history of successful claims;
  - Inspecting copies of relevant correspondence with Aus Industry and the Australian Taxation Office related to the claims; and
- Assessing the adequacy of the Group's disclosures in relation to the R&D tax incentive.

## Key audit matter

## How our audit addressed the key audit matter

### Goodwill and other intangible assets – Note 15 and Note 16

Goodwill amounted to A\$3,116,893 as at 30 June 2023 as a result of the acquisitions of EasyDNA and AffinityDNA and the impairment loss of A\$1,845,000 for EasyDNA that was recognised in the period. At 30 June 2023 Genetic Technologies Limited also has other intangibles assets of A\$520,472 consisting of brands, trademarks, trade names, and domain names acquired via the EasyDNA and AffinityDNA acquisition.

In accordance with AASB 136 *Impairment of Assets*, goodwill and other intangible assets acquired in a business combination must be allocated to the Group's cash generating units ("CGUs"). For each CGU to which goodwill has been allocated, the Group is required to assess if the carrying value of the CGU is in excess of the recoverable value.

The goodwill and other long-lived assets impairment assessment has been assessed as a key audit matter due to the judgement required by management in preparing a value in use model to satisfy the impairment test as prescribed in AASB 136 *Impairment of Assets*, including the significant estimation involved in forecasting of future cash flows and applying an appropriate discount rate which inherently involves a high degree of estimation uncertainty and judgement by management.

Our procedures included, amongst others:

- Assessing management's determination of the Group having three CGUs and their allocation of goodwill;
- Assessing whether management has the requisite expertise to prepare the impairment model;
- Reviewing the impairment model for compliance with AASB 136;
- Assessing the reasonableness and appropriateness of inputs and assumptions to the model, with involvement of our internal valuation specialist;
- Evaluating management's future cash flow forecasts and obtaining an understanding of the process by which they were developed, including:
  - Assessing management's key assumptions for reasonableness and obtaining available evidence to support key assumptions;
  - Considering the reasonableness of the revenue and cost forecasts against current period actuals;
  - Performing a sensitivity analysis on the key assumptions;
  - Testing the underlying calculations for mathematical accuracy of the model; and
- Evaluating the disclosures in the financial statements for appropriateness and consistency with accounting standards.

### Business Combination – Note 17

On 14 July 2022, the Group completed the acquisition of AffinityDNA's direct -to-consumer eCommerce business and distribution rights.

This transaction was accounted for as a business combination using the acquisition method.

Accounting for these transactions is a complex and judgmental exercise requiring management to determine the fair value of acquired assets and liabilities as well as the goodwill arising on acquisition and as a result has been assessed as a key audit matter.

Our procedures included, amongst others:

- Reading the executed acquisition agreements and evaluated the Group's acquisition accounting against the requirements of Australian Accounting Standards;
- Testing the accuracy of the purchase consideration against the executed acquisition agreements;
- Assessing the fair values of the acquired assets and liabilities recognised, including:
  - Evaluating the competence, capabilities and objectivity of management's expert who assisted the Group in estimating fair values;
  - Assessing the valuation of identified intangible assets recognised as part of the purchase price allocation calculations;
  - Assessing the completeness of identified intangible assets through discussions with management and with the internal valuation specialist;
  - Assessing the mathematical accuracy of the Group's calculation of the resulting goodwill arising on the Purchase Price Allocation (PPA) calculations;
  - Reviewing the work of the independent valuers engaged by the Group to assist with the PPA calculations;
  - Utilising internal valuation specialist to review the work performed by management's expert; and
- Assessing the adequacy of the business combination disclosures against the requirements of Australian Accounting Standards.

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The Directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 57 to 72 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Genetic Technologies Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance  
Melbourne, 30 August 2023



# A leader in personalised predictive genetics

# Shareholder Information

Genetic Technologies Ltd's ordinary shares are quoted on the Australian Securities Exchange (ASX) under the ticker code GTG. The Company also has American Depositary Shares (ADS), representing 600 ordinary shares, listed on the NASDAQ under the ticker code GENE. GTG's securities are not quoted on any other stock exchange. The following information was extracted from the Company's records as at August 21, 2023 and is required by the ASX Listing Rules. At the close of trading on 21 August 2023, the Company's share price was \$0.002 while the ADS price closed at US\$0.72. There is currently no on-market buy-back of GTG's listed ordinary shares.

## 1. Number of Securities on Issue

The following securities were on issue as at August 21, 2023:

- 11,541,658,143 fully paid ordinary shares.
- 313,016,778 unlisted warrants issued to H.C. Wainwright, connected with U.S. equity raisings.
- 225,000,000 unlisted performance rights issued to directors and employees, held by seven individuals. Note 26 to the financial statements provides further information regarding performance rights.
- 8,000,000 unlisted options issued under the Company's Employee Share Option Plan, held by seven individuals. Note 24 to the financial statements provides further information regarding share options.

## 2. Distribution of equity securities

The number of shareholders, by size of holding, of quoted fully paid ordinary shares as at August 21, 2023 is as follows:

Range	Fully paid ordinary shares	
	Number of holders	Number of shares
1 - 1,000	294	154,461
1,001 - 5,000	626	1,830,516
5,001 - 10,000	326	2,644,581
10,001 - 100,000	1,613	90,271,921
100,001 Over	1,987	11,446,756,664
<b>Total</b>	<b>4,846</b>	<b>11,541,658,143</b>

There were 3,562 holders of less than a marketable parcel of ordinary shares.

## 3. Twenty Largest Shareholders

The names of the 20 largest holders of quoted fully paid ordinary shares and their respective holdings at August 21, 2023 are:

Security holder	Number held	Percentage of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,119,123,510	70.35
MR WARWICK WRIGHT	217,500,000	1.88
MJGD NOMINEES PTY LTD	200,849,309	1.74
DOMA 193 PTY LTD <DOMA 193 A/C>	144,551,379	1.25
RIP OPPORTUNITIES PTY LTD <PIR SUPER FUND A/C>	124,999,999	1.08
IRWIN BIOTECH NOMINEES PTY LTD <BIOA A/C>	75,849,310	0.66
AP 300 PTY LTD <AP INVEST A/C>	48,040,000	0.42
MONUMENT HILL PTY LTD	42,000,001	0.36
MISS SUSAN SPITERI	40,142,778	0.35
MRS HELEN KAMER + MR BENJAMIN KAMER <KAMER SUPER FUND A/C>	40,000,000	0.35
MR LEI DA TAO	38,000,000	0.33
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	35,043,531	0.30
AQUASAFE INVESTMENTS PTY LTD <WHITE SUPERFUND A/C>	30,608,028	0.27
WHALECORP PTY LTD <WHALECORP PTY LTD S/F A/C>	30,000,000	0.26
MISS BEVERLEY SUSAN MCCAIN	28,000,000	0.24
MR JOHN CHRISTOPOLOUS <CHRISAND FAMILY A/C>	27,000,000	0.23
MR BILL GIANOULAS	25,000,000	0.22
MR MICHAEL BATTLE	24,221,459	0.21
CITICORP NOMINEES PTY LIMITED	23,257,576	0.20
MR CAN ODABAS	23,000,000	0.20
	<b>9,337,186,880</b>	<b>80.90</b>
<b>Total remaining holders balance</b>	<b>2,204,471,263</b>	<b>19.10</b>

#### 4. Substantial Shareholders

The following information is current at August 21, 2023 based on information extracted from the substantial shareholding notices given to the Company by shareholders who hold relevant interests in more than 5 per cent of the Company's voting shares:

	Number held
The Bank of New York Mellon Corporation and Associates	8,111,035,111

#### 5. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

- a) Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- b) Options, Performance Rights, and Warrants have no voting rights.

#### 6. Restricted Securities

As at the date of this report there are no restricted securities on issue.



# Corporate Directory

## Directors

Mr Peter Rubinstein  
Non-Executive Director and Chairman

Dr Jerzy Muchnicki  
Non-Executive Director

Dr Lindsay Wakefield  
Non-Executive Director

Mr Nicholas Burrows  
Non-Executive Director

## Company Secretary

Mr Tony Di Pietro

## Registered office and principal place of business

60-66 Hanover Street  
(PO Box 115)  
Fitzroy VIC 3065  
Australia

Telephone: +61 (0)3 8412 7000  
Facsimile: +61 (0)3 8412 7040

## Website

[genetype.com](http://genetype.com)

## Share register

Computershare Investor Services Pty Limited  
452 Johnston Street  
Abbotsford VIC 3067  
Australia

Telephone: +61 0(3) 9415 5000  
Facsimile: +61 0(3) 9473 2500

## Auditor

Grant Thornton Audit Pty Ltd

Collins Square  
727 Collins Street,  
Melbourne VIC 3008  
Australia

Telephone: +61 (0)3 8603 1000  
Facsimile: +61 (0)3 8603 1999

## Bankers

National Australia Bank

Level 2, 151 Rathdowne Street  
Carlton VIC 3053

## Stock exchange listings

Genetic Technologies Limited securities are listed on the Australian Securities Exchange (ASX: GTG) and NASDAQ (GENE)









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Technologies

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