Proteomics International
LABORATORIES LTD

Annual Report 2021

2021

ACN 169 979 971

ASX: PIQ

Proteomics International

IDENTITY

Proteomics International is a medical technology company specialising in predictive diagnostics and advanced analytical services using proteomics - the industrial scale study of the structure and function of proteins.

MISSION

To improve the quality of lives by the creation and application of innovative tools that enable the improved treatment of disease.

VISION

To help create a world where disease is detected early and cured simply.

Contents

From the Chair

Dear Fellow Shareholder,

It is my pleasure to introduce Proteomics International's annual report on behalf of the Board, reviewing activities and achievements for the year ended 30 June 2021.

It has been an exciting 12 months for Proteomics International, with several key milestones reached in the commercialisation of our flagship diagnostic product–the PromarkerD test for diabetic kidney disease. Highlights for the year include the first distribution agreements for the PromarkerD immunoassay test, the achievement of ISO 13485 certification, and the publication of validation and clinical performance results.

We are also beginning to reap the benefits of our strategy to expand our diagnostic development pipeline in 2020, with several biomarker research programs progressing to the next stage of the Promarker™ pipeline. All programs are in areas of unmet need and have the potential to deliver significant value for the Company.

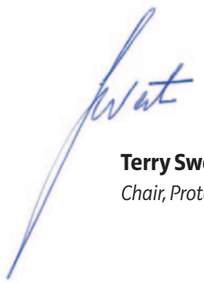
However, the roll-out of a novel chronic disease diagnostic test during a global pandemic has come with many challenges. The necessity for clinical pathology laboratories to focus testing on the SARS-CoV-2 virus has naturally restricted testing for other diseases, presenting barriers to the immediate rollout of the novel PromarkerD test.

I am proud of the passion and professionalism shown by the Proteomics International team amid the COVID-19 pandemic, and their dedication in keeping the global commercialisation strategy for PromarkerD on track and progressing the Promarker™ pipeline.

We believe there is strong, pent-up demand for screening for major diseases neglected during the pandemic, including diabetes and its complications such as diabetic kidney disease. Diagnostics companies will also be strongly positioned with additional testing capacity, alongside a community more aware of the importance of early testing for disease.

We thank you for your continued investment in Proteomics International Laboratories as we look forward to a transformative year ahead.

Yours sincerely,



Terry Sweet
Chair, Proteomics International

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Key Achievements

PromarkerD

- **First distribution agreements for PromarkerD immunoassay test**
  Italy and Israel became the first markets for the easy-to-use immunoassay version of the PromarkerD test for diabetic kidney disease.
- **ISO 13485 certification achieved**
  Key milestone underpins production and future global sales of the PromarkerD test for diabetic kidney disease.
- **Manufacturing scale-up**
  Several processes instigated to facilitate scale-up in production of the PromarkerD immunoassay reagents and kits.
- **Validation and clinical performance results published**
  Key Opinion Leader engagement continued with the publication of several studies in internationally peer-reviewed journals and at conferences.
- **Reimbursement code groundwork**
  Company to seek US reimbursement code following extensive engagement with expert panels and comprehensive economic health benefit modelling.
- **Intellectual Property portfolio expands**
  Now includes trade-secrets, plus patents and trademarks covering 273 million (59%) of the world diabetes population.

Diagnostics

- **Promarker™ pipeline advances**
  The Company continues to create new intellectual property and develop novel diagnostic tests by applying its Promarker platform technology to areas of unmet medical need.
- **Partnership with QIMR Berghofer Institute to target oesophageal cancer**
  Collaboration to develop a simple blood test to expand the Promarker™ diagnostics pipeline.

Analytical Services

- **Revenue streams remain strong**
  The Company's target area of pharmacokinetic (PK) testing for clinical trials continues to grow, and specialist quality control testing (food products and biosimilars) was stable despite the Covid-19 pandemic.
- **Major analytical services contract in pharmacokinetic testing**
  Company secures largest single analytical services contract to date valued at $243,000.

Corporate

- **Heavily-oversubscribed Placement raises $6 million**
  New UK and Australia-based institutions join the Company's share register.
- **CCO and CFO bolster executive team**
  Appointments of leading executives follow a worldwide executive search.

Window on the science

Endometriosis

Endometriosis is a painful condition where tissue similar to the lining of the uterus grows into other parts of body where it doesn't belong. Most endometriosis is found in the pelvis and affects the reproductive organs.

1 in 9
Australian women will be diagnosed with endometriosis

830,000
Women living with endometriosis in Australia

200 million
Women living with endometriosis worldwide

Source: Endometriosis Australia

Impact

Endometriosis can have a profound impact on women of all ages, their families, partners and carers, and society as a whole.

The condition typically causes pain, which can be severe, and infertility. It is a highly-individual disease, and symptoms can vary significantly from person to person. Women with endometriosis may experience:

- period pain
- pain with sex
- pelvic pain at other times of the menstrual cycle
- back pain
- low energy
- pain passing a bowel motion
- infertility

Source: The Royal Women's Hospital

34,200
Endometriosis-related hospitalisations in Australia

Source: Australian Institute of Health and Welfare

Economic cost

Endometriosis costs Australia billions of dollars every year through losses in productivity and direct healthcare costs. There is also a considerable reduction in quality of life for people with the disease.

$9.7 billion
Cost of endometriosis in Australia per year

Source: Endometriosis Australia

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An area of significant unmet medical need

Endometriosis is an extremely common but frequently under-recognised chronic disease. A 2019 Australian government report from the Australian Institute of Health and Welfare highlighted significant frustration with the under-recognition and misdiagnosis of the condition, and long delays in diagnosis and treatment.

Diagnosis

Endometriosis has been historically under-recognised by both the medical community and the public, and subsequently underdiagnosed.

Many women living with endometriosis and associated chronic pain do not receive adequate treatment and management until they have had the condition for many years.

7-12 years
Average delay between onset and diagnosis

Source: Australian Institute of Health and Welfare

Current diagnosis

Today, the only way to diagnose endometriosis is through a laparoscopy, a surgical procedure performed under general anaesthetic.

During the operation, a thin telescope is placed into a patient's navel, allowing doctors to see inside the body and assess the pelvic and abdominal organs. A sample of tissue thought to contain endometriosis is removed and sent to a pathologist to confirm the diagnosis.

A better way

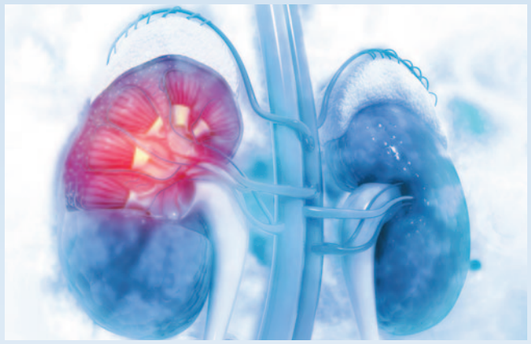
Proteomics International is developing a simple blood test for endometriosis that could be ordered by a GP. It works by looking for protein fingerprints in the blood, called 'biomarkers', that are associated with the disease.

The test will be based on Proteomics International's proprietary Promarker™ platform—the same technology used to develop the PromarkerD test for diabetic kidney disease.

Technology Snapshot

New Therapeutics for Diabetic Kidney Disease – Gliflozins

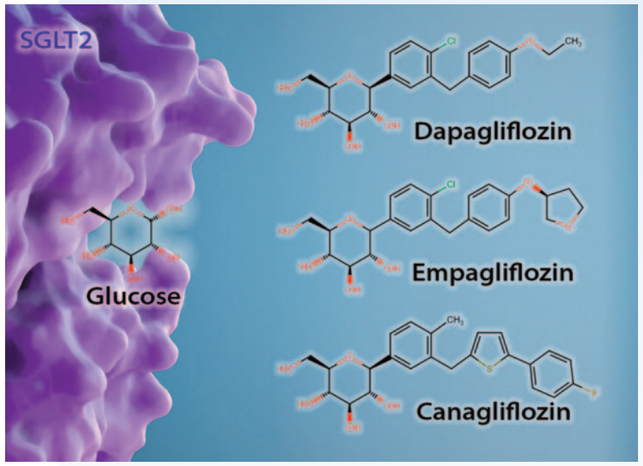
Diabetic kidney disease (DKD) is a serious complication arising from diabetes that affects 1 in 3 people with diabetes globally. Known as a silent killer, 9 out of 10 patients with kidney damage or reduced kidney function are asymptomatic until it is too late. The most effective strategy to reduce the impact of DKD is to receive an early and accurate diagnosis, allowing doctors to implement suitable treatment plans.



Source: US Centers for Disease Control and Prevention

Diagnosis

Proteomics International has created PromarkerD, the world's first predictive test for DKD and the only test that can predict the onset of kidney decline in patients with type 2 diabetes (T2D). In clinical studies published in leading journals, PromarkerD correctly predicted up to 86% of otherwise healthy diabetics who went on to develop DKD within four years.



Gliflozins are a drug technology composed of a glucose-like domain and a side chain that differs between gliflozin drugs. The glucose-like domain allows the drug to bind to SGLT2 gateways, and the side chain inhibits their function.

Gliflozins – SGLT2 Inhibitors

The kidneys' basic function is to filter out a wide array of unwanted substances from the bloodstream, and facilitate the reabsorption of nutrients and salts via controlled gateways. One of those controlled gateways within the kidneys is the Sodium-Glucose Cotransporter Protein 2 (SGLT2), responsible for reabsorbing both glucose and sodium back into the bloodstream. Gliflozins are a class of drugs that inhibit this interaction, preventing the filtered-out glucose and sodium from being reabsorbed back into the bloodstream. This results in reduced blood sugar levels.

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Gliflozin drugs were first approved for the treatment of diabetes in both the EU and US in 2013. Subsequently, gliflozins were shown in clinical trials to also be beneficial in reducing cardiovascular disease (CVD) symptoms in patients with diabetes. Most recently, clinical trials have shown that gliflozins can treat DKD, and two drugs have been granted US Food and Drug Administration (FDA) and European Medicines Agency (EMA) approval for this use, with more currently being tested.

Canagliflozin

was the first drug in 20 years shown to slow the progression of DKD in patients with type 2 diabetes.

Sales of gliflozin drugs

Canagliflozin *(Invokana)* developed by Mitsubishi Tanabe licensed by Janssen	**2013:** *treat type 2 diabetes *†*	$ 795 million		**2018:** *treat cardiovascular disease *†*		**2019:** ***treat DKD ****	**2020:** ***treat DKD †***	
Dapagliflozin *(Farxiga/Forxiga)* by Astrazeneca/ Bristol-Myers Squibb	**2012:** *treat type 2 diabetes †*	**2014:** *treat type 2 diabetes **			$ 1.96 billion		**2020:** *treat cardiovascular disease *†*	**2021:** ***treat CKD and DKD *†***
Empagliflozin *(Jardiance)* by Boehringer Ingelheim/ Eli Lily		**2014:** *treat type 2 diabetes *†*	**2016:** *treat cardiovascular disease **				**2021:** *treat cardiovascular disease †*	$ 2.82 billion

** FDA approval*
† EMA approval

Reported 2020 global sales in USD

In July 2021, Proteomics International announced the results of a collaborative 3-year study with Janssen that used blood samples from over 2,000 patients. The results found that taking canagliflozin lowers the PromarkerD risk score for DKD in patients with type 2 diabetes (see page 11).

Changing Lives

PromarkerD can predict the onset of diabetic kidney disease before clinical symptoms appear. Now the gliflozin drugs offer a new treatment for patients with DKD. By coupling early testing of asymptomatic diabetes patients with early therapeutic intervention DKD may become a disease that can be treated even before it appears. Equipped with both an accurate prognostic tool, and the first DKD drugs in 20 years emerging on the market, clinicians have more options now than ever to change the lives of those with diabetes.

PromarkerD

Proteomics International's PromarkerD test searches for proteins in the blood associated with diabetic kidney disease. The test uses a panel of three biomarkers, combined with three simple clinical factors, to predict the onset of the disease up to four years in advance.

PromarkerD
CHANGING LIVES

Directors' Report

The Directors present their report on Proteomics International Laboratories Ltd (ASX:PIQ; Proteomics International or the Company) and the consolidated entity (referred to hereafter as the Group) for the year ended 30 June 2021.

DIRECTORS
The Directors of the Company in office during the financial year and until the date of this report are as follows:

Mr Terry Sweet	(Non-Executive Chairman)	(Appointed 9 June 2014)
Dr Richard Lipscombe	(Managing Director)	(Appointed 9 June 2014)
Mr Roger Moore	(Non-Executive Director)	(Appointed 14 October 2016)
Mr Paul House	(Non-Executive Director)	(Appointed 22 November 2017)

OPERATING RESULT
To be read in conjunction with the attached Consolidated Financial Report (see page 39).

The operating result for the year was:

		CONSOLIDATED	
	Change	**2021**	**2020**
Loss before income tax	64%	$2,859,663	$1,743,770
Loss for the year	**64%**	**$2,859,663**	**$1,743,770**
Comprising			
Revenue and Other income	**(1%)**	**$2,988,493**	**$3,016,274**
Expenses	**23%**	**$5,848,156**	**$4,760,044**

The Group's financial report for the year ended 30 June 2021 includes:

- Operating revenue from analytical services remained robust despite economic uncertainties at $1.31 million, an 8% decrease compared to the previous year.
- Combined income from all sources declined 1% to $2.99 million. Revenue from ordinary activities encapsulates income from analytical services, State and Federal COVID-19 stimulus packages, and grant income including the R&D Tax Incentive.
- Operational expenditure increased to $5.8 million, and focused on the commercialisation of PromarkerD, upgrading of laboratory instruments, and expansion of the diagnostics pipeline.
- The loss from ordinary activities increased 64% to $2.86 million, which reflects normal operational costs and non-cash items.
- The net cash outflow from operating activities was $2.21 million, an increase of 475%.
- At 30 June 2021 the Company had cash reserves of $5.6 million, and trade and other receivables of $0.3 million. On the back of the Company's research and development focus it anticipates an R&D Tax Incentive cash rebate of $1.29 million, to be received in the December quarter 2021.

DIVIDENDS
No dividend was paid during the year and the Board has not recommended the payment of a dividend.

ISSUED CAPITAL
105,205,875 fully paid ordinary shares (ASX: PIQ) and 8,040,279 unlisted options were on issue as at 30 June 2021.

ANNUAL GENERAL MEETING
In accordance with ASX Listing Rules 3.13.1 and 14.3, Proteomics International advises that its 2021 annual general meeting (AGM) is scheduled to be held on 25 November 2021. The Company encourages shareholders to attend the AGM and receive an update on the strategy and initiatives of the Group.

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Review of Operations

A growth cycle driven by the Company's strengths

Principal activities

Proteomics International is a pioneering medical technology company operating at the forefront of predictive diagnostics and bio-analytical services. The company specialises in the area of proteomics– the industrial scale study of the structure and function of proteins.

Proteomics International's business model is centred on the commercialisation of the Company's pioneering test for diabetic kidney disease, PromarkerD. The Company offsets the cash burn from R&D and product development through provision of specialist analytical services, whilst using its proprietary Promarker™ technology platform to create a pipeline of novel diagnostic tests.

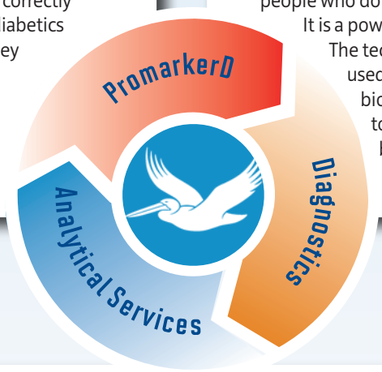
Proteomics International is a wholly-owned subsidiary and trading name of Proteomics International Laboratories Ltd (PILL; ASX: PIQ), and operates from state-of-the-art facilities located on the QEII Medical Campus, Perth, Western Australia.

1. PromarkerD

Targeting the global diabetes epidemic, PromarkerD is a predictive diagnostic test for diabetic kidney disease, a progressive disorder found in one in three adults with diabetes. The prevalence of kidney disease is rising rapidly and many patients progress to need dialysis or a kidney transplant. In peer reviewed clinical studies PromarkerD correctly predicted 86% of otherwise healthy diabetics who went on to develop chronic kidney disease within four years[1].

2. Diagnostics

Proteomics International's diagnostics development is made possible by the Company's proprietary biomarker discovery platform called Promarker™, which searches for protein 'fingerprints' in a sample. This disruptive technology can identify proteins that distinguish between people who have a disease and people who do not, using only a simple blood test. It is a powerful alternative to genetic testing. The technology is so versatile it can be used to identify 'fingerprints' from any biological source, from wheat seeds to a blood sample. The global biomarkers market is expected to exceed USD 129 billion by 2027[2].



3. Analytical Services

Specialist contract research focusing on biosimilars quality control and pharmacokinetic testing for clinical trials. Australia is a global leader in clinical trials due to its efficient regulatory framework and high-quality trial sites, and all samples from each trial require specialist analytical testing.

Significantly, the fastest growing class of drugs entering clinical trials is biologics and biosimilars. The global clinical trials market is projected to reach USD 69.3 billion by 2028[3], whilst the market size of the global biosimilar market was valued at USD 11.8 billion in 2020, and is projected to reach USD 35.7 billion by 2025[4]. The global proteomics market was valued at USD 21.1 billion in 2019, and is expected to reach USD 50.0 billion by 2027[5].

1. For further information see the PromarkerD web portal: **www.PromarkerD.com**
2. Grand View Research 2020: Biomarkers Market Size
3. Grand View Research 2021: Clinical Trials Market Size
4. Markets and Markets 2020: Biosimilars Market by Product
5. Allied Market Research 2021: Proteomics Market by Component

PromarkerD

Global commercialisation strategy on track.

Key milestones completed in 2020-21 include the first distribution agreements for the PromarkerD immunoassay test, the achievement of ISO 13485 certification for the manufacture of medical devices, and the publication of validation and clinical performance results. Proteomics International continues to make advances across accreditation and regulatory approvals, manufacture and kit assembly, and distribution.

Problem & Solution

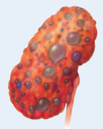
The Problem

- **463 millions diabetics globally**
- **1-in-3 diabetic** adults have chronic kidney disease
- **There is no early warning** - kidney function can **fall below 15-20% with no symptoms**
- Diabetic kidney disease leads to renal failure which requires **dialysis (US$72,000 p.a.) or kidney transplant**
- Total cost of diabetic kidney disease = **US$130 Bn** per year in USA alone

Roadblock

Current standard-of-care diagnostics

- **Current standard-of-care tests cannot predict** the onset of diabetic kidney disease
- Doctors can only prescribe therapeutic treatments **which are largely ineffective for late stage disease**
- **Patients ultimately require dialysis and/or a kidney transplant**

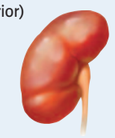


Diseased Kidney

Solution

PromarkerD CHANGING LIVES

- PromarkerD can **predict** the onset of disease **before** clinical symptoms appear (up to four years prior)
- **Doctors can then prescribe an early therapeutic treatment to slow or stop the onset of disease**
- Kidneys remain healthier for longer, **saving healthcare systems billions of dollars**
- Improve quality of life



Healthy Kidney

Source: International Diabetes Federation (IDF) Atlas 9th Edition 2019. US Renal Data System 2020

About PromarkerD

Diabetic kidney disease (DKD) is a serious complication arising from diabetes which if unchecked can lead to dialysis or kidney transplant. PromarkerD is a prognostic test that can predict future kidney function decline in patients with type 2 diabetes and no existing DKD. The patented PromarkerD test system uses a simple blood test to detect a unique 'fingerprint' of the early onset of the disease. In published clinical studies, PromarkerD correctly predicted which otherwise healthy diabetics went on to develop diabetic kidney disease within four years.

Further information is available through the PromarkerD web portal: **www.PromarkerD.com**

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The science behind PromarkerD

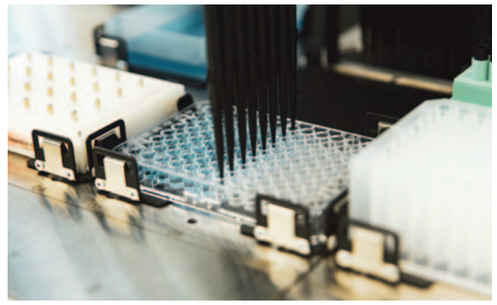
The PromarkerD predictive test for DKD - International validation

PromarkerD scores were measured at baseline ('Year 0') in 3,568 patients with type 2 diabetes with pre-existing high risk of cardiovascular disease from the completed four-year phase 3 CANagliflozin cardioVascular Assessment Study (CANVAS).
The publication showed that PromarkerD accurately predicted which patients in the trial would develop clinically significant kidney disease during the four year period.

Patients predicted by PromarkerD to be at high-risk of DKD were 13.5 times more likely than the low-risk group to develop the disease, with the results showing high statistical significance ($p = 1.3x10^{-104}$).

Source: Results published in Journal of Clinical Medicine "PromarkerD Predicts Renal Function Decline in Type 2 Diabetes in the Canagliflozin Cardiovascular Assessment Study (CANVAS)"

- Canagliflozin significantly lowered PromarkerD risk scores compared to placebo over 3 years.
- The greatest effect of canagliflozin was in those classified by PromarkerD as at high-risk of a subsequent decline in renal function.
- PromarkerD can identify patients who are asymptomatic for DKD, and canagliflozin improves the associated PromarkerD renal risk profiles.



PromarkerD and Canagliflozin - DKD diagnosis and management

Subsequent to the year end, Proteomics International announced the results of the second stage of the collaboration between Proteomics International and Janssen. This study examined the association between canagliflozin, an approved diabetes therapy with additional renal benefits **(See Technology Snapshot, page 6)**, and the change in PromarkerD score (Δ score) in CANVAS.

The research retrospectively measured PromarkerD risk scores for developing DKD in blood samples from 2,008 patients taken at the start of the trial and again three years later. All patients had diabetes but no existing DKD, and were randomly allocated to take either canagliflozin or a placebo.

Aim: Do 'at-risk' patients continue to decline, or stabilize, or recover?

Results: The 'At-risk' patients on placebo continued to decline, but those on canagliflozin treatment stabilized or recovered:

- Across all participants:
  Patients **on drug** had **decreased mean PromarkerD scores** over the study (Δ score: -1.0%; p=0.038),
  Patients **on placebo** had **increased mean PromarkerD scores** over the study (Δ score: 3.9%; p<0.001)
- By PromarkerD risk category, **patients with high-risk scores** at baseline:
  Patients treated **with canagliflozin** had **significantly lower scores** at Year 3 (Δ score: -5.6%; p<0.001)
  Patients **on placebo remained high** (Δ score: 3.2%; p=0.17) (Time*TRT p=0.002)

Source: Poster presented at Australasian Diabetes Congress "Canagliflozin attenuates PromarkerD diabetic kidney disease risk prediction scores"

PromarkerD - Licensing and distribution

Discussions progressing with multiple prospective partners.

First distribution agreements for PromarkerD immunoassay test

Italy and Israel became the first markets for the easy-to-use immunoassay version of the PromarkerD test for diabetic kidney disease.

In October, Proteomics International signed a distribution licensing agreement with innovative medical distributor Medical Horizons SRL to bring PromarkerD (IA) to patients in Italy. The country is home to 3.7 million people with diabetes, or one in 12 adults. Medical Horizons have completed registration of PromarkerD with the Italian Ministry of Health and are now engaged with a number of Italian Key Opinion Leaders for early adoption of the test by major hospitals. The COVID-19 pandemic has slowed the roll-out of the test in Italy.

In November, Proteomics International appointed Zotal Ltd as the exclusive distributor for PromarkerD in Israel, a country recognised as a global leader in the life-science industry and renowned for its early adoption of cutting-edge medical technologies. One in eight adults in Israel has diabetes, and the disease is the country's fifth leading cause of death. Zotal will complete product registration and reimbursement applications for PromarkerD with the Israeli Department of Medical Devices, Ministry of Health and engage with Israeli Key Opinion Leaders for the promotion and early adoption of the test by major hospitals.

Both distribution agreements are for two years, exclusive to their respective countries and exclusive to PromarkerD (IA). Proteomics International will receive payment for each kit sold. As for any novel test, market penetration cannot be predicted accurately, hence for the new licences it is not possible to quantify the financial impact on Proteomics International in any given timeframe.

Continuing licence/partnering discussions focused on immunoassay technology

Proteomics International is continuing discussions with diagnostic and pharmaceutical companies in multiple countries to bring the immunoassay kit version of the PromarkerD test to patients. This simple technology platform is cost-effective and standard to clinical diagnostics laboratories around the world. The format allows hundreds of blood samples to be analysed quickly as part of a panel of routine blood tests. Proteomics International is also currently renegotiating deals with the Company's existing PromarkerD partners, for access to the immunoassay version of the test.

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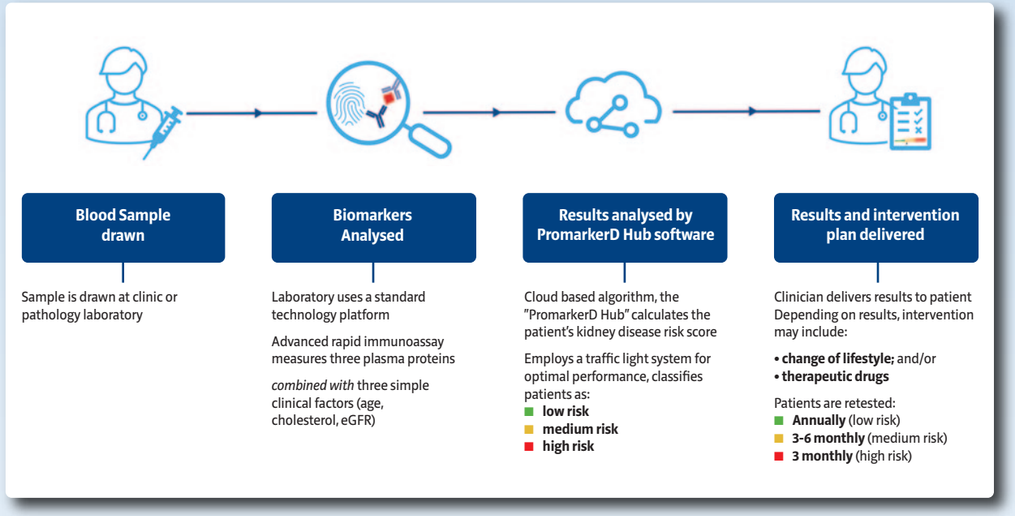
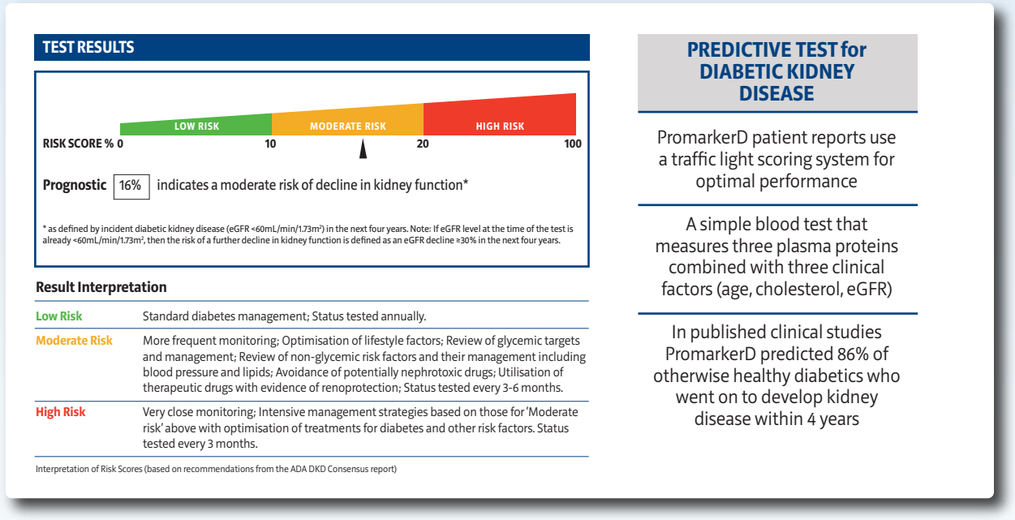
PromarkerD - Simple Integration & Utilisation



PromarkerD in the Clinic



 # Definitions:

"Promarker" - the proprietary technology used to discover and evaluate proteins for use as diagnostics
"PromarkerD/PromarkerD test system" - the patented predictive diagnostic test for Diabetic Kidney Disease
"PromarkerD (MS)" - the predictive diagnostic test for Diabetic Kidney Disease using Mass Spectrometry
"PromarkerD (IA)" - the predictive diagnostic test for Diabetic Kidney Disease using ImmunoAssay
"PromarkerD Hub" - the proprietary software tool used to calculate the risk of Diabetic Kidney Disease in diabetes patients

PromarkerD
CHANGING LIVES

PromarkerD - Manufacturing

Preparing for the large-scale manufacture of PromarkerD kits.

ISO 13485 certification achieved

In April, Proteomics International received ISO 13485 certification, the most widely-used international standard for quality management systems in the manufacture of medical devices. The standard provides the foundation for regulatory requirements in the European Union, Australia, Japan, Canada and the United States, and is a key milestone underpinning production and future global sales of the PromarkerD test for diabetic kidney disease.

ISO 13485 certification is awarded to companies that can demonstrate an ability to produce safe, effective products that consistently meet the expectations of customers and regulators. The ISO 13845 certification will also apply to Proteomics International's pipeline of other diagnostics currently under development.

Preparation for manufacturing scale-up

The Company instigated several processes during the financial year that will facilitate the scale-up in production of the PromarkerD immunoassay reagents and kits. This includes production of specialist synthetic protein standards and stabilised recombinant versions of the antibodies (used to detect the target protein biomarkers). Subsequent to the year end, Proteomics International has engaged global life science company Abcam as the reagent producer, and ISO 13485 accredited specialist immunoassay manufacturer Biotem for the kit production. Coupled with the Company's own certification, these partnerships complete the Northern Hemisphere manufacturing capability for PromarkerD, and will allow the immunoassay kit to be manufactured in high volumes and to international regulatory standards.

PromarkerD - Regulatory and reimbursement

Actively engage with regulatory and reimbursement bodies.

US FDA regulatory submission filed

In April, Proteomics International filed a 513(g) submission to the United States Food and Drug Administration (FDA) for the PromarkerD test for diabetic kidney disease. The application will allow Proteomics International to determine the best regulatory path for PromarkerD - either the De Novo Classification or 510(k) route. The FDA normally assesses applications within 60 days, however it has advised all responses are delayed due to the COVID-19 pandemic. The Company is preparing to file a full application once the required pathway for PromarkerD is determined. The route to market in the US remains the LDT (laboratory developed test) path through CLIA (Clinical Laboratory Improvement Amendments) certified labs, which allows sales to commence prior to FDA approval.

Reimbursement code groundwork

Proteomics International is set to seek a reimbursement code for the PromarkerD test for diabetic kidney disease following extensive engagement with expert panels representing physicians, laboratories and payors, conducted alongside comprehensive economic health benefit modelling.

Reimbursement codes and payer coverage in the US are initiated through the American Medical Association (AMA) and its Current Procedural Terminology (CPT) Editorial Panel. This code, known as a CPT Proprietary Laboratory Analyses (PLA) code, uniquely identifies a test for the laboratory and the payors.

A payer budget impact study was conducted by US based consultant Boston Healthcare Associates to demonstrate the potential economic health benefit of the PromarkerD test compared to the current standard of care. The study found that instigating PromarkerD testing produced savings primarily from slowing the progression of DKD, and delaying or preventing dialysis and kidney transplants, against costs from increased testing and the use of preventative medications. Boston Healthcare Associates and Proteomics International presented the modelling at the world's leading conference for health economics, Virtual ISPOR 2021 in May, and at the world's largest diabetes conference, the American Diabetes Association's 81st Scientific Sessions, in June.

All companies seeking reimbursement for any new test are required to provide a dossier demonstrating the potential economic health benefit of a test. The second element to achieving reimbursement is demonstrating the clinical utility of PromarkerD, namely the impact of PromarkerD on patient treatment decisions by primary care physicians and specialist endocrinologists. A clinical utility study on PromarkerD has also been conducted by Boston Healthcare Associates and is currently subject to peer review prior to publication.

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PromarkerD - Clinical

The publication of PromarkerD clinical results in major scientific journals remains a key component of the Company's strategy to engage with Key Opinion Leaders (KOLs).

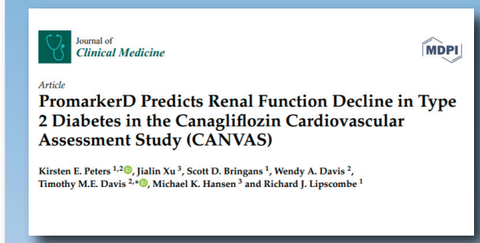
International validation study

The findings of a global multi-centre clinical study confirming the effectiveness of PromarkerD as a predictive test for diabetic kidney disease were published in the *Journal of Clinical Medicine*. The paper was the first external validation study of PromarkerD, and was jointly authored by Proteomics International, The University of Western Australia Medical School and Janssen Research and Development.

Clinical performance results

Two studies demonstrating the robust technical performance of the PromarkerD test were published in the journals *Clinical Proteomics and Proteomes*. The results form an essential basis for further regulatory approvals of the PromarkerD test system and its adoption by pathology laboratories worldwide.

Scientific posters and publications describing PromarkerD in 20/21FY


Journal of Clinical Medicine

MDPI

Article

PromarkerD Predicts Renal Function Decline in Type 2 Diabetes in the Canagliflozin Cardiovascular Assessment Study (CANVAS)

Kirsten E. Peters [1,2], Jialin Xu [3], Scott D. Bringans [1], Wendy A. Davis [2], Timothy M.E. Davis [2,*], Michael K. Hansen [3] and Richard J. Lipscombe [1]


Bringans et al. Clin Proteom (2020) 17:37
https://doi.org/10.1186/s12014-020-09302-w

Clinical Proteomics

RESEARCH

Open Access

A robust multiplex immunoaffinity mass spectrometry assay (PromarkerD) for clinical prediction of diabetic kidney disease

Scott Bringans[1*], Jason Ito[1], Tammy Casey[1], Sarah Thomas[1], Kirsten Peters[1], Ben Crossett[2], Orla Coleman[1], Holger A. Ebhardt[3], Stephen R. Pennington[3] and Richard Lipscombe[1]

Economic Health Benefit Study

Burchenal W, et al. Demonstrating the Economic Health Benefit of using the PromarkerD In Vitro Diagnostic Test in the Prediction of Diabetic Kidney Disease. Poster presented at the American Diabetes Association's 81st Scientific Sessions, 2021.

Payer Budget Impact Study

Burchenal W, et al. Determination of Payer Budget Impact from Using an Innovative In Vitro Diagnostic in the Management of Diabetic Kidney Disease. Poster presented at Virtual ISPOR, 2021.

Global Multi-Centre Prognostic Validation Study

Peters KE, et al. PromarkerD Predicts Renal Function Decline in Type 2 Diabetes in the Canagliflozin Cardiovascular Assessment Study (CANVAS) J Clin Med. 2020.

Multi-Site Assay Validation Study

Bringans SD, et al. A robust multiplex immunoaffinity mass spectrometry assay (PromarkerD) for clinical prediction of diabetic kidney disease. Clin Proteomics. 2020.

Cross-Platform Assay Validation Study

Bringans SD, et al. The New and the Old: Platform Cross-Validation of Immunoaffinity Mass Spectrometry versus ELISA for PromarkerD, a Predictive Test for Diabetic Kidney Disease. Proteomes. 2020

PromarkerD - Market

Intellectual Property portfolio expands

In July 2020, new patents were secured for the potentially substantial markets of Brazil which has 16.8 million adults with diabetes, and Canada which has 2.8 million. Proteomics International has established a strong intellectual property portfolio for PromarkerD, in the form of patents, trademarks and trade-secrets. This IP provides the foundation for on-going licensing discussions. Together the Company's granted patents and trademarks cover 273 million (59%) of the addressable diabetes patient population globally.

Key Opinion Leader engagement

In parallel to achieving manufacturing and regulatory milestones for PromarkerD, Proteomics International continues to engage with Key Opinion Leaders (KOLs) through conference presentations, the publication of clinical results in leading scientific journals and direct consultation. KOLs and peer-review publications are crucial in driving physician, payer and patient-advocate engagement, which in turn will drive adoption of PromarkerD. As part of this strategy, Proteomics International presented the latest results on PromarkerD at several global conferences during the financial year.

Proteomics International Laboratories Ltd

PromarkerD - Intellectual Property

Proteomics International owns three families of patents for PromarkerD in key markets with others pending

FAMILY ONE patents relate to use of PromarkerD as a diagnostic test for diabetic kidney disease

Country/Region	Application/ Patent No.	Patent Title	Status
"Biomarkers associated with pre-diabetes, diabetes and diabetes related conditions" • Derived from International Patent Application PCT/AU2011/001212 • All patents valid until September 2031			
Australia	2011305050		Granted
Brazil	BR 11 2013 006764 0		Granted
Canada	2811654		Granted
China	ZL201180053583.9		Granted
Europe[1]	3151012	Biomarkers Associated with Diabetic Nephropathy	Granted
Europe	18155797.6		*Pending*
Hong Kong	18115912.3		*Pending*
India	3012/DELNP/2013		*Pending*
Indonesia	W00 2013 01585		Granted
Japan	2013-528474		Granted
Russia	2596486		Granted
Singapore	188527		Granted
US	9146243	Method of assessing diabetic nephropathy using CD5 antigen-like	Granted

[1]Validated in France, Germany, Italy, Turkey, Spain, United Kingdom

FAMILY TWO patents relate to use of PromarkerD as a diagnostic test for any form of kidney disease

Country/Region	Patent No.	Status
Biomarkers associated with kidney disease • Patent valid until September 2031		
Australia	2015202230	Granted
Method of assessing a subject for abnormal kidney function • Patent valid until September 2031		
US	9733259	Granted
Method for the diagnosis of kidney damage in the early stages • Patent valid until 23 July 2022		
Europe[2]	**EP1410039**	Granted/ Licensed
Method of diagnosing early stage renal impairment • Patent valid until 30 September 2027		
US[2]	**US7842463**	Granted/ Licensed
Method for predicting the progression of chronic kidney disease by measuring apolipoprotein a-iv • Patent valid until 8 September 2026		
Europe[2]	**EP1941274**	Granted/ Licensed

[2]Licensed exclusively to Proteomics International from the University of Innsbruck

FAMILY THREE patents relate to a method for identifying drugs for abnormal kidney function using one of the PromarkerD biomarkers ("CD5 antigen like") as a potential drug target

Country	Application/ Patent No.	Status
"Method for Identifying an Agent for Treating Abnormal Kidney Function" • Patent valid until September 2031		
US	10191067B2	Granted

Trademark - PromarkerD™

Country/ Region	Status
• Class 44 - Medical diagnostic services (No 1776917) • Class 5 - Diagnostic apparatus for medical purposes including diagnostic kits (No 1806616)	
Australia, European Union, Israel, Japan, South Korea, Mexico, Dominican Republic, New Zealand, Russia, Singapore, US	Granted
China	*Pending*

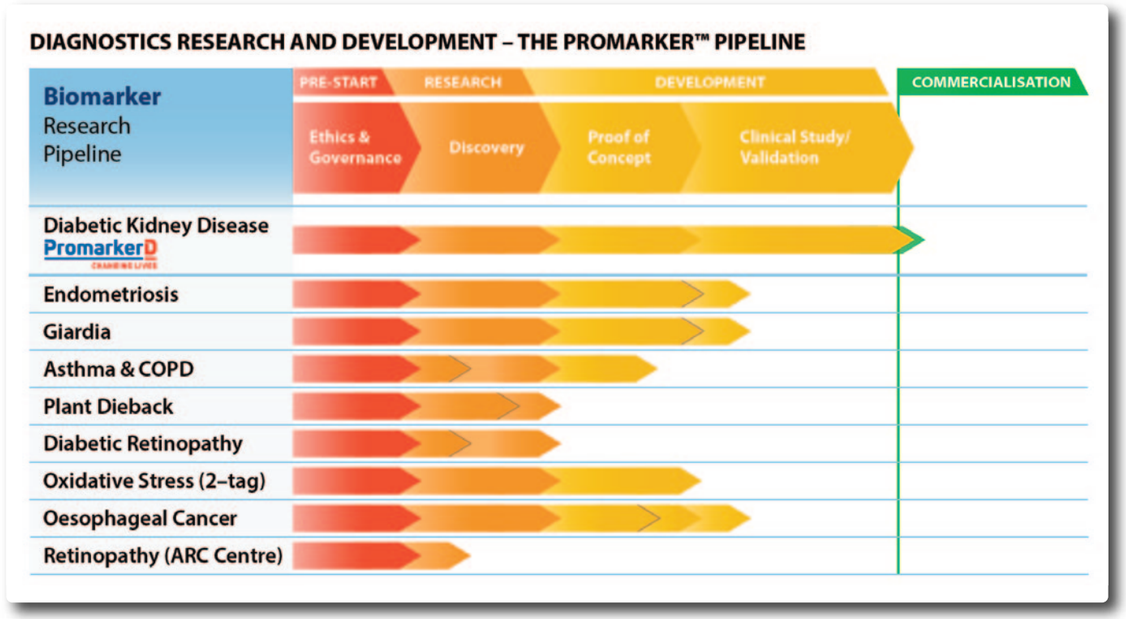
Diagnostics

Biomarker research programs continue to progress.

Promarker™ pipeline advances

Proteomics International is beginning to reap the benefits of the Company's strategy to expand its diagnostic development pipeline in 2020. Proteomics International is engaged with a number of regional and international partners who have been affected by the COVID-19 pandemic, which has slowed progress in some programs.

Nonetheless, the Company does not consider any delays to be material, with several biomarker research programs progressing to the next stage of the Promarker™ pipeline, including four at the 'clinical validation' stage. All programs are in areas of unmet need and have the potential to deliver significant value for the Company.



The Promarker™ R&D pipeline and typical timeline is as follows: Ethics & governance approval (3 months), Discovery (6 months), Proof of concept (6 months), Clinical studies/Validation (12 months).
Grey lines indicate project progress as reported in The Company's 2020 Annual Report.
Project progress most recently reported in 2021 March Quarterly Activities Report.

Proteomics International Laboratories Ltd

Diagnostics

Endometriosis - Intellectual Property

Country/Region	Application/ Patent No.	Status
"Endometriosis biomarkers"		
International	PCT/AU2021/050227	*Pending*

Oxidative Stress ("Two-Tag") - Intellectual Property

Proteomics International owns two families of patents for Two-Tag in key markets with others pending

FAMILY ONE patents related to "Methods for determining the redox status of proteins"

Country/Region	Patent No.	Status
• Derived from International Patent Application PCT/AU2006/001757 • All patents valid until November 2026		
Australia	2006317506	Granted
US	8043824	Granted

FAMILY TWO patents related to "Methods for measuring relative oxidation levels of a protein"

Country/Region	Application	Status
Australia	2019240758	*Pending*
Canada	3094249	*Pending*
China	201980022119.X	*Pending*
Europe	19776359.2	*Pending*
India	202017044154A	*Pending*
Indonesia	P00202007798	*Pending*
Japan	2020-552842	*Pending*
Singapore	11202008979Q	*Pending*
US	17/041,551	*Pending*

Endometriosis

Status update: *Agreements to access samples for Clinical Validation study finalised; Clinical Validation study pending.*

Proteomics International has identified and filed a patent application describing a panel of novel protein biomarkers with the potential to be developed into a simple blood test for endometriosis **(See Window on the Science, page 4)**. Given the large unmet medical need and the deficiencies in existing diagnostic tools, Proteomics International believes there will be significant commercial interest in this program post successful clinical study validation.

Over the past year Proteomics International has been testing the stability of the discovered biomarker panel as part of the Proof of Concept. This ensures the quality and analytical reproducibility of the biomarker panel before moving into the current Clinical Study phase of the project.

Subsequent to the year end, Proteomics International signed a research collaboration agreement with the University of Melbourne and the Royal Women's Hospital (the Women's), enabling access to the Women's world-leading endometriosis database containing anonymous biological samples and survey information. The collaboration will seek to validate the panel of biomarkers discovered by Proteomics International, and also to identify new biomarkers for the disease.

Giardia (causing gastroenteritis)

Status update: *Results from Validation study under analysis.*

Proteomics International continues its development of an improved diagnostic test for the parasite Giardia in collaboration with the Murdoch University Veterinary School and a leading US veterinary company. Giardia is a leading cause of infectious gastroenteritis worldwide and one of the most common parasitic human diseases. Proteomics International has identified strain specific Giardia targets and developed a prototype immunoassay, which is pending validation using field samples. This aspect was delayed by the COVID-19 pandemic and analysis of the data from the field samples remains ongoing.

Asthma & COPD

Status update: *Results from Proof-of-Concept study under analysis.*

Proteomics International is working to identify biomarkers for asthma and chronic obstructive pulmonary disease, which cost healthcare systems tens of billions of dollars a year. The study is in collaboration with the Busselton Population Medical Research Institute, which gives Proteomics International access to the globally-recognised Busselton Health Study, first established in 1966 and one of the longest running epidemiological research programs in the world.

Diagnostics

Plant dieback
Status update: *Results from Discovery study under analysis.*

Proteomics International has an ongoing collaboration with the Centre for Crop and Disease Management (Curtin University) to target the plant pathogen Phytophthora cinnamomi, which is responsible for plant dieback that affects a wide variety of native plant species and premium crops such as avocados and macadamias. The estimated cost to the Australian economy is $160 million per year for damage to natural vegetation alone. Current investigations are focused on proteomic analysis (determining the protein maps) of the life stages of the organism and how it infects its host. This may lead to a field test for the easier detection of infected soil, and has the potential to identify weaknesses in the pathogen that could be targeted to help eradicate this disease.

Diabetic retinopathy
Status update: *Results from Discovery study under analysis.*

Following the success of its diabetic kidney disease project, Proteomics International extended its collaboration agreement with The University of Western Australia to seek early markers for diabetic retinopathy, the major cause of blindness in the US. This collaboration is applying the Promarker™ platform to look for prognostic markers in the blood that can identify patients at risk of retinopathy, especially sight-threatening retinopathy. The program is again utilising the Fremantle Diabetes Study which provided the rich sample repository that led to PromarkerD.

Oxidative stress (2-tag)
Status update: *Validation studies pending; Commercialisation discussions underway.*

Proteomics International has been in a long-term collaboration with The University of Western Australia to develop methodology that could become the next generation of medical diagnostic tests. The patented technology called "2-tag" measures the oxidative stress in a system. Proteomics International holds a number of patents covering the '2-tag" method (See page 19) and is currently in commercial negotiations to unlock value from this innovative technology.

Oesophageal cancer
Status update: *Technology transfer ongoing; Clinical Validation pending.*

Proteomics International has joined forces with QIMR Berghofer Medical Research Institute to improve detection of oesophageal adenocarcinoma, the most common form of oesophageal cancer in Australia. Proteomics International is employing its Promarker™ platform to analytically and then clinically validate a panel of biomarkers - protein 'fingerprints' in the blood - that QIMR Berghofer researchers found are associated with early stages of the cancer. The aim is to develop a simple blood test for oesophageal adenocarcinoma.

Retinopathy - ARC Centre for Personalised Therapeutics Technologies
Status update: *Discovery study ongoing.*

Proteomics International is collaborating with the Lions Eye Institute and The University of Western Australia as part of the Australian Research Council Centre for Personalised Therapeutics Technologies, a $3.1 million Federally funded Industrial Transformation Training Centre (ITTC). Proteomics International is working alongside leading university-based researchers to apply the Promarker™ technology to seek a Complementary Diagnostic test to assess treatments for eye disease.

COVID-19
Status update: *Development study completed, project suspended.*

Last year, Proteomics International was awarded two grants under the Western Australian COVID-19 Research Grants Program to support research into COVID-19 biomarkers and diagnostics. The development studies were completed, however, the research programs have been suspended in light of the extensive resources directed at COVID-19 worldwide.

Proteomics International Laboratories Ltd

Diagnostics

Partnership with QIMR Berghofer Institute to target oesophageal cancer

In October, Proteomics International joined forces with QIMR Berghofer Medical Research Institute (QIMR Berghofer) to improve detection of oesophageal adenocarcinoma, the most common form of oesophageal cancer in Australia. The collaboration is part of Proteomics International's strategy to continually expand its diagnostics portfolio to target commercial opportunities in areas of significant unmet need.

Dr Richard Lipscombe on 9 News explaining the oesophageal cancer partnership.
www.proteomics.com.au/oesophageal-cancer-9-news/

Analytical Services

Revenue from analytical services remained robust with no negative impact observed due to the COVID-19 pandemic. This financial year, strong revenue growth was seen in the Company's target area of pharmacokinetic (PK) testing, whilst specialist analytical work (e.g. food product quality control), consulting services, and biosimilars testing remained stable.

Major analytical services contract in pharmacokinetic testing

Proteomics International secured a major pharmacokinetic testing contract with Australia's largest clinical trial contract research organisation, Avance Clinical. The contract engages Proteomics International to perform advanced pharmacokinetic testing of a novel drug for lysosomal storage disorder. It is the Company's largest single analytical services contract to date, with a value of $243,000.

World's most accredited protein testing laboratory

Proteomics International was the first laboratory in the world to receive ISO/IEC accreditation for proteomics services in 2009 (Accreditation number: 16838). In April 2021, Proteomics International received ISO 13485 certification for the design and development of PromarkerD (Certification number: MD734669). Proteomics International now holds multiple levels of internationally recognised accreditation:

- **ISO 17025: 2015 – Chemical Testing**
- **ISO 17025: 2015 – R&D with Good Laboratory Practice (GLP) overlay**
- **ISO 13485: 2016 Medical devices – Quality management systems – Requirements for regulatory purposes**

Accreditation recognises Proteomics International's ability to consistently achieve technically valid, traceable and reproducible results. In April 2021, Proteomics International added ISO 13485 certification to its list of accreditations. The significance of this milestone shows the Company's strong commitment and vision to be a major player in innovative in-vitro diagnostic products with strong focus on commercialisation and quality of these products. Accreditation means that clients and regulatory authorities can have confidence in company products and helps to identify the Company as a reliable service provider.

Research & Development Tax Incentive Insights Podcast

Proteomics International has been featured on R&DTI Insights, a podcast from the Australian Government dedicated to presenting news and information about the Research and Development Tax Incentive program, and what it means for Australian businesses. Proteomics International continues to use the R&D Tax Incentive to support investment in cutting-edge research.

www.proteomics.com.au/rdti-podcast/

Proteomics International Laboratories Ltd

Company Operations

CORPORATE ACTIVITY

Heavily-oversubscribed Placement raises $6 million

In October, a successful placement brought new UK and Australia-based institutions onto the Company's share register. The heavily-oversubscribed Placement raised $6 million (before costs) and closed early due to overwhelming investor response. Funds from the Placement are supporting an expansion of Proteomics International's senior management team, alongside the implementation of strategies to accelerate the delivery of the PromarkerD test into major global markets and to expand the Promarker™ diagnostic pipeline.

CCO and CFO appointed to bolster executive team

The executive team was expanded with the appointments of Vik Malik as Chief Commercialisation Officer (CCO) and Jacqueline Gray as new Chief Financial Officer (CFO), following a worldwide executive search. Mr Malik, a medical technologies commercialisation veteran, is leading the commercial roll-out of the Company's innovative diagnostic products centred on the PromarkerD predictive test for diabetic kidney disease. Ms Gray, a well-credentialed finance professional with experience across global brands, including in the technology, healthcare and media sectors, has responsibility for Proteomics International's finance, accounting and financial strategy development.

DRUG DISCOVERY

Proteomics International has had a long-standing interest in innovative drug discovery, with the Company's first substantial external funding received to develop a novel therapeutic pipeline in 2008. This pipeline became the basis for the Promarker™ technology platform. The drug discovery program is on hold whilst the company focuses its resources on the commercialisation of PromarkerD, diagnostics, and the provision of analytical services.

STRATEGIC COLLABORATIONS

Proteomics International continues to work closely with the biotechnology and life science community across Australia. Strategic collaborations promote the development of scientific knowledge and help Proteomics International realise its scientific and business objectives.

Highlights of the Company's collaborations include:

Harry Perkins Institute of Medical Research (Perkins)

The Perkins is the premier adult medical research institute in Western Australia. Proteomics International is headquartered there and has held close ties with the Perkins since 2006.

Bioplatforms Australia (BPA)

BPA is a federal body instigated as part of the National Collaborative Research Infrastructure Scheme (NCRIS) to facilitate a national capability in the 'omics sciences (genomics, proteomics, metabolomics and bioinformatics). Proteomics International manages the Western Australian node of Proteomics Australia in a Public Private Partnership with BPA and The University of Western Australia.

Australian Research Council Training Centre for Personalised Therapeutics Technologies

This national $3.1 million Industrial Transformation Training Centre (ITTC) sees Proteomics International work with university-based researchers to provide industry training through the application of the Promarker™ technology to Complementary Diagnostics. The centre is hosted by the University of Western Australia, Monash University and the University of Melbourne. A joint diagnostics project is underway (see 'Diagnostics - Retinopathy').

Accelerating Australia

This organisation has developed a cohesive and collaborative early stage biomedical translation ecosystem under the umbrella of a national consortium covering academia, industry, and health care providers, including MTP Connect (the Medtech and Pharma Growth Centre). As a commercial partner, Proteomics International enjoys early access to new ideas and innovations. Accelerating Australia is led by the Centre for Entrepreneurial Research and Innovation based in Western Australia. The Centre's activities are on-going.

Dr Bill Parker Memorial Industrial Scholarship

In 2017, the Company launched the Dr Bill Parker Memorial Industrial Scholarship, in memory of its cofounder, to high achieving WA students who wish to take a gap year to gain experience in the Biotechnology & Life Science Industry before undertaking a science degree in the Eastern States. Proteomics International has one scholar in residence and the second is completing the third year of their undergraduate degree. The program is on-going and Proteomics International looks forward to supporting the 2021 class of budding life scientists.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report and the financial statements.

Company Operations

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 16 July 2021, Proteomics International announced that its collaborative study with Janssen Research & Development had found a significant reduction in the PromarkerD risk scores of patients with type 2 diabetes taking canagliflozin, an SGLT2-inhibitor diabetes drug.

On 22 July 2021, the Proteomics International announced global life science company Abcam plc had been engaged to produce specialist reagents for the immunoassay version of the PromarkerD test for diabetic kidney disease.

On 4 August 2021, Proteomics International announced a research collaboration agreement with the University of Melbourne and the Royal Women's Hospital to develop a simple blood test for endometriosis.

On 12 August 2021, Proteomics International announced it had contracted European immunoassay specialist Biotem to manufacture PromarkerD test kits.

LIKELY DEVELOPMENTS

Proteomics International will continue to pursue the commercialisation of its lead diagnostic test PromarkerD in global markets. Potential licence partners are global and regional diagnostic companies, diagnostic service providers, and drug developers. In jurisdictions where licences have already been granted, the focus will be on increasing the adoption of the test by engaging with Key Opinion Leaders and the broader network of clinical service providers.

As for any novel test, market penetration cannot be predicted accurately, hence for each licence it is not possible to quantify the financial impact on Proteomics International in any given timeframe. Nonetheless, PromarkerD has the potential to spare millions of people from the cost of dialysis, saving each health care system billions of dollars. Consequently, the Company believes that ultimately the financial impact of each licence will be significant.

The development pipeline for new diagnostic tests will progress using the Promarker™ technology platform, with the intention of creating new intellectual property that can be licensed in future years.

These R&D and commercialisation activities will continue to be underpinned by the analytical services operations. Fee-for-service revenue continues to grow in the Company's target areas and Proteomics International anticipates further growth.

ENVIRONMENTAL REGULATIONS

The Company is subject to environmental regulation and other licences in connection with its research and development activities utilising the facilities at the Harry Perkins Institute of Medical Research. The Company complies with all relevant Federal, State and Local environmental regulations. The Board is not aware of any breach of applicable environmental regulations by the Company.

GREENHOUSE GAS AND ENERGY DATA REPORTING

The Company has assessed the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007 and the Group is not currently subject to any reporting obligations.

GOVERNANCE

The Board of Directors is responsible for the operational and financial performance of the Company, including its corporate governance. The Company believes that the adoption of good corporate governance adds value to stakeholders and enhances investor confidence. Proteomics International's corporate governance statement is available on the Company's website, in a section titled 'Corporate Governance'.

Board of Directors and Operational Team

BOARD OF DIRECTORS

Terry Sweet – Non-Executive Chairman (Independent)
Richard Lipscombe – Managing Director
Roger Moore - Non-Executive Director (Independent)
Paul House - Non-Executive Director (Independent)

INFORMATION ON DIRECTORS

Director	Experience	Special Responsibilities	Particulars of Director's interest in securities of the Company	
			Shares	Options
Mr Terry Sweet FAICD 	Terry has been a Director of several listed companies over the past 30 years in both executive and non-executive capacities. These companies include XRF Scientific Ltd, where he was Managing Director for 4 years, Western Biotechnology Ltd, Heartlink Ltd, and Scientific Services Ltd. Originally trained as a chemist, his interests and expertise now lie in the area of development and supervision of a culture of Board integrity, commensurate with technology commercialisation. Terry is a Fellow of the Australian Institute of Company Directors and joined the Board in June 2014.	Chairman	2,348,000	400,000
Dr Richard Lipscombe PhD (London), MA (Oxford) 	Richard, a co-founder of the Company, is a highly practised business manager and protein chemist expert in analysing biomolecules using proteomics techniques. He has an extensive expertise in chemistry, immunology, mass spectrometry, peptide synthesis, high performance computing and robotics. Richard has international experience in both science and business gained over a 30-year period in Australia, USA and the UK, including work in hospital and academic laboratories and commercial organisations. He completed his chemistry degree (MA) at Oxford University, his PhD in immunology at London University and was a Post-Doctoral scientist (molecular immunology) in a large research institution in Australia (Telethon Kids Institute). After managing the Protein Analysis Facility at the University of Western Australia, he co-founded Proteomics International Pty Ltd in 2001. Richard is well published in peer review journals, and holder of several patents.	Managing Director	19,048,705	-
Mr Roger Moore R (Denmark), BPharm (U. Syd) 	Roger has 40 years' experience in the international pharmaceutical industry, including almost 30 years as President of Novo Nordisk Japan (Novo Nordisk is the world's largest manufacturer of insulin and a global leader in diabetes care). Roger established Novo's organisation in Japan as the first employee in 1977, and worked for the company until his retirement as Chairman at the end of 2007. From 2000, Roger was appointed Senior Vice President, Japan and Oceania Region, responsible for Novo Nordisk's business in Japan, Australia, New Zealand and the Pacific. He was also appointed a member of the Senior Management Board, Novo Nordisk A/S. In 2007 Mr Moore was awarded the Knight's Cross of the Order of the Dannebrog (R) by Queen Margrethe II of Denmark. Roger joined the Board in October 2016.	Nil	717,000	200,000
Mr Paul House GAICD, BCom (UWA) 	Paul has over 25 years' experience with multi-national corporations and is currently CEO of Imdex (ASX:IMD). He recently served eight years as the Managing Director of SGS India, where he was responsible for a workforce of 4,500 personnel and 38 laboratories; SGS is the world's leading Testing, Inspection and Certification (TIC) company. Previously held CFO and COO roles and has a track record for delivery of business performance targets, revenue growth, margin improvement, market share and productivity, across multiple services, markets and borders. A Fellow of the Australian Institute of Management and a Graduate Member of Australian Institute of Company Directors, Paul joined the Board in November 2017.	Nil	718,864	200,000

CURRENT AND FORMER DIRECTORSHIPS

Directors' Name	Current Directorships	Former Directorships (last 3 years)
Terry Sweet	Nil	Nil
Richard Lipscombe	Nil	Nil
Roger Moore	Nil	Nil
Paul House	Nil	Nil

COMPANY SECRETARY

Ms Karen Logan BCom, Grad Dip AppCorpGov, FCG, FGIA, GAICD

Karen Logan is a Chartered Secretary with over 15 years' experience in assisting small to medium capitalised ASX-listed and unlisted companies with compliance, governance, financial reporting, capital raising, merger and acquisition, and IPO matters. She is presently the principal of a consulting firm and secretary of a number of ASX-listed companies, providing corporate and accounting services to those clients.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were:

Directors	Full Meetings of Directors A	B
Mr Terry Sweet	11	11
Dr Richard Lipscombe	11	11
Mr Ian Roger Moore	11	11
Mr Paul House	11	11

A = Number of meetings attended
B = Number of meetings held during the time the Director held office

The Board meets regularly on an informal basis in addition to the above meetings.

Directors have determined that the Company is not of sufficient size to merit the establishing of separate sub-committees and all decisions are made by the full Board.

Proteomics International Laboratories Ltd

OPERATIONAL TEAM

Proteomics International has established and maintained a highly qualified, multi0lingual team with well-balanced commercial and scientific expertise. The senior management group comprises:

Chief Commercialisation Officer
Vik Malik

Vik has more than 20 years' experience in the life sciences and healthcare industries as a commercialisation expert and business strategy advisor for several multinational, growth-stage and startup medical device and diagnostics companies. He has been involved in the launch of numerous disruptive medical technologies, cutting-edge biotherapies, innovative healthcare IT solutions and customised business process outsourcing services to penetrate new and emerging markets.

Most recently, Vik served as Chief Executive Officer and board director for surgical software startup ClaraSim Systems (USA), and has previously held senior leadership positions with IQVIA (IMS Health + Quintiles), BioFuse Medical, Deloitte Consulting – Healthcare & Life Sciences, and Ascension Orthopedics, as well as sales, marketing and business development roles at TissueLink Surgical, Serono Laboratories and Wyeth Pharmaceuticals.

Chief Financial Officer
Jacqueline Gray

Jacqueline is a chartered accountant and has more than 20 years' executive experience in both Perth & London, driving the implementation of strategy, meaningful business reporting and a sound governance framework. She has served as the Chief Financial Officer for a range of ASX-listed and privately-owned businesses, managing revenues in excess of $100 million.

Jacqueline joined Proteomics International from digital marketing and ecommerce agency RooLife Group, having previously held senior leadership positions at Velpic, City Farmers, Morrison, Sungrid and the West Australian Community Foundation. She has also worked for global companies including the Economist Group, BBC Worldwide, HealthCare of Australia and Arthur Andersen.

General Manager
Dr Kerryn Garrett

Kerryn is responsible for overseeing the day-to-day operations of the Company as well as ensuring that operations are in line with the strategic direction of the Company. Kerryn joined Proteomics International in 2019, and previously held the role of Laboratory Manager. Kerryn has over 30 years of research experience, and brings a key set of expert skills from her extensive experience in the diagnostic pathology industry and the regulatory elements of accreditation agency NATA.

Research Manager
Dr Scott Bringans

Scott has over 20 years' experience in protein chemistry and mass spectrometry, and leads the diagnostics program encompassing PromarkerD. Alongside this is the development of novel methodology to add to Proteomics International's technology platform and continually expanding the fee-for-service and quality testing portfolio. Scott has been with the Company for 14 years.

Material Business Risks

The Group has identified the below specific risks that could impact upon its future prospects.

Commercialisation Risk

The Company is relying on its ability and that of its partners to develop and commercialise its products and services in order to create revenue. Any products or services developed by the Company will require extensive clinical testing, regulatory approval and significant marketing efforts before they can be sold and generate revenue. The Company's efforts to generate revenue may not succeed for a number of reasons including issues or delays in the development, testing, regulatory approval or marketing of these products or services.

In addition, developing direct sales, distribution and marketing capabilities will require the devotion of significant resources and require the Company to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution.

A failure to successfully develop and commercialise these products and services could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position. In addition, for those countries where the Company may commercialise its products or services through distributors or other third parties, the Company will rely heavily on the ability of its partners to effectively market and sell its products and services.

Further, even if the Company does achieve market commercialisation of any of its products and services, it may not be able to sustain it or otherwise achieve commercialisation to a degree that would support the ongoing viability of its operations.

Drug Market Risk

The research and development process typically takes from 10 to 15 years from discovery to commercial product launch. This process is conducted in various stages in order to test, along with other features, the effectiveness and safety of a product. There can be no assurance that any of these products and services will be proven safe or effective.

Accordingly, there is a risk at each stage of development that the Company will not achieve the goals of safety and/or effectiveness and that the Company will have to abandon a product.

Intellectual Property

The following are considered to be risks to the Company's intellectual property:

(i) General

The patent protection that the Company may obtain varies from product to product and country to country and may not be sufficient, including maintaining product exclusivity. Patent rights are also limited in time and do not always provide effective protection for products and services: competitors may successfully avoid patents through design innovation, the Company may not hold sufficient evidence of infringement to bring suit, or the infringement claim may not result in a decision that the rights are valid, enforceable or infringed.

Legislation or regulatory actions subsequent to the filing date of a patent application may affect what an applicant is entitled to claim in a pending application and may also affect whether a granted patent can be enforced in certain circumstances. Laws relating to biotechnology remain the subject of ongoing political controversy in some countries. The risk of changed laws affecting patent rights is generally considered greater for the biotechnology field than in other longer established fields.

(ii) Entitlement to Priority

In order for material disclosed in a patent application to be entitled to the priority date of a corresponding earlier filed application (e.g. a provisional application), there must be adequate support or disclosure of such material in the provisional application. Subject matter in a patent application that is not so disclosed in the earlier application is not entitled to the claim to priority, which may affect patentability of the subject invention, or the validity of any patent that may be granted.

(iii) Securing a Patent

The claims in a pending application cannot be considered predictive of claims in a granted patent. Examination in certain jurisdictions such as the USA and the European Patent Office are often more stringent than other countries and all pending claims may be subject to amendment during the pendency of an application. Thus, during pendency of any patent application, an applicant cannot reliably predict whether any claims will ultimately be granted or what the scope of any granted claims will be. Furthermore, whilst the scope of claims granted in one country may assist, it cannot be relied upon for predicting the scope of claims granted in another country.

All patent searches are dependent on the accuracy and scope of the databases used for the search and, in particular, the manner in which information in the databases is indexed for searching purposes.

Patent applications may have been filed by third parties based on an earlier priority date and the existence of such applications may not be known for up to about 18 months after they were filed. Such earlier-filed applications may constitute prior art that adversely affects patentability or claim scope of a patent matter listed herein. Given the timing of and the approach taken to the examination of patent applications, if any prior art in this 18-month period does exist, it is unlikely that it will be located in searches conducted by official Patent Offices.

Delays may occur during pendency, due to unpredictable events that the application cannot control. The net effect of such delays may be to decrease the time from the date of patent grant to the end of the patent term and thus adversely affect the effective lifetime of enforceability of the patent.

Proteomics International Laboratories Ltd

Patents and pending applications can be subject to opposition or other revocation proceedings, that vary from country to country, and which cannot be predicted in advance.

Reliance on Key Personnel

The Company's ability to operate successfully and manage its potential future growth depends significantly upon its ability to attract, retain and motivate highly-skilled and qualified research, technical, clinical, regulatory, sales, marketing, managerial and financial personnel. The competition for qualified employees in the life science industry is intense and there are a limited number of persons with the necessary skills and experience.

The Company's performance is substantially dependent on Dr Lipscombe and the other members of its senior management and key technical staff to continue to develop and manage the Company's operations. The loss of or the inability to recruit and retain high-calibre staff could have a material adverse effect on the Company. The Company also relies on the technical and management abilities of certain key Directors and employees, consultants and scientific advisers. The loss of any of these Directors, employees, consultants or scientific advisers could have an adverse effect on the business and its prospects.

Regulatory Risk

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions that govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its shares. In addition, there is a risk that legal action may be taken against the Company in relation to commercial matters.

Funding Risk

While the Company believes it will have sufficient funds to meet its operational requirements for the next 12 months, the Company may in the future seek to exploit opportunities of a kind that will require it to raise additional capital from equity or debt sources, joint ventures, collaborations with other life science companies, licensing arrangements, production sharing arrangements or other means.

The Company's capital requirements depend on numerous factors and, having regard to the early stage of development and the nature of its products and services, the Company is currently unable to precisely predict if, and what amount of, additional funds may be required. Factors, which may influence the Company's possible need for further capital, include such matters as:

- the costs and timing of seeking and obtaining regulatory approvals;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the effects of competing product, clinical, technological and market developments; and
- the terms, timing and consideration, if any, of collaborative arrangements or licensing of products and services;

There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back development and research programmes as the case may be.

Insurance Risk

The Company may not be able to maintain insurance for service liability on reasonable terms in the future and, in addition, the Company's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims. If the Company fails to meet its clients' expectations, the Company's reputation could suffer and it could be liable for damages. The Company gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that catastrophic loss does not have an adverse effect on its performance.

Exchange Rate Risk

The Company is exposed to movements in foreign exchange rates. The Company does not hedge against movements in the exchange rate. However, significant changes in currencies may impact on the Company's margins and earnings adversely.

Dependence on Key Relationships

The Company currently has strategic business relationships with other organisations that it relies upon for key parts of its business, such as obtaining the use of the mass spectrometers, chromatography systems and other equipment important to the Company's activities. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

Remuneration Report

REMUNERATION REPORT (Audited)

The Remuneration Report is set out under the following main headings:

A Principles Used to Determine the Nature and Amount of Remuneration
B Remuneration Governance
C Details of Remuneration
D Directors' Agreements
E Share-Based Compensation
F Additional Information
G Additional disclosure relating to key management personnel
H Transactions with the key management personnel

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001.*
The remuneration arrangements detailed in this report are for Non-Executive and Executive Directors as follows:

- Mr Terry Sweet — Non-Executive Chairman (independent)
- Dr Richard Lipscombe — Managing Director
- Mr Ian Roger Moore — Non-Executive Director (independent)
- Mr Paul House — Non-Executive Director (independent)

The Board members above make up the total number of key management personnel for the purpose of this report.

Proteomics International Laboratories Ltd

REMUNERATION REPORT (continued)

A. Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered and set to attract the most qualified and experienced candidates in the context of prevailing market conditions.

Remuneration levels are competitively set to attract the most qualified and experienced directors in the context of prevailing market conditions.

The directors recognise that in the early stages of the Company's development and in a period where the Company is making losses the objectives are to align the interests of the Board with shareholders and to attract, motivate and retain high performing individuals. The Board believes that this can be achieved through the following framework:

- The remuneration has a mix of components through the salary and share options; and
- The remuneration has been set in consultation with key management personnel (other than the relevant director whose remuneration is being discussed) taking into account the size of the Company and its current position in the market.

The Company has not obtained independent advice on the remuneration policies and practices of the key management personnel or sought the assistance of an external consultant on the current market for similar roles, level of responsibility and performance of the Board. The Board may consider this in the future should the need arise.

Non-Executive Directors

Fees and payments to the Non-Executive Directors reflect the demands which are made on and the responsibilities of the Directors. The Non-Executive Directors' fees and payments are expected to be reviewed annually by the Board. The Non-Executive Chairman's fees are determined based on competitive roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration. The Non-Executive Directors' fees and payments have been set based on the experience of the director in the Company's field of operations, and level of activity required to be undertaken by the director in the management of the Company. The Chairman currently received a fixed fee for his services as a Director.

The Company's Non-Executive Directors' remuneration package contains the following key elements:

- primary benefits - monthly director's fees; and
- options - issued following shareholder approval at the 2018 Annual General Meeting.

The Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $500,000 per annum and was approved by shareholders prior to listing on the ASX.

No retirement benefits are provided other than compulsory superannuation.

Non-Executive Remuneration Mix

The following table sets out the non-executives' remuneration mix for the year ended 30 June 2021:

Fixed	"At Risk"	Total
$	$	$
150,925	-	150,925

REMUNERATION REPORT (continued)

Executive Director

The Company's Executive Director remuneration package contains the following key element:

- primary benefits - salary via an agreement

The above component comprises the Executive Director's total remuneration.

Executive Remuneration Mix

The following table sets out the executives' remuneration mix:

Fixed	"At Risk"	Total
$	$	$
297,976	-	297,976

The shareholders approved the Director Fee Plan at the 2019 Annual General Meeting, where (subject to shareholder approval) director fees can be settled by the issue of shares.

CONSOLIDATED ENTITY PERFORMANCE AND LINK TO REMUNERATION

Given the nature, size and scale of the Company and its current position with regard to profitability and share price, the Board has determined that a direct link between remuneration and the Company's performance is difficult to achieve and not realistic.

USE OF REMUNERATION CONSULTANTS

The Company has not engaged a remuneration consultant during the year.

VOTING AND COMMENTS MADE AT THE COMPANY'S ANNUAL GENERAL MEETING

At the 2020 Annual General Meeting, more than 75% of votes cast were in favour of adoption of the Company's remuneration report for the 2020 financial year. The Company did not receive any comments at the Annual General Meeting on its remuneration report.

B. Remuneration Governance

The Board is primarily responsible for making decisions and recommendations on:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to the executive director and non-executives including the performance hurdles;
- the remuneration levels of executives; and
- Non-Executive Director fees.

REMUNERATION REPORT (continued)

C. Details of Remuneration

Details of the remuneration of the Directors of the Company is set out below:

	Short-Term Benefits		Post-Employment Benefits	Other Long-Term Benefits	Share Based Benefits		Percentage Remuneration Consisting of Options	Performance Related
	Directors Fees	Salary	Superannuation	Annual Leave	Options	Total		
2021	$	$	$	$	$	$	%	%
Non-Executive Directors								
Terry Sweet	60,000	-	5,700	-	-	65,700	0%	0%
Ian Roger Moore	40,000	-	1,425	-	-	41,425	0%	0%
Paul House	40,000	-	3,800	-	-	43,800	0%	0%
Executive Director								
Richard Lipscombe	-	250,000	23,750	24,226	-	297,976	0%	0%
TOTAL	140,000	250,000	34,675	24,226	-	448,901	0%	0%
2020	$	$	$	$	$	$	%	%
Non-Executive Directors								
Terry Sweet	54,000	-	5,130	-	-	59,130	0%	0%
Ian Roger Moore	36,000	-	3,420	-	-	39,420	0%	0%
Paul House (i)	36,000	-	855	-	-	36,855	0%	0%
Executive Director								
Richard Lipscombe	-	250,000	23,749	25,482	-	299,231	-	-
TOTAL	126,000	250,000	33,154	25,482	-	434,636	0%	0%

(i) Fees include settlement of liability with shares in lieu of cash as per Director Fee Plan.

REMUNERATION REPORT (continued)

D. Directors' Agreements

On appointment, the Non-Executive Directors sign a letter of appointment with the Company which outlines the Board's policies and terms regarding their appointment including the remuneration relevant to the office of director. A Summary of each Director's terms is listed below:

Mr Terry Sweet *(Chairman)*

Particulars	Terms
Term of the agreement	No fixed term - subject to periodic re-election at the AGM
Base remuneration	$60,000
Superannuation	Statutory rate
Bonus payable	N/A
Termination of agreement	None specified

Mr Ian Roger Moore *(Non-Executive Director)*

Particulars	Terms
Term of the agreement	No fixed term - subject to periodic re-election at the AGM
Base remuneration	$40,000
Superannuation	Statutory rate
Bonus payable	N/A
Termination of agreement	None specified

Mr Paul House *(Non-Executive Director)*

Particulars	Terms
Term of the agreement	No fixed term - subject to periodic re-election at the AGM
Base remuneration	$40,000
Superannuation	Statutory rate
Bonus payable	N/A
Termination of agreement	None specified

Remuneration and other terms of employment for the Executive Directors are formalised in services agreements. The major provisions relating to remuneration are set out below.

Dr Richard Lipscombe *(Managing Director)*

Particulars	Terms
Term of the agreement	No fixed term
Base remuneration	$250,000
Superannuation	Statutory rate
Bonus payable	At the absolute discretion of the Board
Leave entitlements	30 days annual leave and no long-service leave
Termination of agreement	1 month (incapacitated / ill / unsound mind), 1 month (serious or persistent breaches), immediate (conviction / major criminal offence)

Other Long Term Benefits

No other long term benefits are payable.

Proteomics International Laboratories Ltd

REMUNERATION REPORT (continued)

E. Share-based Compensation

At the 2018 Annual General Meeting it was agreed to issue options to the non-executive directors as follows:

Director	Number of Options	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date (i)
				$	$
Terry Sweet	200,000	22-Nov-18	22-Nov-21	0.50	44,206
	200,000	22-Nov-18	22-Nov-22	0.67	45,325
Total	400,000				89,531
Ian Roger Moore	100,000	22-Nov-18	22-Nov-21	0.50	22,103
	100,000	22-Nov-18	22-Nov-22	0.67	22,662
Total	200,000				44,765
Paul House	100,000	22-Nov-18	22-Nov-21	0.50	22,103
	100,000	22-Nov-18	22-Nov-22	0.67	22,663
Total	200,000				44,766

(i) The options were issued as a reward and incentive and vested immediately.

F. Additional Information

While earning and shares price movements are not linked to remuneration, the performance of the Company over the year ended 30 June 2021 is summarised below (note that EBITDA and non-cash calculations are not in strict compliance with AIFRS as the loss for the period is adjusted for tax, interest, depreciation, and the non-cash items fair value movement in derivatives and share based payments expense):

	2021
	$
Total income	2,988,493
EBITDA and non-cash	(2,165,516)
EBIT	(2,853,326)
(Loss) after tax	(2,859,663)

The factors that are considered to affect total shareholder return ('TSR') are summarised below:

	2017	2018	2019	2020	2021
	$	$	$	$	$
Share price at listing date ($A)	0.20	0.20	0.20	0.20	0.20
Share price at financial year end ($A)	0.16	0.20	0.35	0.42	0.93
Total dividends declared (cents per share)		-	-	-	-
Basic loss per share (cents per share)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)

REMUNERATION REPORT (continued)

G. Additional disclosure relating to key management personnel

Shareholding

The number of shares in the Company held during the year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Director	Balance at the start of the year	Received as part of remuneration	Other changes during the year	Balance at the end of the year
2021				
Terry Sweet	2,348,000	-	-	2,348,000
Richard Lipscombe	19,048,705	-	-	19,048,705
Ian Roger Moore	717,000	-	-	717,000
Paul House	718,864	-	-	718,864

Option holding

The number of options in the Company held during the year by each director and other members of the key management personnel of the consolidated entity, including their personally related parties, is set out below:

Director	Balance at the start of the year	Received as part of remuneration	Other changed during the year	Balance at the end of the year
2021				
Terry Sweet	400,000	-	-	400,000
Richard Lipscombe	-	-	-	-
Ian Roger Moore	200,000	-	-	200,000
Paul House	200,000	-	-	200,000

H. Transactions with key management personnel

The Company entered into the following transactions with key management personnel during the year:

(i) Loans from directors

There were no loans entered into with key management personnel during the year.

(ii) Consultancy services

There were no consultancy services provided by key management personnel during the year ended 30 June 2021. Ian Roger Moore provided business development services in the amount of $2,065 during the year ended 30 June 2020 on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

THIS IS THE END OF THE AUDITED REMUNERATION REPORT

Proteomics International Laboratories Ltd

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option as at 30 June 2021 are as follows:

Date options granted	Expiry date	Exercise price	Number under option
21/11/2018	22/11/2021	$0.50	400,000
21/11/2018	22/11/2022	$0.67	400,000
27/03/2020	27/03/2023	$0.50	2,890,279
11/05/2020	1/05/2023	$0.50	400,000
18/08/2020	18/08/2023	$0.50	1,250,000
28/01/2021	2/11/2022	$0.75	1,100,000
28/01/2021	2/11/2022	$0.75	1,100,000
30/04/2021	30/04/2023	$1.75	500,000
			8,040,279

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

The options are exercisable at any time before the expiry date. Options that were converted into shares during the year ended 30 June 2021 was 300,000 (2020: 750,000).

INSURANCE OF OFFICERS

During the year ended 30 June 2021, the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and any subsidiary against a liability incurred as a Director or Officer to the extent permitted by the Corporations Act 2001. Due to a confidentiality clause in the policy, the amount of the premium has not been disclosed.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* .

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditors' expertise and experience with the Company are important.

Non-audit services provided by BDO Corporate Tax (WA) Pty Ltd during the year ended 30 June 2021 were in respect to consulting and amounted to $3,100 (2020: $5,120).

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001* .

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

This report is made in accordance with a resolution of the Directors.

Terry Sweet
Chairman
Perth, Western Australia
Dated 30 August 2021

Auditor's Independence Declaration

BDO

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Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF PROTEOMICS INTERNATIONAL LABORATORIES LIMITED

As lead auditor of Proteomics International Laboratories Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Proteomics International Laboratories Limited and the entities it controlled during the period.

Neil Smith

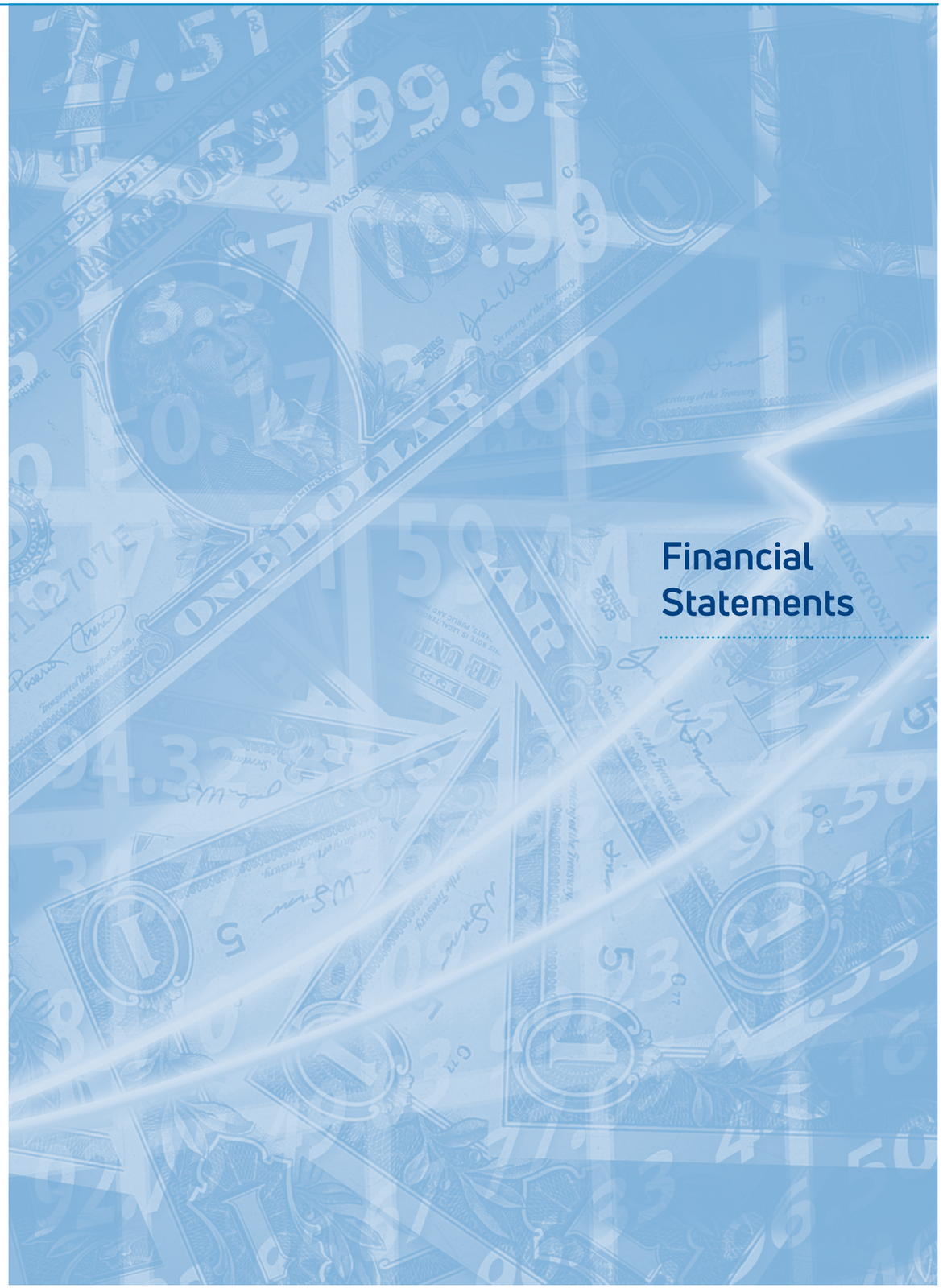
Director

BDO Audit (WA) Pty Ltd

Perth, 30 August 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Proteomics International Laboratories Ltd



Financial Statements

Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Revenue from continuing operations:			
- Services	5	1,310,824	1,423,070
- Research grants and other income		140,216	166,961
Other income			
- Interest income		14,386	20,702
- Research and development tax incentive	2(a)	1,290,899	1,138,815
- Export market development grant		-	-
- COVID-19 grants and subsidies		232,168	266,726
Total revenue from continuing operations		2,988,493	3,016,274
Employment and labour expenses	2(c)	2,726,728	2,127,031
Share based payments expense	1(h), 14	147,500	112,715
Depreciation expense		372,518	363,708
Intellectual property maintenance expenses		112,476	56,875
Interest expense		102	8,906
Interest expense - lease liabilities		6,235	9,906
Laboratory supplies		601,433	662,292
Professional fees		991,051	685,724
Travel and marketing expenses		57,021	80,611
Laboratory access fees		99,832	119,260
Realised loss in foreign currency translation	2(b)	23,402	4,200
Other expenses		709,858	528,816
Total Expenditure		5,848,156	4,760,044
(Loss) before income tax		(2,859,663)	(1,743,770)
Income tax (expense) / benefit	3(a)	-	-
(Loss) after income tax from continuing operations		(2,859,663)	(1,743,770)
Total comprehensive (loss) for the year attributable to equity holders of Proteomics International Laboratories Ltd		(2,859,663)	(1,743,770)
Basic (loss) per share for the year attributable to the members of Proteomics International Laboratories Ltd	25	(0.03)	(0.02)
Diluted (loss) per share		N/A	N/A

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Proteomics International Laboratories Ltd

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	Consolidated Entity 2021 $	Consolidated Entity 2020 $
CURRENT ASSETS			
Cash and cash equivalents	4	5,604,834	2,365,022
Trade and other receivables	6	301,048	364,587
Other assets	7	1,431,928	1,387,997
TOTAL CURRENT ASSETS		7,337,810	4,117,606
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,196,876	1,308,277
Other assets	7	-	-
Right-of-use assets	8	63,913	127,825
Intangible assets		1,012	1,012
TOTAL NON-CURRENT ASSETS		1,261,801	1,437,114
TOTAL ASSETS		8,599,611	5,554,720
CURRENT LIABILITIES			
Trade and other payables	10	263,687	259,936
Deferred income		270,552	187,752
Lease liabilities	12	69,046	63,799
Provisions	11	175,752	110,984
TOTAL CURRENT LIABILITIES		779,037	622,471
NON-CURRENT LIABILITIES			
Deferred income		99,403	334,803
Lease liabilities	12	-	69,044
Provisions	11	111,749	90,501
TOTAL NON-CURRENT LIABILITIES		211,152	494,348
TOTAL LIABILITIES		990,189	1,116,819
NET ASSETS		7,609,422	4,437,901
EQUITY			
Issued capital	13	19,095,227	13,391,543
Reserves	15	1,171,305	1,054,100
Accumulated (losses)	16	(12,657,110)	(10,007,742)
TOTAL EQUITY		7,609,422	4,437,901

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

CONSOLIDATED ENTITY 30 JUNE 2021

	Notes	Issued Capital Ordinary $	Reserves $	(Accumulated Losses) $	Total Equity $
Balance at 1 July 2020		13,391,543	1,054,100	(10,007,742)	4,437,901
(Loss) for the year		-	-	(2,859,663)	(2,859,663)
Other comprehensive income for the year		-	-	-	-
Total comprehensive (loss) for the year		-	-	(2,859,663)	(2,859,663)
Transactions with Equity Holders in their capacity as Equity Holders					
Equity issued net of share issue costs	13	5,703,684	-	-	5,703,684
Reclassification of option reserve	15(b)	-	(210,295)	210,295	-
Option entitlement issue	14	-	180,000	-	180,000
Share based payments expense	1(h), 14	-	147,500	-	147,500
		5,703,684	117,205	210,295	6,031,184
Balance as at 30 June 2021		19,095,227	1,171,305	(12,657,110)	7,609,422

CONSOLIDATED ENTITY 30 JUNE 2020

	Notes	Issued Capital Ordinary $	Reserves $	(Accumulated Losses) $	Total Equity $
Balance at 1 July 2019		10,537,267	713,007	(8,263,972)	2,986,302
(Loss) for the year		-	-	(1,743,770)	(1,743,770)
Other comprehensive income for the year		-	-	-	-
Total comprehensive (loss) for the year		-	-	(1,743,770)	(1,743,770)
Transactions with Equity Holders in their capacity as Equity Holders					
Equity issues net of share issue costs	13	2,631,198	-	-	2,631,198
Conversion of options	14	223,078	-	-	223,078
Share based payments expense	1(h), 14	-	341,093	-	341,093
		2,854,276	341,093	-	3,195,369
Balance as at 30 June 2020		13,391,543	1,054,100	(10,007,742)	4,437,901

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Proteomics International Laboratories Ltd

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Cash flows from operating activities			
Receipts from customers, grants and other income		1,142,197	1,722,639
COVID-19 grants and subsidy receipts		232,168	266,726
Payments to suppliers and employees		(4,730,301)	(3,496,673)
Interest paid		(6,337)	(18,812)
Interest received		14,385	20,702
Withholding tax paid on overseas locations		-	(13,752)
Research and development tax incentive		1,138,815	1,134,662
Net cash (outflow) from operating activities	4	(2,209,073)	(384,508)
Cash flows from investing activities			
Proceeds from sale of plant and equipment		14,165	-
Payment for property, plant and equipment		(205,166)	(1,458,308)
Right of use asset acquired		-	(127,825)
Net cash (outflow) from investing activities		(191,001)	(1,586,133)
Cash flows from financing activities			
Proceeds from the issue of shares (net of costs)		5,553,684	2,823,576
Proceeds from the conversion of options		150,000	223,078
Loans to employees		-	(57,500)
Repayment of lease liabilities		(63,798)	(68,800)
Repayment of borrowings		-	(96,121)
Net cash inflow from financing activities		5,639,886	2,824,233
Cash and cash equivalents at 1 July		2,365,022	1,511,430
Net increase in cash and cash equivalents		3,239,812	853,592
Cash and cash equivalents at 30 June	4	5,604,834	2,365,022

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report Proteomics International Laboratories Ltd and its subsidiaries (the Company) for the financial year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on the 30th day of August 2021.

The Company is a public company limited by shares, incorporated and domiciled in Australia, and whose shares are traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in the Director's report above.

(a) Basis of preparation

The principle accounting policies adopted for the preparation of financial statements are set out below. These accounting policies have been applied consistently to all periods presented unless otherwise stated.

(i) *Statement of compliance*

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* , Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* .

The Company is a for profit entity for the purpose of preparing the financial statements.

The financial statements of the Company also comply with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

(ii) *Basis of measurement*

The financial statements have been prepared on an accruals basis and are based on historical cost other than investments which are recorded at fair value. The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(iii) *Going Concern*

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(b) Segment Information

AASB 8 - Operating Segments, requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period.

Operating segments are reported in a uniform manner which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors (the Board).

An operating segment is a component of the organisation that engages in business activity from which it may earn revenues or incur expenditure, including those that relate to transactions with other organisation components. Each operating segment's results are reviewed regularly by the Board when making decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Board monitors the operations of the Company as one single segment. The actual to budget items and a detailed profit or loss are reported to the Board to assess the Company's performance.

The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and subsidiaries, which represent the operational performance of the Company's revenues and the research and development activities as well as the finance, treasury, compliance and funding elements.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(c) Estimates and judgements

The preparation of the financial statements requires the use of accounting estimates and judgements which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a degree of judgement or complexity in preparing the financial information. Facts and circumstances may come to light after the event which may have significantly varied the assessment used, and which may result in a materially different value being recorded at the time of preparing these financial statements.

(i) Deferred taxes
Deferred tax assets have not been brought to account as it is not considered probable that the Company will make taxable profits over the next 12 months. The Company will make a further assessment at the next reporting period.

(ii) Impairment of assets
The Company assesses the impairment of assets at each reporting date by evaluating conditions specific to the asset that may lead to impairment. The assessment of impairment is based on the best estimate of future cash flows available at the time of preparing the report. However, facts and circumstances may come to light in later periods which may change this assessment if these facts had been known at the time.

(iii) COVID-19 pandemic
Judgement has been exercised in considering the impacts that the coronavirus SARS-CoV-2 and the COVID-19 pandemic (COVID-19) has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavorably as at the reporting date. The future impact and recovery from COVID-19 is unknown and it may have an impact on activities in relation to the commercial roll-out of the Company's PromarkerD diagnostic test and on receipt of revenue from licensing partners.

(iv) Recoverability of Research & Development tax incentive
The Company has registered its research and development activities with the Department of Industry, Innovation and Science. Therefore, the Company is entitled to claim a tax incentive each year based on eligible research and development costs it incurs and, based on successful claims in previous years, the Company expects that it will receive the amount calculated.

(v) Lease extensions
The Company has entered into a facility licence agreement with the Harry Perkins Institute and does not expect any changes to the agreement in the next financial year.

(d) Principles of consolidation

Subsidiaries:
Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany Transactions:
Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(e) Revenue recognition and other income

Revenue is recognised when or as the Company transfers control of goods or services to a customer, at the amount to which the Company expects to be entitled.

The following is a description of the principal activities from which the Company generates its revenue and other income:

(i) Research grant and equivalent/other income including the Research & Development Tax Incentive

Grants and other income are recognised at their fair value where it is probable that the grant and other income will be received.

The Company is eligible to claim, and receive, a tax credit for its qualifying research and development activities (Research & Development tax incentive). The Research & Development tax credit received by the Company in the year ended 30 June 2021 amounted to $1,138,815.

(ii) Revenue from contracts with customers - Commercialisaton of PromarkerD

Revenue from commercialisation of PromarkerD is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a product or service to a customer.

(iii) Revenue from contracts with customers - Sales of Analytical and Other Services

Revenue from the provisions of analytical and other services is recognised in the accounting period in which the services are rendered.

If services rendered by the Company exceed the payment received, a contract asset is recognised. If the payment received exceeds the services rendered, a contract liability is recognised.

In some circumstances, analytical and other services are bundled together with provision of sales of services and products. The sale of products is a separate performance obligation and transaction price is allocated to the products and services on a relative stand-alone selling price basis.

(iv) Federal and State COVID-19 grants and subsidies

COVID-19 grants and subsidy receipts are recognised as other income rather than offsetting expenses to which they relate.

(f) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(g) Employee Benefits

Liabilities for wages and salaries (including non-monetary benefits 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 recognised 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 liabilities in the statement of financial position, described as other payables, and comprise provision for annual leave and provision for long service leave.

The 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, 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 government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss and other comprehensive income.

Contributions to superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(h) Share based payments

Share-based payments compensation benefits are provided to employees, Directors and consultants via the issues of shares and/or options.

The fair value of the shares and options granted as compensation benefits are recognised as a share based payments expense in the statement of profit or loss and other comprehensive income with a corresponding increase in equity in the statement of financial position.

Share-based payments compensation benefits are provided to consultants for capital raising via the issues of shares and/or options.

The fair value of the shares and options granted in relation to capital raisings are recognised as a transaction cost and offset against equity in the statement of financial position.

(i) Foreign currency translation and transactions

Both the functional and presentation currency of the Company is in Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

(j) Income tax

The income tax expense or benefit for the year is the tax payable on that year'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, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(i) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(ii) When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(k) Joint Arrangements

The Company entered into a collaborative joint arrangement with the University of Western Australia during the year ended 30 June 2020 for the expansion and operation of the Western Australian Proteomics Facility.

The collaboration arrangement is not structured through a separate entity. Both parties to the arrangement will operate independently with each party maintaining independent rights to the assets of the collaboration, and liabilities resulting from activities under the arrangement will be several, and not joint or joint and several. The arrangement has therefore been classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenues and expenses in accordance with AASB 11 - Joint Arrangements.

(l) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when:

(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is expected to be realised within twelve months after the reporting period; or
(iv) the asset is cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(m) Cash and cash equivalents

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.

For the statement of cashflows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(n) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are usually due for settlement within 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are then recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method.

The Company applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(o) Property, plant and equipment

The Company's accounting policy for plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges on foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of an asset or recognised 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 derecognised when replaced.

Depreciation is calculated on a diminishing value basis or prime cost basis, as appropriate, to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under finance lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

(p) Leases

AASB 16 Leases
AASB 16 has been adopted from 1 July 2019. The standard replaces AASB 117 "Leases" and for leases eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of profit or loss and other comprehensive income.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in depreciation expense) and an interest expense on the recognised lease liabilities (included in interest expense).

For classification within the statement of cash flows, the interest portion is included in interest paid and the principal portion of the lease payments are separately disclosed as repayment of lease liabilities.

Impact of adoption
AASB 16 was adopted from 1 July 2019. The lease recognised in the financial statements was entered into on 1 July 2019.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are adjusted for any remeasurement of lease liabilities.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the net present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the lease term or future lease payments arising from a change in an index or rate used. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset.

Details of right-of-use assets are provided in note 8 and a maturity analysis of lease liabilities is provided in note 12.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(r) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(s) 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 principle 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 interest. 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, maximising the use of relevant observable inputs and minimising 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 each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

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.

(t) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

(u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Proteomics International Laboratories Ltd, 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 financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in either other receivables or in other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(w) New Accounting Standards not yet Mandatory

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current.

AASB 2020-1 makes amendments to AASB 101 *Presentation of Financial Statements by* clarifying requirements for the presentation of liabilities as current or non-current in the statement of financial position. This standard applies to reporting periods beginning on or after 1 January 2022, and will be adopted by the Company in the year ended 30 June 2022.

Revised Conceptual Framework for Financial Reporting.

In May 2019, the AASB issued a revised *Conceptual Framework for Financial Reporting,* to apply to periods beginning on or after 1 January 2020.

Whilst not an accounting standard, the new conceptual framework seeks to provide guidance and assistance in relation to:

- Concepts on presentation and disclosure, including classifying items as income vs other comprehensive income;
- Concepts on measurement, including factors to consider when selecting a measurement basis (eg cost vs fair value);
- Guidance on derecognition of assets and liabilities;
- Definitions of an asset and a liability; and
- Recognition criteria for including assets and liabilities in financial statements.

The Company has concluded that no additional references are required to be made for stated items of income or other comprehensive income, assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

2. LOSS FOR THE YEAR

Loss for the full year included the following:	Notes	Consolidated Entity 2021 $	Consolidated Entity 2020 $
(a) Research & Development Tax incentive (i)		1,290,899	1,138,815
(b) Other expenses (income)			
Unrealised loss (gain) in foreign currency translation		-	4,200
Realised loss in foreign currency translation		23,402	9,978
Loss (gain) on sale of property, plant and equipment		(6,204)	-
(c) Employee and labour expenses			
Salaries and wages		2,211,096	1,805,722
Other personnel costs		223,957	114,776
Superannuation		205,974	172,112
Increase in leave liabilities		85,701	34,421
		2,726,728	2,127,031
Share based payments expense	1(h), 14	147,500	112,715
		2,874,228	2,239,746

(i) Research & Development Tax incentive

The Company undertakes a substantial amount of research in its daily activities. The Company has registered its activities and is able to claim a tax incentive (rebate) each year based on eligible research and development costs incurred during a financial year. The amount of the incentive (rebate) is included as an income item in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2021, and the corresponding receivable included in the consolidated statement of financial position. The receipt of the tax incentive will occur in the year ended 30 June 2022.

3. INCOME TAX EXPENSE / (BENEFIT)

(a) Income tax expense / (benefit)	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Current tax / (over provision in prior year)	-	-
Deferred tax	-	-
(b) Numerical reconciliation of income tax to prima facie tax		
(Loss) from continuing operations	(2,859,663)	(1,743,770)
Tax at the Australia tax rate 26% (27.5% for 2020)	(743,512)	(479,537)
Tax effect of the amounts that are not deductible / (taxable) in calculating taxable income		
- Share based payments	38,350	30,997
- Research and development tax incentive	(335,634)	(313,174)
- Expected credit losses	45,653	-
- Reduction in loss for tax incentive	995,143	761,714
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

3. INCOME TAX EXPENSE / (BENEFIT) (continued)

(c) Tax losses

Unused tax losses for which no deferred tax assets have been recognised	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Australian losses	3,435,614	2,356,999
Potential tax benefit at 26% (27.5% for 2020)	893,260	648,175

The tax benefits of the above deferred tax assets will only be obtained if:
(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(ii) the Company continues to comply with the conditions for deductibility imposed by law; and
(iii) no changes in income tax legislation adversely affects the Company in utilising the benefits.

(d) Unrecognised temporary differences

Provisions	24,473	987
Accruals	85,701	34,271
Tax losses	3,435,614	2,356,999
	3,545,788	2,392,257

4. RECONCILIATION OF CASH

	Notes		
Cash at bank		554,834	2,315,022
Deposits at call		5,050,000	50,000
		5,604,834	2,365,022
Reconciliation of loss after income tax to net cash flows from operating activities			
Loss for the year		(2,859,663)	(1,743,770)
Non-cash items:			
Depreciation		372,518	363,708
Share based payments expense	1(h), 14	147,500	112,715
Financing Activities:			
Share issue in lieu of cash payment		180,000	36,000
Loans to employees		-	57,500
Investing Activities:			
Gain on sale of Property, Plant and Equipment		(6,204)	-
Operating Activities:			
(Increase) / decrease in trade and other debtors		63,538	136,808
(Increase) / decrease in other assets		(43,930)	5,384
Increase / (decrease) in trade and other creditors		(148,848)	612,270
Increase / (decrease) in provisions		86,016	34,877
		(2,209,073)	(384,508)

Refer to Note 17 for further information on risk exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

5. REVENUE

The Company has disaggregated revenue into various categories which is intended to:

- Depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors; and
- Enable users to understand the relationship with revenue information in the statement of profit or loss and other comprehensive income.

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Product Type		
PromarkerD	-	-
Analytical Services	1,310,824	1,423,070
	1,310,824	1,423,070
Timing of Transfer of Goods and Services		
Point in time	-	-
Over Time	1,310,824	1,423,070
	1,310,824	1,423,070
Primary Geographic Markets		
Australia and NZ	972,653	999,261
USA (and Territories)	-	130,313
Europe	198,344	55,030
India	105,309	213,000
SE Asia	34,518	25,466
	1,310,824	1,423,070

6. TRADE AND OTHER RECEIVABLES

Trade receivables	434,170	328,662
less: Expected credit losses (c)	(175,588)	-
Other receivables - GST Receivable	42,466	35,925
	301,048	364,587

(a) Classification of trade and other receivables:
Trade receivables are amounts due from customers for services performed in the ordinary course of business. The trade receivables are generally due for settlement within 60 days and therefore are classified as current.

(b) Fair value of trade and other receivables:
Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(c) The Company has adopted the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected credit loss is calculated to be $175.588 as at 30 June 2021.

(d) Receivables includes service related revenue for which payment has been delayed due to the COVID-19 pandemic.

(e) Refer to Note 17 for further information on risk exposure.

7. OTHER ASSETS

Current:		
Research and development tax incentive (see note 2(a)(i))	1,290,899	1,138,815
Patent Fee - Advances	10,585	-
Contract asset	-	134,398
Unsecured Loans (i)	-	57,500
Prepayments (ii)	130,444	57,284
	1,431,928	1,387,997

(i) unsecured loans to selected employees

(ii) comprises prepaid insurance, consulting fees, subscriptions and office rent

(iii) refer to Note 17 for further information on risk exposure

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

8. RIGHT-OF-USE ASSET

The Company entered into a facility licence agreement with the Harry Perkins Institute of Medical Research, whereby the Company was granted the right to occupy laboratory and office premises for a period of three years commencing 1 July 2019. The Company has recognised this as a right-of-use asset. 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.

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Right-of-use asset	191,737	191,737
Accumulated depreciation	(127,824)	(63,912)
	63,913	127,825

9. PROPERTY, PLANT AND EQUIPMENT

Cost (i)	2,447,034	2,257,098
Accumulated depreciation	(1,250,158)	(948,821)
Closing Net Book Value	1,196,876	1,308,277
Reconciliation:		
Opening net book value	1,308,277	213,677
Additions	205,166	1,394,396
Disposals	(7,961)	-
Depreciation charge	(308,606)	(299,796)
Closing Net Book Value	1,196,876	1,308,277

(i) includes capitalised leased assets.

10. TRADE AND OTHER PAYABLES

Current:		
Trade payables	142,273	181,996
Other payables	121,414	77,940
	263,687	259,936

(a) Classification of trade and other payables:
Trade payable are unsecured and are usually paid within 60 days of recognition and therefore are classified as current.

(b) Fair value of trade and other payables:
The carrying amount of trade and other payables are assumed to be the same as their fair value, due to their short-term nature.

(c) Refer to Note 17 for further information on risk exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

11. PROVISIONS

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Current:		
Fringe Benefits Tax	771	456
Employee benefits - annual leave	174,981	110,528
	175,752	110,984
Non-current		
Employee benefits - long service leave	111,749	90,501

12. LEASE LIABILITY

The Company entered into a facility licence agreement with the Harry Perkins Institute of Medical Research, whereby the Company was granted the right to occupy laboratory and office premises for a period of three years commencing 1 July 2019.

The Company has recognised a lease liability.

Current:		
Lease liability	69,046	63,799
	69,046	63,799
Non-current		
Lease liability	-	69,044

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

13. ISSUED CAPITAL

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary Shares	105,205,875	92,405,875	19,095,227	13,391,543
Total consolidated issued capital				

Movement in share capital

Date	Details	Number of shares 2021	Amount $
1/07/2020	Opening balance	92,405,875	13,391,543
23/10/2020	Issue of shares (i)	12,500,000	6,000,000
26/02/2021	Exercise of options (ii)	150,000	75,000
15/03/2021	Exercise of options (iii)	150,000	75,000
	Less: Transaction costs		(446,316)
30/06/2021	Closing balance	105,205,875	19,095,227

(i) Issued following placement to UK and Australian-based institutions, sophisticated and professional investors.
(ii) Corporate Advisors Alto Capital and Adelaide Equity Partners exercised 150,000 options.
(iii) Employees exercised 150,000 unquoted employee options pursuant to an Employee Incentive Option Plan.

Date	Details	Number of shares 2020	$
1/07/2019	Opening balance	80,686,965	10,537,267
1/10/2019	Issue of shares (i)	110,770	36,000
31/10/2019	Exercise of options (ii)	225,000	67,500
25/11/2019	Issue of shares (iii)	10,858,140	3,040,279
31/05/2020	Exercise of options (iv)	525,000	157,500
	Less: Transaction costs		(447,003)
30/06/2020	Closing balance	92,405,875	13,391,543

(i) Issued to Director Paul House in lieu of cash payment for director's fees and pursuant to the Director Fee Plan
(ii) Employees exercised unquoted employee options pursuant to an Employee Incentive Option Plan.
(iii) Issued following placement to new and existing institutional, sophisticated and professional investors.
(iv) Employees exercised unquoted employee options pursuant to an Employee Incentive Option Plan.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

14. OPTIONS

(a) Options - Issued

	2021 Options	2020 Options
Options exercisable at $0.50 each (i)	400,000	400,000
Options exercisable at $0.50 each (iii)	2,890,279	3,040,279
Options exercisable at $0.50 each (iv)	400,000	550,000
Options exercisable at $0.50 each (v)	1,250,000	-
Options exercisable at $0.67 each (ii)	400,000	400,000
Options exercisable at $0.75 each (vi)	1,100,000	-
Options exercisable at $0.75 each (vii)	1,100,000	-
Options exercisable at $1.75 each (viii)	500,000	-
Total issued options	8,040,279	4,390,279

Movement in options issued

	2021 Average exercise price	2021 Number of Options	2020 Average exercise price	2020 Number of Options
As at 1 July	$0.46	4,390,279	$0.30	3,075,000
Options lapsed during the period (i)	-	-	$0.25	(25,000)
Exercise of options during the period (ii)	-	-	$0.30	(750,000)
Options lapsed during the period (ii)	-	-	$0.30	(1,000,000)
Options lapsed during the period (i)	-	-	$0.35	(500,000)
Issued during the period (v)	$0.50	1,250,000	-	-
Issued during the period (iii)	-	-	$0.50	3,040,279
Exercise of options during the period (iii)	$0.50	(150,000)	-	-
Issued during the period (iv)	-	-	$0.50	550,000
Exercise of options during the period (iv)	$0.50	(150,000)	-	-
Issued during the period (vi)	$0.75	1,100,000	-	-
Issued during the period (vii)	$0.75	1,100,000	-	-
Issued during the period (viii)	$1.75	500,000	-	-
As at 30 June	$0.62	8,040,279	$0.46	4,390,279

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

14. OPTIONS (continued)

Issued options outstanding at the end of the year have the following expiry date and exercise price:

Grant Date	Expiry Date	Exercise Price	No. Options
21/11/2018 (i)	22/11/2021	$0.50	400,000
21/11/2018 (ii)	22/11/2022	$0.67	400,000
27/03/2020 (iii)	27/03/2023	$0.50	2,890,279
11/05/2020 (iv)	1/05/2023	$0.50	400,000
18/08/2020 (v)	18/08/2023	$0.50	1,250,000
2/11/2020 (vi)	2/11/2022	$0.75	1,100,000
2/11/2020 (vii)	2/11/2022	$0.75	1,100,000
30/04/2021 (viii)	30/04/2023	$1.75	500,000

(i) Unlisted - Director A options issued to Directors - Terry Sweet, Ian Roger Moore and Paul House - for nil consideration and issued as a reward and incentive.

(ii) Unlisted - Director B options issued to Directors - Terry Sweet, Ian Roger Moore and Paul House - for nil consideration and issued as a reward and incentive.

(iii) Unlisted - 3,040,279 options issued to corporate advisors - Alto Capital and Adelaide Equity Partners for services provided during year ended 30 June 2020. On 26 February 2021, 150,000 options were exercised by the payment of 50c per option ($75,000). 2,890,279 unlisted options remain as at 30 June 2021.

(iv) Unlisted - 550,000 employee options issued to employees of the Company during the year ended 30 June 2020 for nil consideration under an Employee Incentive Option Plan. On 15 March 2021, 150,000 oprions were exercised by the payment of 50c per option ($75,000). 400,000 unlisted options remain at 30 June

(V) Unlisted - 1,250,000 options issued to consultant, Candor Advisory Pty Ltd for services provided during the year ended 30 June 2021. These previously unissued Corporate Advisory Options were granted on 22 April 2020 and valued at $24,875. On 18 August 2020 these Corporate Advisory Options were subsequently issued, and therefore revalued to be $147,500 - refer (a) Fair Value of Corporate Advisory

(Vi) Unlisted - 1,100,000 options issued to consultant, Euroz Hartleys Securities Limited for services provided during the year ended 30 June 2021.

(Vii) Unlisted - 1,100,000 options issued to consultant, Candor Advisory Pty Ltd for services provided during the year ended 30 June 2021.

(Viii) Unlisted - 500,000 options issued to consultant, Euroz Hartleys Securities Limited for services provided during the year ended 30 June 2021.

(a) Fair Value of Corporate Advisory Options - Candor Advisory Pty Ltd

The options (Corporate Advisory Options) were granted on 22 April 2020 pursuant to the terms of an investor relations and corporate advisory agreement. These Options vest based on the share price of Proteomics International Laboratories Limited exceeding $0.45 for a 20-day VWAP.

Although the issue of these options occurred on 18 August 2020, they have been valued at the grant date, as follows:

Particulars	Input
Number of consultant options	1,250,000
Valuation date	22 April 2020
Expiry date	18 August 2023
Underlying share price used	$0.29
Exercise price	$0.50
Risk-free rate	0.270%
Volatility	80%
Dividend yield	nil
Valuation per Option	$0.118

The value placed on these Corporate Advisory Options is $147,500 and this share based payment expense is included in the statement of profit or loss and other comprehensive income in the year ended 30 June 2021.

The Company has used the trinomial 'up-and-in' barrier option pricing model to value the Corporate Advisory Options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

14. OPTIONS (continued)

(b) Fair Value of Corporate Advisory Options - Euroz Hartleys Securities Limited

These options, 1,100,000 in total, were issued to Euroz Hartleys Securities Limited for nil consideration and being for advisory services following completion of a share placement by the Company in October 2020. The value placed on these options is $60,000 and represents a cost in relation to the capital raising. An amount of $60,000 has been expensed as financial advisory fees in the statement of profit or loss and other comprehensive income in the year ended 30 June 2021.
On 28 January 2021, these Corporate Advisory Options were subsequently issued by the payment of $0.0001 per option ($110).

(c) Fair Value of Corporate Advisory Options - Candor Advisory Pty Ltd

These options, 1,100,000 in total, were issued to Candor Advisory Pty Ltd for nil consideration and being for advisory services following completion of a share placement by the Company in October 2020. The value placed on these options is $60,000 and represents a cost in relation to the capital raising, and as such, this share based payment is included inshare issue costs in the year ended 30 June 2021. On 28 January 2021, these Corporate Advisory Options were subsequently issued by the payment of $0.0001 per option ($110).

(d) Fair Value of Corporate Advisory Options - Euroz Hartleys Securities Limited

The Company entered into a new mandate with Euroz Hartleys Securities Limited on 30 April 2021 (ASX announcement 30 April 2021) for the provision of corporate advisory services over a period of 12 months. The mandate is for $120,000 and is to be paid by $60,000 of cash and by the issue of 500,000 unlisted options. These options were issued on 30 April 2021, and the value placed on the options is $60,000. Each option will be exercisable at $1.75 and have an expiry date of 30 April 2023.

An amount of $20,000 has been expensed as financial advisory fees in the statement of profit or loss and other comprehensive income in the year ended 30 June 2021, with the balance to be expensed in the year ended 30 June 2022.

(b) Options - Unissued	**2021 Options**	**2020 Options**
Consultant Options - Candour Advisory Pty Ltd (i)	-	1,250,000
Total Unissued options	-	1,250,000

There were no Unissued Options as at 30 June 2021.

(i) Consultant Options - Candour Advisory Pty Ltd. These Consultant Options were issued on 18 August 2020.

(c) Share based payments expense	**Consolidated Entity 2021 $**	**Consolidated Entity 2020 $**
Share based payments expense comprising:		
Consultant options - refer Note 14 (a)	147,500	24,538
Employee share scheme	-	88,177
	147,500	112,715

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

15. RESERVES

	Consolidated Entity 2021 $	**Consolidated Entity 2020 $**
(a) Share based payments reserve comprising:		
(i) Payments to consultants	783,666	456,166
(ii) Employee share scheme	208,577	208,577
(iii) Director A & B options	179,062	179,062
(b) Option reserve *	-	210,295
	1,171,305	1,054,100

* These options have been extinguished during the year ended 30 June 2021. The value attributed to these extinguished options has been reclassified into share capital via a reduction in Reserves (refer note 15 (b) and a corresponding reduction in Accumulated Losses (refer note 16).

(a) Share based payments reserve

(i) Share based payments to consultants:	**2021 Options**	**2020 Options**	**2021 $**	**2020 $**
Consultants - unlisted options	6,840,279	4,290,279	783,666	456,156

Movements in share based payments to consultants: Consultants - unlisted options

Date	**Details**	**Number of options**	**$**
1/07/2020	Opening balance	4,290,279	456,166
18/08/2020	Revaluation of options (refer Note 14(a))	-	147,500
28/01/2021	Issue of unlisted options	1,100,000	60,000
26/02/2021	Exercise of options	(150,000)	-
28/02/2021	Issue of unlisted options	1,100,000	60,000
30/04/2021	Issue of unlisted options	500,000	60,000
30/06/2021	Closing balance	6,840,279	783,666

Refer to Note 14 for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

15. RESERVES (continued)

(ii) Employee share scheme	2021 Options	2020 Options	2021 $	2020 $
Employee - unlisted options	400,000	550,000	208,577	208,577

Movements in employee share scheme: Employee - unlisted options

Date	Details	Number of options	$
1/07/2020	Opening balance	550,000	208,577
26/02/2021	Exercise of options	(150,000)	-
30/06/2021	Closing balance	400,000	208,577

Refer to Note 14 for further information.

(iii) Director A & B options	2021 Options	2020 Options	2021 $	2020 $
Director A & B - unlisted options	800,000	800,000	179,062	179,062

Movements in director A & B options: Director A & B - unlisted options

Date	Details	Number of options	$
1/07/2020	Opening balance	800,000	179,062
30/06/2021	Closing balance	800,000	179,062

Refer to Note 14 for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

15. RESERVES (continued)

(b) Option reserve

	2021 Option	2020 Option	2021 $	2020 $
Total consolidated issued options - listed	-	-	-	210,295

Movements in issued options: Consolidated issued options - listed

Date	Details	Number of options	$
1/07/2020	Opening balance	-	210,295
31/12/2020	Reclassification of option reserve (i)	-	(210,295)
30/06/2021	Closing balance	-	-

(i) These options have been extinguished during the year ended 30 June 2021. The value attributed to these extinguished options has been reclassified into share capital via a reduction in Reserves (refer note 15 (a) and a corresponding reduction in Accumulated Losses (refer note 16).

No options expired during the year ended 30 June 2021

16. ACCUMULATED LOSSES

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Opening balance	(10,007,742)	(8,263,972)
Reclassification of option reserve	210,295	-
Loss for the year	(2,859,663)	(1,743,770)
Closing balance	(12,657,110)	(10,007,742)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

17. FINANCIAL RISK MANAGEMENT

The activities of the Company expose it to a variety of financial risks (including interest rate risk, credit risk and liquidity risk). The Company's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. However, the Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and aging analysis for credit risk. At present the Company is not exposed to price risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external advisors where necessary. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Company.

The Company holds the following financial instruments:

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Financial assets		
Cash and cash equivalents	5,604,834	2,365,022
Trade and other receivables (a)	258,582	463,060
Loans to Employees	-	57,500
Research & Development tax incentive (b)	1,290,899	1,138,815
	7,154,315	4,024,397
Financial liabilities		
Trade and other payables (c)	(221,866)	(259,936)
Borrowings and lease liabilities	(69,046)	(132,843)
	(290,912)	(392,779)

(a) excludes GST receivables and prepayments
(b) the receipt of the Research & Development tax incentive will occur in the year ending 30 June 2022
(c) excludes GST payable and employee benefits

The main purpose of the financial instruments is to fund the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments for the purpose of limiting exposure to operational risk shall be undertaken. The main risk is cash flow (interest rate risk, liquidity risk and credit risk). The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Market Risk

(i) Cash flow and interest rate risk

The Company's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the Company to cash flow interest rate risk. The Company does not consider this to be material and has therefore not undertaken any further analysis of risk exposure.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

17. FINANCIAL RISK MANAGEMENT (continued)

The following sets out the Company's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods.

Details	Note	Weighted Average Interest Rate	Total $
30 June 2021 Consolidated			
Financial assets			
Cash and cash equivalents		2.59%	5,604,834
30 June 2020 Consolidated			
Financial assets			
Cash and cash equivalents		0.89%	2,365,022

All other financial instruments have either a zero coupon rate or a fixed interest rate.

Sensitivity

At 30 June 2021, if interest rates had increased by 0.25% or decreased by 0.25% from the year end rates with all other variables held constant, post-tax loss for the year would have been $2,545 lower / ($2,545) higher (2020 changes of 0.25% / 0.25%: $1,552 lower/ ($1,552) higher), mainly as a result of higher / lower interest income from cash and cash equivalents.

(ii) Foreign currency risk

The Company is exposed to movements in foreign exchange due to the number of clients that the Company currently works with overseas. The Company does not currently hedge its exposure to foreign currency sales and therefore the impact on the financial statements at year end for foreign currency movements is below:

Exposure

	30 June 2021		30 June 2020	
	USD	JPY	USD	JPY
Trade receivables	255,974	-	213,748	0

Sensitivity

The sensitivity of the profit or loss to changes in exchange rates arising in mainly USD/AUD denominated financial instruments and the impact of the other components of equity is listed below:

	Impact on post tax profits		Impact on equity	
	2021 $	2020 $	2021 $	2020 $
USD/AUD exchange rate - increase 5%	(16,305)	(14,803)	16,305	14,803
USD/AUD exchange rate - decrease 15%	60,475	54,861	(60,475)	(54,861)

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Otherwise, if there is no independent rating, the board assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by the managing director. Sales to retail customers are required to be settled in cash (in part, in advance) or using major financial institutional payment processes, to mitigate credit risk.

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
Financial assets		
Cash and cash equivalents	5,604,834	2,365,022

The Company's financier has an AA Moody's rating.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

17. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relates primarily to cash assets and floating interest rates. The Company does not have significant interest-bearing assets (other than cash) and is not materially exposed to changes in market interest rates due to the unprecedented low interest rates.

The Directors monitor the cash-burn rate of the Company on an ongoing basis against budget. As at reporting date the Company had sufficient cash reserves to meet its requirements. The Company has no access to credit standby facilities or arrangements for further funding or additional capacity in its borrowing arrangements.

The financial liabilities the Company had at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(i) Assessment of contractual cash flows

Contractual maturities of financial liabilities As at 30 June 2021	Less than 6 Months $	6 - 12 Months $	Between 1 and 2 years $	Between 2 and 5 years $	Total Contractual Cash Flows $	Carrying Amount $
Non-derivatives						
Non-interest bearing						
Trade payables	142,273	-	-	-	142,273	142,273
Interest bearing						
Borrowings	-	-	-	-	-	-
Lease Liability	35,016	36,276	-	-	71,292	69,046
Total non-derivative	177,289	36,276	-	-	213,565	211,319

Contractual maturities of financial As at 30 June 2020	Less than 6 Months $	6 - 12 Months $	Between 1 and 2 years $	Between 2 and 5 years $	Total Contractual Cash Flows $	Carrying Amount $
Non-derivatives						
Non-interest bearing						
Trade payables	181,996	-	-	-	181,996	181,996
Interest bearing						
Borrowings	35,016	35,016	71,292	-	141,324	132,843
Total non-derivative	217,012	35,016	71,292	-	323,320	314,839

(ii) Financing arrangements

The Company has a $50,000 overdraft facility with its financial institution in place as at 30 June 2021.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

17. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair Value Estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement and for disclosure purposes.

The carrying value less impairment provision of receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

(e) Capital management

When managing capital, the Board's objective is to ensure the Company continues as a going concern was well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

The Board is constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing, the board may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels.

The Company has no formal financing and gearing policy or criteria having regard to the early status of its development and low level of activity.

There were no changes in the Company's approach to the capital management during the year ended 30 June 2020.

The Company is not subject to any externally imposed capital requirements.

18. CONSOLIDATED ENTITIES

Name of entity	Class of share	Country of Incorporation	Equity Holding 2021 %	Equity Holding 2020 %
Accounting Parent				
Proteomics International Pty Ltd		Australia	100	100
Two-Tag Holdings Pty Ltd (i)		Australia	100	-
Legal Parent				
Proteomics International Laboratories Ltd	Ordinary	Australia	-	

(i) Two-Tag Holdings Pty Ltd was incorporated on 19 August 2020 and holds the patents related to Oxidative Stress ("Two-Tag") as detailed in the Review of Operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

19. REMUNERATION OF AUDITORS

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
(a) Audit services		
- BDO Audit (WA) Pty Ltd	48,535	47,454
(b) Non-audit services		
- BDO Corporate Finance	-	-
- BDO Corporate Tax (WA) Pty Ltd (i)	3,100	5,120

(i) Consulting services have been provided by BDO Corporate Tax during the year ended 30 June 2021.

20. COMMITMENTS

Laboratory access fees		
Within one year	-	22,000
Later than one year but no later than five years	-	-
Later than five years	-	-
	-	22,000

The Company pays fees to access strategic locations to use laboratories and specialised equipment to undertake its operations.

21. RELATED PARTIES

(a) Key management personnel (KMP) compensation		
Short-term employee benefits	390,000	376,000
Post-employment benefits	58,901	58,636
	448,901	434,636

The directors of the Company comprise the key management personnel.
Compensation is paid to the directors individually.

(b) Transactions with KMP's

There were no consultancy services provided by key management personnel during the year ended 30 June 2021. Ian Roger Moore provided business development services in the amount of $2,065 during the year ended 30 June 2020 on terms no more favorable than those reasonably expected under arm's length dealings with unrelated persons.

No loans were provided by Key Management Personnel during the year ended 30 June 2021.

Proteomics International Laboratories Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

22. DIVIDENDS

The directors have not paid or declared a dividend during the financial year ended 30 June 2021.

23. CONTINGENT LIABILITIES

The Company is not aware of any material contingent liabilities for the year ended 30 June 2021.

24. SEGMENT REPORTING

The Board monitors the operations of the Company as one single segment. The actual to budget items and a detailed profit or loss are reported to the board to assess the performance of the Company.

The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and subsidiary which represent the operational performance of the Company's revenues and the research and development activities as well as the finance, treasury, compliance and funding elements of the Company.

25. LOSS PER SHARE

	Consolidated Entity 2021 $	Consolidated Entity 2020 $
(loss) attributable to ordinary shareholders	(2,859,663)	(1,743,770)
Weighted average number of ordinary shares*	101,703,361	87,415,789
Loss per share	($0.03)	($0.02)

*Includes the effect of the transactions (under continuation accounting) for the purpose of the comparative earnings per share calculation.

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 16 July 2021, the Company announced that its collaborative study with Janssen Research & Development had found a significant reduction in the PromarkerD risk scores of patients with type 2 diabetes taking canagliflozin, an SGLT2-inhibitor diabetes drug.

On 22 July 2021, the Company announced that global life science company Abcam plc had been engaged to produce specialist reagents for the immunoassay version of the PromarkerD test for diabetic kidney disease.

On 4 August 2021, the Company announced a research collaboration agreement with the University of Melbourne and the Royal Women's Hospital to collaborate to develop a simple blood test for endometriosis.

On 12 August 2021, the Company announced that it had contracted European immunoassay specialist Biotem to manufacture PromarkerD test kits.

Other than that outlined above, there has been no other matter or circumstance which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

(a) the operations, in financial periods subsequent to 30 June 2021, of the Company,

(b) the results of those operations,

(c) the state of affairs, in financial periods subsequent to 30 June 2021, of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2021

27. PARENT ENTITY INFORMATION

The following information relates to the legal parent entity, Proteomics International Laboratories Ltd, as at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2021 $	2020 $
Current assets	7,497,501	4,510,692
Non-current assets	-	-
Total Assets	7,497,501	4,510,692
Current liabilities	78,978	72,791
Non-current liabilities	-	-
Total Liabilities	78,978	72,791
Total Equity	7,418,523	4,437,901
(Loss) for the year	(404,932)	(203,348)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive (loss) for the year	(404,932)	(203,348)

Contingent liabilities of the parent entity

The Company is not aware of any material contingent liabilities for the year ended 30 June 2021.

Commitments of the parent entity

Other than as described at Note 20, the Company does not have any other on-going commitments.

28. INTERESTS IN OTHER ENTITIES

The Company does not currently have any interests in other entities.

29. DEED OF CROSS GUARANTEE

The Company has not currently entered into a deed of cross guarantee.

30. ASSETS PLEDGED AS SECURITY

The Company has no assets that have been pledged as security.

Proteomics International Laboratories Ltd

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flow, consolidated statements of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standard, the *Corporations Regulations 2001,* other mandatory professional reporting requirements; and

   (b) give a true and fair view of the financial position as at 30 June 2021 and the performance for the year ended on that date of the consolidated entity; and

   (c) comply with International Financial Reporting Standards as disclosed in Note 1.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in the Directors' Report (as part of the Remuneration Report) for the year ended 30 June 2021 comply with Section 300A of the *Corporations Act 2001* .

4. The Directors have been given the declarations by the Managing Director required by Section 295A of the *Corporations Act 2001* .

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Terry Sweet
Chairman

Perth, Western Australia

Dated: 30 August 2021

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Proteomics International Laboratories Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Proteomics International Laboratories Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) 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 *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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Proteomics International Laboratories Ltd

Independent Auditor's Report

Accounting for Share-based Payments

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 14 to the Financial Report, the Group issued options to corporate advisors for services provided during the period. Refer to note 1 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. In accordance with AASB 2 *Share-based payment* the valuations of the share-based payments require complex and judgemental estimates used in determining the valuation of the share based payments. We consider the accounting for the share-based payment expense to be a key audit matter.	Our audit procedures in respect of this area included but were not limited to the following: • Reviewing the share-based payment arrangements to understand the key terms; • Assessing the valuation model and assumptions used to measure and value the share-based payments relating to the options; • Involving our valuation specialists to assess the assumptions used in the Group's calculation being the valuation methodology, share price of the underlying equity, risk free rate and volatility; • Considering the vesting conditions of the options; and • Assessing the adequacy of the disclosure in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the 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 Company 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.

Independent Auditor's Report

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 has 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/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 30 to 37 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Proteomics International Laboratories Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company 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.

BDO Audit (WA) Pty Ltd

Neil Smith

Director

Perth, 30 August 2021

Proteomics International Laboratories Ltd

Shareholder Information

Details of securities as at 20 August 2021:

Capital structure

Securities	Number
Fully paid ordinary shares	105,255,875
Director A Options exercisable at $0.50 each and expiring on 22 November 2021	400,000
Director B Options exercisable at $0.67 each and expiring on 22 November 2022	400,000
Placement Corporate Advisory Options exercisable at $0.75 each and expiring on 28 January 2023	2,200,000
Placement Corporate Advisory Options exercisable at $0.50 each and expiring on 27 March 2023	2,840,279
Consultant Corporate Advisory Options exercisable at $1.75 each and expiring on 30 April2023	500,000
Employee Options exercisable at $0.50 each and expiring on 1 May 2023	400,000
Consultant Corporate Advisory Options exercisable at $0.50 each and expiring on 18 August 2023	1,250,000
Employee Options exercisable at $1.44 each and expiring on 1 June 2024	300,000
Employee Options exercisable at $1.16 each and expiring on 12 July 2024	150,000
Performance rights subject to vesting conditions and expiring on 1 June 2024	123,548
Performance rights subject to vesting conditions and expiring on 12 July 2024	23,095
Performance rights subject to vesting conditions and expiring on 30 September 2024	150,000

Top holders

The 20 largest registered holders of fully paid ordinary shares were:

Fully paid ordinary shares

	Name	Number	%
1.	RICHARD LIPSCOMBE	19,048,704	18.10%
2.	MR JOHN SUTHERLAND RICHARDSON DUNLOP	3,855,188	3.66%
3.	UBS NOMINEES PTY LTD	2,464,973	2.34%
4.	SPARROW HOLDINGS PTY LTD <SWEET SUPER FUND A/C>	2,335,500	2.22%
5.	RANDOLPH RESOURCES PTY LIMITED	1,949,000	1.85%
6.	HIMSTEDT & CO PTY LTD <THE HIMSTEDT FAMILY A/C>	1,770,000	1.68%
7.	LITTLEJOHN EMBREY ENGINEERING PTY LTD	1,512,070	1.44%
8.	XYLO PTY LTD <THE PARKER FAMILY A/C>	1,503,700	1.43%
9.	ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	1,500,000	1.43%
10.	SLADE TECHNOLOGIES PTY LTD <EMBREY FAMILY SUPERFUND A/C>	1,334,500	1.27%
11.	MRS LISA FLOAN	1,100,000	1.05%
12.	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,005,554	0.96%
13.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	998,429	0.95%
14.	MR DIRK CHARLES HAWKER VAN DISSEL <D&T VAN DISSEL FAMILY A/C>	989,000	0.94%
15.	SAINT SMSF PTY LTD <SAINT SUPER FUND A/C>	970,461	0.92%
16.	MR KONRAD FLOAN	887,000	0.84%
17.	BFM SUPERANNUATION FUND PTY LTD	800,000	0.76%
18.	MOORE & SOTOMI INVESTMENTS PTY LTD <ROGER MOORE FAMILY A/C>	717,000	0.68%
19.	MRS PATRICIA MARTON	666,681	0.63%
20.	CAMBERWELL GYNAECOLOGY CLINIC PTY LTD <SKINNER SUPER FUND A/C>	649,400	0.62%
		46,057,160	43.77%

Distribution schedule

A distribution schedule of each class of equity security

Fully paid ordinary shares

Range	Holders	Units	%
1 - 1,000	302	149,671	0.14
1,001 - 5,000	482	1,399,524	1.33
5,001 - 10,000	309	2,638,239	2.51
10,001 - 100,000	699	23,652,107	22.47
100,001 - Over	156	77,416,334	73.55
Total	1948	105,255,875	100.00

Proteomics International Laboratories Ltd

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
Richard John Lipscombe and associated entities	19,048,704
Mr John Sutherland R Dunlop	5,804,188

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 476 as at 20 August 2021):

Holders	Units
145	19,734

Unquoted securities

Unquoted securities on issue were:

Options

Class	Expiry Date	Exercise Price $	Number of Options	Number of holders
Director A Options	22 November 2021	0.50	400,000	3
Director B Options	22 November 2022	0.67	400,000	3
T2 Placement Corporate Advisory Options	28 January 2023	0.75	2,200,000	2
T1 Placement Corporate Advisory Options	27 March 2023	0.50	2,840,279	13
T2 Consultant Corporate Advisory Options	30 April 2023	1.75	500,000	1
Employee Options	1 May 2023	0.50	400,000	5
T1 Consultant Corporate Advisory Options	18 August 2023	0.50	1,250,000	1
Employee Options	1 June 2024	1.44	300,000	1
Employee Options	12 July 2024	1.16	150,000	1

The holders of the Director Options are disclosed in the Directors' Report. The Employee Options were issued under the Proteomics Employee Incentive Option Plan.

T1 Placement Corporate Advisory Options

The holders of the T1 Placement Corporate Advisory Options were as follows:

	Name	Number	%
1.	BIG OAT PTY LTD	716,112	25.21%
2.	MRS ANNA FELICIA BELTON	500,000	17.60%
3.	MR ANTHONY JOHN LOCANTRO	500,000	17.60%
4.	ALASTAIR ANDREW MURRAY <MURRAY INVESTMENT A/C>	358,055	12.61%
5.	ARUMA ENTERPRISES PTY LTD <ARUMA SUPER FUND A/C>	245,000	8.63%
6.	RAFTUS INVESTMENTS PTY LTD <GRACE FAMILY A/C>	100,000	3.52%
7.	MR CARRICK DURRANT RYAN <CD & RV RYAN FAMILY NO2 A/C>	100,000	3.52%
8.	PANDT (SA) PTY LTD <BOORMAN INVESTMENT A/C>	98,112	3.46%
9.	MR KYLE IAN JOSEPH MOSS <THE KM FAMILY A/C>	57,000	2.01%
10.	ACNS CAPITAL MARKETS PTY LTD	50,000	1.76%
11.	DRP 2006 SUPER PTY LTD <DRP (2006) SUPER FUND A/C>	50,000	1.76%
12.	JECCS PTY LTD <BROWN FAMILY NO1 A/C>	50,000	1.76%
13.	MR SETH ANDRE LIZEE	16,000	0.56%
		2,840,279	100.00%

T2 Placement Corporate Advisory Options

The holders of the T2 Placement Corporate Advisory Options were as follows:

	Name	Number	%
1.	CANDOUR ADVISORY PTY LTD	1,100,000	50.00%
2.	ZERO NOMINEES PTY LTD	1,100,000	50.00%
		2,200,000	100.00%

T1 Consultant Corporate Advisory Options

The holder of the T1 Consultant Corporate Advisory Options was Candour Advisory Pty Ltd.

T2 Consultant Corporate Advisory Options

The holder of the T2 Consultant Corporate Advisory Options was Zero Nominees Pty Ltd.

Performance rights

Class	Expiry Date	Number of Rights	Number of holders
Performance rights	1 June 2024	123,548	1
Performance rights	12 July 2024	23,095	1
Performance rights	30 September 2024	150,000	2

The Performance Rights are subject to vesting conditions and were issued under the Proteomics Performance Rights Plan.

Voting Rights

The voting rights attaching to ordinary shares are:

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Options and performance rights do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.

Proteomics International Laboratories Ltd

Glossary

Biologics	Medicinal protein products manufactured in or extracted from biological sources, e.g. immunotherapies for cancer.
Biomarker	A measurable indicator of a state or condition, usually relating to early phase of diseases; a biological signature.
Biosimilars	Protein-based molecules that are biological medical products made to mimic an original "Biologic" drug.
Complementary diagnostic (CDx)	A complementary diagnostic is a test that aids in the benefit-risk decision making about the use of the therapeutic product for a given patient, where the difference in benefit-risk is clinically meaningful.
Diabetes	A group of metabolic diseases associated with high blood sugar levels.
Diabetic kidney disease (nephropathy)	A progressive disease of the kidneys caused by diabetes and leading to the malfunction of the kidneys and ultimately renal failure.
eGFR	The estimated Glomerular Filtration rate (eGFR) is a blood test used for the diagnosis of chronic kidney disease.
End stage renal disease (ESRD)	Kidney failure or ESRD is the final stage of kidney disease. Kidney failure means the use of dialysis or transplantation is required for survival. Diabetes is the most common cause of ESRD.
Immunoassay	A procedure for detecting or measuring specific proteins or other substances through the use of antibodies.
ISO 13485 certification	A certification granted to organisations involved in the manufacturing of medical devices that follow the internationally agreed standards of a quality management system.
Key Opinion Leader	Individuals or organisations with a respected social status, allowing their opinions to have sway in making important decisions.
Mass Spectrometry	The measurement of the mass to charge ratio of a molecule such as a peptide in order to determine its chemical structure.
Odds Ratio (OR)	A measure of association between two events. It can be used to determine whether a particular exposure is a risk factor for a particular outcome. In clinical research it gives direct information to doctors about which treatment approach has the best odds of benefiting the patient.
Oesophageal cancer	A cancer of the tube that runs from the throat to the stomach.
Oxidative Stress	An imbalance between reactive oxygen species and your body's ability to eliminate them or repair the resulting damage.
Probability (p)	The p value, or calculated probability, that an observation is true. Most authors refer to statistically significant as $p < 0.05$ and statistically highly significant as $p < 0.001$ (less than one in a thousand chance of being wrong).
Prognostic	A term for predicting the likely or expected development of a disease.
Proteomics	The large-scale study of protein structure and function.
Recombinant antibodies	Antibodies developed using synthetic genes.

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Proteomics International

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