Cryosite Limited

ABN 86 090 919 476

Appendix 4E

Full Year Report

Results for announcement to the market

1. Details of Reporting Period

The financial information contained in this report is for the 12 months ended 30 June 2022. Comparative amounts (unless otherwise indicated) relate to the year ended 30 June 2021.

2. Results for Announcement to the Market

				$A'000
2.1 Revenue from ordinary activities:	Up	17%	to	11,757k
2.2a Profit before tax for the period from ordinary activities:	Up	61%	to	1,806k
2.2b Profit (loss) from ordinary activities after tax attributable to members:	Up	109%	to	1,364k
2.3 Net profit (loss) for the period attributable to members:	Up	109%	to	1,364k

2.4 Dividends

As a result of continued growth in profits and cash flow, the Board of Cryosite has determined it is appropriate to re-establish payment of an unfranked final dividend to shareholders. On 26th August 2022, the Board of Cryosite determined that 1c per share will be paid as an unfranked final dividend. The dividend was declared post 30 June 2022.

2.5 Commentary on the results to the market:

- Net profit of $1.36m up 109%
- Earnings per share of 2.79 cents
- Re-establishment of an unfranked final dividend. 1 cent per share declared for FY22.
- Cash from Operations of $2.5m up from $0.5m in FY21
- Cash on hand of $5.3m, with no debt.

A further explanation of the result of the current period is set out in the Directors Report contained in the attached audit reviewed Annual Financial Report.

3.0 NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	3.8 cents	0.8 cents

°cryosite

Annual Report - 2022

CRYOSITE LIMITED ANNUAL REPORT

Table of Contents

Corporate Information

DIRECTORS

Mr. Steven Waller (Non-Executive Chairman)
Mr. Bryan Dulhunty (Non-Executive Director)
Mr. Andrew Kroger (Non-Executive Director)
Mrs. Nicola Swift (Non-Executive Director)

COMPANY SECRETARY

Ms. Kim Bradley

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

13a Ferndell Street
South Granville
NSW 2142
Telephone: +61 2 8865 2000
Email: corporate@cryosite.com

SHARE REGISTER

Link Market Services Limited
Level 8, 580 George Street
Sydney NSW, 2000
Telephone: +61 1300 554 474

AUDITORS

Mazars Risk & Assurance Pty Limited
Level 12, 90 Arthur Street
North Sydney NSW, 2060
Telephone: +61 2 9922 1166

WEBSITE

www.cryosite.com
www.cryosite.com.au

CORPORATE GOVERNANCE

https://investors.cryosite.com/investors/?page=corporate-governance

CEO's Message

Message from the CEO
John Hogg

Delivering continued growth and increased value

Dear Shareholders,

It has been a successful year for Cryosite, building on the transformations of recent years. The Cryosite team have overseen the development and completion of several capacity-enhancing measures and modernisations, which have enabled us to consolidate our position as one of the leading companies supplying the Australian clinical trials sector.

While there are ongoing challenges from the continuation of the COVID-19 pandemic and the disruptions caused by the war in Ukraine, we have been able to adapt and innovate, to maximise revenue and to build a platform to take advantage of emerging growth opportunities.

Key achievements

- Built new freezer rooms, increasing frozen storage capacity
- Validation of the paperless warehouse system
- Upgraded communications system to cord blood clients
- Continued development of a skilled team
- Consolidated relationships established with some of the world's largest pharmaceutical companies

Clinical Trials, Biological Storage and Logistics

Over the year, we have continued to upgrade Cryosite's facilities and innovate processes to differentiate our offering to customers and clients, delivering ongoing value. New freezer rooms were opened for clinical trials and biological storage, which have boosted the site's capacity and are expected to produced improved results for our top and bottom lines. Cryosite is utilising palette storage in its freezer rooms, enabling staff to work in-situ, thereby ensuring product integrity and mitigating the risk of temperature excursions for the product.

After an 18-month validation process, the warehouse is now paperless and the environment is scanner-controlled. This has already yielded improved accuracy and productivity across a range of warehouse processes, while ensuring compliance and adherence to standards.

Cryosite continues to drive waste reduction to limit the environmental impact of our operations.

Cord Blood

In the cord blood segment, we migrated our communications to an upgraded computer system and successfully launched a new communications strategy to transition initial 18-year contracts to an ongoing subscription model.

Continuing organic growth

In-keeping with our expansion strategy into adjacent market segments, Cryosite has expanded its storage and distribution capabilities for controlled substances. Medicinal cannabis finished product secure storage and distribution logistics are established and growing. Our reputation for quality service and regulatory compliance continues to attract new customers.

CEO's Message

Outlook

National and international events such as the continuing COVID-19 pandemic, the 2022 flu season and the conflict in Europe have impacted Cryosite's operations this year. A reliance on imported medicines, interruptions to the global supply chain and illness-related staff shortages remain ongoing challenges, while inflation presents a new potential headwind. Our expanded capacity and preparations position Cryosite to mitigate these risks. The company is well-placed to take advantage of opportunities arising from them, such as the localisation of clinical trials depots.

Cryosite's experienced and stable team has enabled us to manage unexpected staff shortages without impacting operations.

I would like to take this opportunity to thank our customers and clients for their loyal support during this transformative period of growth for our organisation. I send my thanks to the dedicated team at Cryosite for their resilience, focus and commitment during the year; their tireless work and flexibility has made our successes possible.

I would also like to thank our shareholders for their continuing investment in Cryosite, and for the Boards guidance, leadership and direction during the year.

Closing

Looking ahead to the coming year, Cryosite will continue to remain diligent in our adherence to standards, to leverage our operational strength and to consolidate our market-leading position. We have worked to safeguard against future challenges, while our balance sheet position enables us to continue identifying and maximising opportunities to deliver sustainable growth and increased shareholder value.

I look forward to the next year delivering upon our strategic objectives and continuing a trajectory of exciting progress for the future.

John Hogg

DocuSigned by:

John Hogg

ABE8919482EB4EB...

CEO

Directors' Report

The directors present their report together with the financial statements on the consolidated entity (the Group) consisting of Cryosite Limited (the Company) and the entity it controlled for the year ended 30 June 2022.

DIRECTORS

The following persons were directors of Cryosite Limited during the financial year and up to date of this report unless otherwise stated:

Mr. Steven Waller (appointed 10th March 2022)	Non-Executive Chairman
Mr. Bryan Dulhunty (appointed 2 March 2018)	Non-Executive Director
Mr. Andrew Kroger (appointed 21 November 2011)	Non-Executive Director
Mrs. Nicola Swift (appointed 31 October 2016)	Non-Executive Director

Names, qualifications, experience, interests and special responsibilities

Steven Waller, B. Pharm (Sydney), M.B.A (Macq), G.A.I.C.D, Non-Executive Chairman

Mr. Steven Waller was appointed as a Non-Executive director of Cryosite Limited as of 19th November 2021. On 10th March 2022, Mr. Waller replaced Mr Bryan Dulhunty as Non-Executive Chairman. Mr. Waller has extensive experience with large pharmaceutical companies, both in Australia and internationally. In Australia Mr. Waller held senior management roles at Sigma Healthcare Limited and Aspen Pharmacare Australia Pty Limited. Between 1996 and 2007, Mr. Waller held several international roles in sales, marketing and general management with Johnson and Johnson in the Middle East, Europe, the US and Asia-Pacific. Mr. Waller was also a director of the NSW Branch of the Pharmacy Guild of Australia from 2014-2016. Mr. Waller currently runs his own consulting business which provides services to the pharmaceutical industry and the broader health care industry in Australia, including government agencies.

Interest in shares and options at date of report

Shares	Nil
Options	Nil

Special responsibilities Member of Nomination and Remuneration Committee

Bryan Dulhunty, BEc (Sydney), CA, Non-Executive Director

Mr. Dulhunty brings a wealth of life science experience to the position having been involved in the industry for the past 20 years. Mr. Dulhunty provides a range of consulting services to the life science industry. Mr. Dulhunty has served as a director of a number of listed ASX and non-listed life science companies. Mr. Dulhunty is a Chartered Accountant and holds an Economics Degree from Sydney University. Mr. Dulhunty was appointed to the Board on 2nd March 2018 and took on a short-term role as Executive Chairman on the 27th June 2019. On 15th October 2020 Mr. Dulhunty stepped down from his executive Chairman's role to non-executive Chairman. On 10th March 2022, Mr. Dulhunty stepped down from his non-executive Chairman's role to non-executive Director.

Interest in shares and options at date of report

Shares	1,330,000
Options	Nil

Special responsibilities Member of the Audit and Risk Committee

Mr. Andrew Kroger, BEc. LLB (Monash), Non-Executive Director

Mr. Kroger has had a career in stockbroking, law and general management including two years running Forsayth Group in 1990 which was Australia's ninth largest gold producer at that time. Mr. Kroger is the owner of Process Wastewater Technologies LLC, a company with its major business being in wastewater in the United States. Mr. Kroger has a Bachelor of Economics and a Bachelor of Laws from Monash University. Mr. Kroger was appointed to the Cryosite Limited board in November 2011.

Interest in shares at date of report	22,543,702

Mrs. Nicola Swift, BA (Mod) Legal Science, MA, CFA, GAICD, Non-Executive Director

Mrs. Swift has an extensive background in the international investment management and securities industry as a research director, portfolio manager and equity analyst in London, Sydney and Boston with various global institutional investors. Mrs. Swift is a Chartered Financial Analyst, a graduate of the Australian Institute of Corporate Directors and holds an Honours Law degree and a Masters of Arts from Trinity College Dublin. Mrs. Swift was appointed to the Board on 3 November 2016.

Interest in shares at date of report	Nil
Special responsibilities	Chair of the Remuneration and Nominations Committee & Chair of Audit and Risk Committee

COMPANY SECRETARY

Kim Bradley-Ware, BComm (Lincoln), LLB (UTS), CPA

Company Secretarial Services for Cryosite Limited are provided by Kim Bradley appointed on 11th January 2022. Kim is a member of the Company Matters Pty Ltd team (part of Link Group, including Link Market Services share registry).
Bryan Dulhunty stepped down from his role of Company Secretary on 11th January 2022.

EARNINGS PER SHARE

	2022	2021
Basic earnings per share (cents)	2.79	1.39
Diluted earnings per share (cents)	2.79	1.34

DIVIDENDS

On the 26th August 2022 the Board of Cryosite determined to that 1c per share will be paid as an unfranked final dividend. The total dividends declared were $nil in 2021.

PRINCIPAL ACTIVITIES

Cryosite operates through two operating segments:

- ***Clinical Trials, Biological Storage and Logistics***

Cryosite provides specialist temperature-controlled storage, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns management, comparator sourcing, import, export, validated transport solutions and biological storage to the clinical trials, research and pharmaceutical industry

- ***Cord Blood and Tissue Storage***

This business provides long term storage for cord blood and tissue samples.

Directors' Report (Continued)

REVIEW OF OPERATIONS

Overview

The results of the year ended 30 June 2022 and the reestablishment of an unfranked final dividend that was declared post year end, evidence the continued turnaround of Cryosite over the past six half yearly reporting periods.

- Revenue continued its year-on-year growth, increasing by $1.7m (17%) from $10.0m in FY21 to $11.7m in FY22.
- Profit before tax continued its year-on-year growth. Profit before tax of $1.8m increased by $686k (61%) from the prior year $1.12m.
- Net Profit of $1.36m, an increase of 109% from $0.65m in FY21.
- EPS of 2.79 cents, up 109% on a fully diluted basis from 1.34 cents in FY21.
- $5.3m of cash at year end, with no debt.
- Cash from operations of $2.5m, an increase of $2m from $0.5m in FY21.
- Re-establishment of an unfranked final dividend. 1c per share declared for FY22 post the year end.

Segment profit

- **Clinical Trials, Biological Storage and Logistics**

Clinical trials continued to perform strongly.

Revenue:

Clinical trial revenue grew 24% from the prior corresponding period to $9.3m, its fifth year of growth. The Company continues to expand its storage and logistics offering into products listed on the Register of Therapeutic Goods as described in prior year reports. Licences held to support storage and logistics were successfully renewed and expanded to support continued broad growth.

Expenses:

With the increase in sales volume and revenue, the cost of providing services has increased marginally. The company has invested more than $800k capital expenditures including a large custom-specifically-built freezer room, three -80c freezers and related equipment, mostly installed in the second half year. This investment provides capacity for future expansion. While the depreciation expenses did not have a material impact for the year ended 30 June 2022, it will bring impacts in FY23 and beyond. The combined cost of marketing expenses, occupancy costs and finance expenses were essentially steady, increasing by only $8k from the prior year. To accommodate increased sales volume, two additional staff were employed increasing salary expenses. Insurances costs increased as well, due to the tightening of global insurance market conditions. Overall operational expenses have increased by 6%.

Profit:

Profit from the clinical trial division has continued its year-on-year growth to $4,039k (2021: $3,141k).

- **Cord Blood and Tissue Storage**

While overall segment revenue declined by $59k to $2,460k, it is pleasing to see a continued increase in the number of clients choosing to extend storage via an annual storage contract on the expiry of their original long term storage contract. Segment profits rose 12% to $498k.

Directors' Report (Continued)

Revenue:

Cord blood revenues include the bringing to account of the non-cash deferred revenue relating to recorded long term contracts. In the normal course of events, this revenue will decline as these contracts reach full term. The Group offered its first 18-year contracts in 2002 and these contracts have been expiring since 2020. However, the Group offers clients the ability to extend storage via an ongoing annual storage plan. Revenue from these annual storage contracts is a source of cash for the Group and has grown year on year as an increasing number of clients elect to continue to store cord blood and tissue samples with Cryosite after the expiry of their original long-term contract.

Expenses:

Tight operational controls, led to a reduction in expenses, despite overall cord blood expenses being largely fixed.

Profit:

The combination of a slight decline in revenue but a greater reduction in expenses has resulted in an increase in the profit contribution from cord blood and tissue activities by 12% from $444k in the prior year to $498k for this year.

Cash

Cash remains strong with a cash balance at financial year end of $5,341k with no debt facilities.

During the year, there were cash inflows from operations of $2,524k, Investing outflows of ($860k) and financing outflows of ($181k). They combined to a net $1,483k increases in cash on hand.

Cash inflow from operations continues to grow year on year. Cash inflows from operations of $2,524k was particularly stronger increasing by $2,008k from the prior year's inflows of $515k. Among the $2,008k increase from operational cashflow, approximately $750k were related to one-off cash inflows that not likely repeat next year including the customer payments received for the prior period, one-off freight recovery and other incomes.

Outlook

The upwards trend for Clinical Trials and Biological Storage and Logistics sales revenue experienced in the past 3 years is expected to continue in FY2023, due to renewed sales contracts with existing customers and the onboarding of new clients. Despite the contribution of deferred revenue to Cord Blood revenue is declining as long-term contracts expire, an increasing number of clients are expected to extend storage via an ongoing annual plan. Considering the continued growth in profit and cash flow from operations, Cryosite declared an unfranked final dividend 1 cent per share post the year-end on 26th August 2022.

While the growth strategy is expected to continue to deliver an increase in revenue, inflationary pressures are mounting and combined with the continuation of both Covid and global supply chain issues are likely to exert pressure on expenses.

Further capital expenditure will be incurred in FY2023 to continue to add storage capacity, re-engineer processes and enhance productivity through increased automation. This additional capacity and capability continue to build a strong base to accommodate future sales and along with the re-introduction of an unfranked final dividend to shareholders reflects confidence in the future.

EMPLOYEES AND DIVERSITY

As at 30 June 2022, the Company employed 22 full-time equivalent employees (2021: 20 employees).
We are proud our staff have a rich mix of backgrounds, experiences and perspectives, giving the Company a unique culture and a competitive advantage.

Directors' Report (Continued)

The Company strives to create an inclusive environment that empowers everyone to contribute and make a real difference. This enables our teams to support the success of our clients, and helps our people reach their full potential.

The Company recognises the value of diversity in the workplace. With over ten different ethnic backgrounds, our staff it is a culturally and linguistically diverse workplace. There are numerous religions and cultures. Where possible the Company endeavors to offer flexible work practices. Work life balance is seen as a key retention tool.
The Company is committed to providing equal opportunity for all its staff. An overall staff mix of 59% females and 41% males, is also reflected in the direct reports to the CEO with 75% female. Cryosite is committed to providing a workplace free from any form of harassment, bullying and discrimination.

As at 30 June 2022

	All employees	Management	Team Lead	Age Range	Board of Directors
Male	13	3	2	30 - 68	3
Female	14	4	1	28 - 60	1
Total	**27**	**7**	**3**	**28 - 68**	**4**

	All employees	Management	Team Lead	Average age	Board Members
Male	48%	43%	67%	49	75%
Female	52%	57%	33%	44	25%
Total	**100%**	**100%**	**100%**	**47**	**100%**

EMPLOYEE INCENTIVE PLANS

In February 2017, the Cryosite Employee Incentive Plan (CEIP) was introduced to attract, retain and motivate management to strengthen their alignment with shareholder interests. This plan was ratified at the 2017 AGM.

In September 2021, key management personnel exercised their options approved by the Board. On 6th Sept 2021, Link Share registry advised the shares relating to the exercise of the options have been issued.

As at the date of this report there are nil (2021: 1,950,000) unissued ordinary shares under the CEIP:

	2022	2021
	$	$
Options	-	1,950,000
Total	-	1,950,000

Please refer to the remuneration report for further details. The circumstances under which Personnel is entitled to retain these options and performance rights if they leave the Company before the vesting date, is controlled by the terms of the CEIP and is at the discretion of the Board.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than detailed in the above there were no significant changes in the state of affairs of the Group during the year.

Directors' Report (Continued)

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

As a result of continued growth in profits and cash flow, the Board of Cryosite has determined it is appropriate to re-establish payment of an unfranked final dividend to shareholders. On 26th August 2022, the Board of Cryosite determined to that 1c per share will be paid as an unfranked final dividend. The dividend was declared post the year-end.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board continues to focus on a growing clinical trial, biological services and logistics business supported by the long-term storage of cord blood and tissue for existing clients.

ENVIRONMENTAL REGULATIONS

The Group provides a range of services that require compliance to a variety of regulatory and statutory bodies regulations, including the Therapeutic Goods Administration (TGA), the Office of Drug Control, the Australian Government Department of Agriculture, Fisheries and Forestry and the NSW Department of Health. Additionally, the Group must comply with the quality system requirements of many of its customers.

Cryosite has a Company-wide quality management system to ensure that it meets or exceeds the requirements of all these interests.

There have been no significant known breaches of the entity's license conditions or any regulations to which it is subject. The Company, to the best of its knowledge, is not subject to any specific environmental regulations.

ENVIRONMENTAL RESPONSIBILITIES

Cryosite is committed to developing energy and greenhouse gas management systems to reduce our Greenhouse Gas Emissions (GHG). The company has invested in sustainable technology.

These investments include:

- Installation of a large custom-made freezer room and replacement of three -80c freezers with the technologically updated latest model which yielded power savings and significantly reduced greenhouse gas emissions per year.
- Implementation of a paperless warehouse system and cloud-based accounting system considerably reduced the usage of paper and printer toners, contributing to reduction of greenhouse gas emissions.
- Completion of upgraded air conditioning units and compressors using more environmentally sustainable technology.
- Addition of Business Management Control System to optimise and control the function of all air conditioning units, compressors and variable controlled plant and equipment on site.
- Cardboard and wastage recycling where possible.
- Commitment to external review by Eco Vadis Global Supply Chain Sustainability Ratings Organisation.

Achievements:

Electricity Consumption and Greenhouse Gas Emissions

- Dec 2019 = 65 Tonnes
- Dec 2021 = 30 Tonnes
- Reduction = -54% in GHG

EcoVadis Global Sustainability Ratings

- Silver (Awarded September 2021)

STATUTORY LICENSING AND COMPLIANCE

Most of the services that Cryosite provide to generate income require some form of statutory licensing or compliance authority. By obtaining and maintaining these licenses and approvals reinforces and underpins the Company's ability to continue to provide its services and to maintain its viability. As referred to in other parts of this report, Cryosite is committed to mitigating risks in this area by the implementation and maintenance of a Company-wide Quality Management System.

INSURANCE OF DIRECTORS AND OFFICERS

The Company holds insurance for all the Directors and Officers against liability, except willful breach of duty, of a nature that is required to be disclosed under section 300(8) of the Corporations Act 2001. In accordance with commercial practice, further details of the nature of the liabilities insured against and the amount of the premium have not been disclosed.

In addition to the above, the Directors and certain Officers of the Company have entered into a Deed of Indemnity and Access confirming the Company's obligation to maintain an adequate Director and Officer Liability insurance policy and confirming the individual Directors' and Officers' right to access board papers and other Company documents. In return, the individual Directors and Officers have agreed to allow the Company to conduct the defense should the event arise.
The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company or of any related body corporate against a liability incurred as such an Officer or Auditor.

REMUNERATION REPORT (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company, and includes an executive in the Parent and the Group receiving the highest remuneration.

This has been audited by Mazars Risk & Assurance Pty Limited and is included within the scope of the audit report on pages 63-65.

Key Management Personnel

Details of the nature and amount of each element of remuneration for key management personnel of the Company which includes those key management personnel receiving the highest compensation for the financial year are as follows:

Mr. Steven Waller	Non-Executive Chairman (appointed on 10th March 2022)
Mr. Bryan Dulhunty	Non-Executive Director (resigned from Non Executive Chairman on 10th March 2022)
Mr. Andrew Kroger	Non-Executive Director
Mrs. Nicola Swift	Non-Executive Director
Mr John Hogg	Chief Executive Officer
Mrs. Jane Hao	Chief Financial Officer

The role of the Nominations and Remuneration Committee

While the Board maintains the authority and responsibility for the oversight of the Company's remuneration policy and the principles and processes which underpins the policy, on 9 December 2016, the Board established a Nominations and Remuneration committee to provide advice and recommendations to the Board on the structure and level of remuneration for the directors, senior executives and Company secretary, and on the design and award of all executive incentive plans.

The independent non-executive director, Mrs. Nicola Swift is Chair of the committee. Non-executive director Mr. Bryan Dulhunty resigned as a member of the committee on 10th March 2022. Non-executive director Mr Steven Waller was appointed a member of the committee on 10th March 2022.

Remuneration philosophy

The Company recognises the importance of structuring remuneration packages of its key management personnel so as to attract and retain people with appropriate qualifications, skills and experience to help the Company achieve the required objectives. However, the Company understands that a prudent position must be observed in the total remuneration expense.

Board and Non-Executive Directors

As set out in the Company's corporate governance policies, directors remuneration is set to attract a requisite skill set required to govern the company. The board has annual internal process to evaluate the performance of the board and its committees.

Cryosite has three non-executive directors and a non-executive Chairman. During the reporting period one of the four directors was deemed not to be independent. Mr. Andrew Kroger was not deemed to be independent, due to his substantial shareholding of the company with a relevant interest at the date of this report of 46.2%. Ms. Nicola Swift, Mr. Steven Waller and Mr. Bryan Dulhunty are considered to be independent.

Due to the small size of the company a board skill matrix has not been developed.

The board carries out an annual internal performance review of board, committees and individual directors. The last performance appraisal was carried out in June 2022.

The remuneration of directors including the Chairman consists of fixed annual fees. Apart from reimbursement of expenses incurred on the Company's behalf, non-executive directors are not eligible for any additional payments, unless directors take on additional or executive roles then they are entitled to additional fees. These additional fees are set out later in this report.

Non- Executive Chairman of the Board: $75,000 maximum per annum, plus superannuation
Non-Executive Directors: $60,000 maximum per annum, plus superannuation
Chair of the Remuneration and Nominations Committee: $7,500 maximum per annum, plus superannuation
Chair of Audit and Risk Committee: $7,500 maximum per annum, plus superannuation

Performance based compensation is not part of the remuneration structure offered to non-executive directors.

Total remuneration paid to non-executive directors is determined by the Board from time to time for presentation to and resolution by shareholders at the Annual General Meeting. The current maximum aggregate remuneration paid to non-executive directors is $350,000 per year. During 2022 total aggregate remuneration paid to non- executive directors was $271,700 (2021; $224,475).

Executive Remuneration

Executive total remuneration consists of the following components:

Fixed Remuneration

This comprised of a fixed base salary and statutory superannuation. This is reviewed annually although there is no guaranteed increase.

Directors' Report (Continued)

Short Term Incentive Plans

Payments to directors are set out in the remuneration table below.

Compensation for Key Management Personnel 2022

Year Ended 30 June 2022	Short term benefits		Post employment benefits	Share based payments	Total	Share based payments	Performance based
	Salary & Fees $	Other Cash benefits $	Super $	(3) $	$	%	%
Directors							
Steven Waller (1)	41,620		4,162	-	45,781	0.0%	0.0%
Andrew Kroger	60,000	-	6,000	-	66,000	0.0%	0.0%
Bryan Dulhunty (2)	70,380	-	7,038	1,709	79,127	2.2%	2.2%
Nicola Swift	75,000	-	7,500	-	82,500	0.0%	0.0%
Total directors	**247,000**	**-**	**24,700**	**1,709**	**273,409**	**0.6%**	**0.6%**
Executives							
John Hogg	227,273	-	22,727	854	250,854	0.3%	1.6%
Jane Hao	150,000	7,500	15,750	-	173,250	0.0%	4.3%
Total Executive	**377,273**	**7,500**	**38,477**	**854**	**424,104**	**0.2%**	**0.2%**
Total	**624,272**	**7,500**	**63,177**	**2,563**	**697,513**	**0.4%**	**0.4%**

(1) Steven Waller appointed as Non executive Chairman on 10th of March 2022.
(2) Bryan Dulhunty stepped down from his position of Chairman to a role of Non Executive Director on 10th March 2022.
(3) This relates to the fair value of performance rights and options granted under the Cryosite Employee Incentive Plan (CEIP).

Compensation for Key Management Personnel 2021

Year Ended 30 June 2021	Short term benefits		Post employment benefits	Share based payments	Total	Share based payments	Performance based
	Salary & Fees $	Other Cash benefits $	Super $	(3) $	$	%	%
Directors							
Andrew Kroger	60,000	-	5,700	-	65,700	0.0%	0.0%
Bryan Dulhunty	75,000	-	7,125	7,850	89,975	8.7%	8.7%
Nicola Swift (4)	70,000	-	6,650	-	76,650	0.0%	0.0%
Total directors	205,000	-	19,475	7,850	232,325	3.4%	3.4%
Executives							
John Hogg (1)	220,053	-	22,105	3,925	246,084	1.6%	1.6%
Jane Hao (2)	65,385		6,212	-	71,596	0.0%	0.0%
Total Executive	285,438	-	28,317	3,925	317,680	1.2%	1.2%
Total	490,438	-	47,792	11,775	550,005	2.1%	2.1%

(1) CEO appointed on 15th October 2020.
(2) CFO appointed on 8th January 2021.
(3) This relates to the fair value of performance rights and options granted under the Cryosite Employee Incentive Plan CEIP).
(4) Nicola Swift - Director's fee paid to Nicola Swift $60,000 plus $5,000 as the Chair of the Remuneration and Nominations Committee, and $5,000 as the Chair of Audit and Risk Committee.

Directors' Report (Continued)

Long Term Incentive Plan: Cryosite Employee Incentive Plan (CEIP)

On 23 February 2017, the Cryosite Employee Incentive Plan (CEIP) was established by the Company. On invitation, the CEIP provides executives the opportunity to receive a long-term equity-based incentive in each financial year and is governed by the CEIP Plan Rules.

Options

On the 27 June 2019, the board granted options to the following key management personnel:

	Bryan Dulhunty* No.	John Hogg No.	Total No.
Options granted 27 June 2019	1,300,000	650,000	1,950,000
Total options issued as at 30 June 2019	**1,300,000**	**650,000**	**1,950,000**

The following components of the CEIP for options are as follows:

Vesting date	Up to 25 months from date of grant.
Option price	6 cents
Vesting conditions	Options will only vest after certain performance and conditions are met.
Performance conditions	Earnings per Share (EPS), Operating cashflow
Service conditions	Continuous employment with Cryosite from the date of the options are granted until the vesting date.
Expiry date	Options will expire 36 months after the vesting date.
Exercise of Options	Any options which meet the Vesting conditions will be available for exercise up until the Expiry date.

Conditions

Grant date	27 June 2019
Vesting date	1 September 2021
Expiry date	1 September 2024
Period	27/6/2019 to 1/9/2021
Exercise price	6 cents

Targets

Conditions of Vesting	**Target date**	**Percentage of Performance Rights that vest**
Positive Earnings per share (EPS)*	30 June 2021	33.3%
Positive Cashflow from Operations*	30 June 2021	33.3%
Continuous service	30 June 2021	33.3%

* Based on the 2021 audited accounts

On 31 August 2021 directors resolved that the vesting conditions have been meet and all options were fully vested as at 1 September 2021. Mr. Dulhunty and Mr. Hogg exercised all their options on 1st of September 2021.

Directors' Report (Continued)

Shareholdings of Key Management Personnel

Ordinary Shares held in Cryosite Limited	**1 July 2021**	**Balance on appointment / (resignation)**	**Share purchases**	**30 June 2022**
Bryan Dulhunty	**30,000**	**-**	**1,300,000**	**1,330,000**
Andrew Kroger	**20,266,964**	**-**	**2,276,738**	**22,543,702**
John Hogg	**-**		**650,000**	**650,000**
	20,296,964	**-**	**4,226,738**	**24,523,702**

Options Held by Key Management Personnel

Options held	1 July 2021	Balance on appointment / (resignation)	Exercised	30 June 2022
Bryan Dulhunty	1,300,000	-	(1,300,000)	-
John Hogg	650,000	-	(650,000)	-
	1,950,000	-	(1,950,000)	-

The above table discloses the key management personnel who hold or held shares or options during or since the financial year.

Senior executive performance is renewed annually, a review was carried out in the current year.

The Company may terminate the employee's contract without notice if serious misconduct has occurred. Where termination with cause occurs, the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause, any options that have granted but not vested will be forfeited.

The Company compares remuneration paid to key management personnel with other similar companies to ensure consistency.

Loans to Key Management Personnel

There were no loans to key management personnel at the beginning of the year, at any time during the year, or at the end of the year.

Other Transactions and Balances with Key Management Personnel

Before joining the Board, Steve Waller was contracted to provide a review of Direct-to-Consumer Options for CTX in Aug-Sep 2021. A fee for service of $2,640 incl GST was paid in Oct-2021.

Directors' and Committee Meetings

During the financial year, the following meetings incurred and were attended by directors:

Directors	Directors Meetings		Audit Risk Committee Meetings		Remuneration and Nomination Meetings	
	Eligible to attend	Eligible attended	Eligible to attend	Eligible attended	Eligible to attend	Eligible attended
Steven Waller	7	7	1	1	2	2
Bryan Dulhunty	12	12	5	5	-	-
Andrew Kroger	12	12	-	-	-	-
Nicola Swift	12	12	5	5	3	3

Directors, Executives and Committee and Performance Review Structure

Directors and Executives

The board carries out an annual internal performance review of board members and board structure and makes appropriate changes to facilitate the business and minimize risk. The last performance appraisal of executives was carried out in June 2022. Executives are evaluated by formalised performance review structure on annual basis.

Committees

The board carries out an annual internal performance review of both the Audit and Risk Committee and the Remuneration and Nomination Committee. The last performance appraisal was carried out in June 2022. The board continually monitors the framework of the risk committee to ensure that it is responsive to the company's working environment.

Proceeding on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporate 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 purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Corporate Governance Report

Cryosite is committed to implementing the highest possible standards of corporate governance. In determining what those high standards should involve, Cryosite has turned to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Principles) and has a corporate governance framework that reflects those recommendations within the structure of the Company.

The Board of Cryosite approved an updated series of policies and charters in line with the amendments to the ASX Principles. The Company's policies and charters together form the basis of the Company's governance framework were in place for the financial year ended 30 June 2022 and to the date of signing of the directors' report.

Within this framework:

- the Board of Directors is accountable to shareholders for the performance of the Company;
- the Company's goals to achieve milestones are set and promulgated;
- the risks of the business are identified and managed, and
- the Company's established values and principles underpin the way in which it undertakes its operations.

Directors' Report (Continued)

The Company has in place an entrenched, well developed governance culture which has its foundations in the ethical values that the Board, management and staff bring to the Company and their commitment to positioning the Company as a leader in its field.

In certain instances, due to the size and stage of development of Cryosite and its operations, it may not be practicable or necessary to implement the ASX Principles in their entirety. In these instances, Cryosite has identified the areas of divergence.

In accordance with its Shareholder Communications Policy, Cryosite has made its corporate governance policies and charters publicly available on its website (www.cryosite.com).

On behalf of the directors

Steven Waller
Non- Executive Chairman

Date: 26th August 2022

Level 12, 90 Arthur Street
North Sydney NSW 2060

PO Box 1994
North Sydney NSW 2059
Australia

Tel: +61 2 9922 1166
Fax: +61 2 9922 2044
www.mazars.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CRYOSITE LIMITED AND CONTROLLED ENTITY

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Cryosite Limited.

As lead audit partner for the audit of the financial statements of Cryosite Limited for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

— the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

Mazars

MAZARS RISK & ASSURANCE PTY LIMITED

R. Megale

R. Megale
Director
Sydney, 26 August 2022

Directors Declaration

(1) In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(3) This declaration has been made after receiving the declarations required to be made to directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Board

Steven Waller

Steven Waller
Non-Executive Chairman

Date: 26th August 2022

Consolidated Statement of Profit and Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $	2021 $
Sale of goods and rendering of services	6	**11,756,850**	10,023,769
Revenue		**11,756,850**	10,023,769
Cost of providing services	35(a)	**(4,919,154)**	(4,129,378)
Depreciation and amortisation	7(c,d,e)	**(564,062)**	(589,098)
Marketing expenses		**(86,610)**	(74,933)
Occupancy expenses		**(565,497)**	(558,154)
Administration expenses	7(a,b)35(a)	**(3,729,471)**	(3,461,514)
Total expenses		**(9,864,794**	(8,813,077)
Finance income/(expense)	7(f)	**(81,337)**	(108,673)
Other income/(expense)	6	**(4,306)**	18,429
Profit (loss) before tax		**1,806,413**	1,120,448
Income tax (expense) benefit	8(a)	**(442,582)**	(467,874)
Profit (Loss) after tax		**1,363,831**	652,574
Net comprehensive Profit (loss) for the year		**1,363,831**	652,574
Earnings per share		**Cents**	Cents
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	9	**2.79**	1.39
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	9	**2.79**	1.34

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022	Notes	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	10	**5,341,010**	3,881,126
Trade and other receivables	12	**1,212,649**	1,670,234
Inventories	13	**47,168**	52,508
Prepayments	14	**449,939**	387,317
Other assets	15	**-**	5,892
Deferred costs	20	**1,252,547**	1,295,890
Total Current Assets		**8,303,313**	7,292,967
Non-Current Assets			
Trade and other receivables	16	**35,637**	80,251
Deferred tax asset, net	8(c)	**1,224,687**	1,667,266
Right of use asset	4	**758,341**	985,839
Plant and equipment	18	**1,645,322**	1,163,218
Intangible assets	19	**12,186**	16,251
Prepayment	14	**3,810**	15,239
Other assets	15	**167,937**	167,937
Deferred costs	20	**9,351,338**	10,603,887
Total Non-Current Assets		**13,199,258**	14,699,888
TOTAL ASSETS		**21,502,571**	21,992,855
LIABILITIES			
Current Liabilities			
Trade and other payables	21	**923,165**	787,539
Unearned income	22	**293,549**	138,385
Provisions	24	**280,251**	235,530
Other liabilities	34	**56,530**	53,330
Lease Liability	4	**233,449**	215,253
Deferred revenue	23	**1,939,072**	2,047,829
Total Current Liabilities		**3,726,016**	3,477,866
Non-Current Liabilities			
Trade and other payables	21	**441,682**	441,682
Unearned income	22	**10,559**	28,148
Provisions	24	**268,530**	243,724
Other liabilities	34	**417,973**	474,502
Lease Liability	4	**616,315**	849,765
Deferred revenue	23	**14,160,559**	16,099,625
Total Non-Current Liabilities		**15,915,618**	18,137,446
TOTAL LIABILITIES		**19,641,634**	21,615,312
NET ASSETS		**1,860,937**	377,543
EQUITY			
Contributed equity	25	**5,978,788**	5,861,788
Share rights reserves	26	**-**	30,392
Accumulated losses	25	**(4,117,851)**	(5,514,637)
TOTAL EQUITY		**1,860,937**	377,543

The above consolidated statement of financial position should be read in conjunction with the accompanying note

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022

	Attributable to equity holders of the company			
	Contributed capital	**Accumulated losses**	**Share Rights reserve**	**Total equity**
CONSOLIDATED				
At 1 July 2021	**5,861,788**	**(5,514,637)**	**30,392**	**377,543**
Total comprehensive income (loss) for the year	**-**	**1,363,831**	-	**1,363,831**
Transactions with owners in their capacity as owners				
Share based expense	**-**	**-**	**2,563**	**2,563**
Issue of share capital on exercise of employee share option	**117,000**	**-**	**-**	**117,000**
Transfer of reserves to retained earnings	**-**	**32,955**	**(32,955)**	**-**
At 30 June 2022	**5,978,788**	**(4,117,851)**	**-**	**1,860,937**
At 1 July 2020	5,861,788	(6,167,211)	18,616	(286,807)
Total comprehensive income (loss) for the year	-	652,574	-	652,574
Transactions with owners in their capacity as owners				
Share based expense	-	-	11,776	11,776
At 30 June 2021	5,861,788	(5,514,637)	30,392	377,543

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers inclusive of GST		**10,882,866**	7,644,188
Payments to suppliers and employees inclusive of GST*		**(8,359,258)**	(7,178,831)
Government Incentive - Cash Boost		**-**	50,000
Net cash flows from operating activities	11	**2,523,608**	515,357
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(863,193)**	(396,894)
Software development costs	19	**-**	-
Interest received		**2,941**	22,810
Net cash flows (used in) investing activities		**(860,252)**	(374,084)
CASH FLOWS FROM FINANCING ACTIVITIES			
Operating Lease Payments (including notional interest)		**(292,585)**	(260,777)
Interest expense		**(31,670)**	(34,646)
Proceeds from option conversion		**117,000**	-
Net cash flows (used in) financing activities		**(180,657)**	(295,423)
Net (decrease)/ increase in cash and cash equivalents		**1,482,699**	(154,150)
Cash and cash equivalents at beginning of year		**3,881,126**	4,061,832
Effect of exchange rate changes on cash		**(22,815)**	(26,556)
Cash and cash equivalents at end of year	10	**5,341,010**	3,881,126

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

1 CORPORATE INFORMATION

The financial report of Cryosite Limited and the controlled entity (the Group) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 26th August 2022.

Cryosite Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Financial statements are prepared on the going concern basis.

The financial report has been prepared on a historical cost basis, except when otherwise stated.

(a) Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Changes in accounting policy, accounting standards and interpretations.

Impact of the initial application of other news and amended Standards that are effective for the current period

In the twelve months to 30 June 2022, the Group has applied the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board that are effective for the Group's annual reporting period that began on 1 July 2021. The impact of these amendments did not have a material impact on the Financial Statements.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Cryosite Limited (the Company) and its subsidiary ('the Group') as at 30 June each year.

The subsidiary is an entity over which the group has control. The group controls an entity when the group 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. The subsidiary is fully consolidated from the date on which control is transferred to the group and deconsolidated from the date that control ceases. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions have been eliminated in full. The subsidiary is consolidated from the date on which control is transferred to the Group and ceases to be consolidated from the date on which control is transferred out of the Group. Investments in the subsidiary held by the Company are accounted for at cost in the separate financial statements of the parent entity, less any impairment charges.

(d) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian subsidiary is Australian dollars (A$). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

(e) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Major Depreciation rates are:	**2022**	**2021**
Fixture and fittings	5-10 years	5-10 years
Information technology	2.5-5 years	2.5-5 years
Warehouse equipment	4-10 years	4-10 years
Office furniture and equipment	2.5-8 years	2.5-8 years
Leasehold improvements	5 years	5 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(g) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Software development costs are capitalised at the amounts incurred and amortised on a straight-line basis over the period of their expected benefit being their finite life of 3 years. Amortisation starts at the time that the technology is activated and is used by both internal and external customers. The capitalised costs of the platform technology includes the direct costs of external consultants and any supporting software acquired from a third party.

(h) Prepayments

Payments made in advance of services are recognised at the time of payment and classed as prepayments on the balance sheet. As the services are incurred, the relevant amounts are recognized as an expense in the profit and loss statement.

(i) Inventories

Inventories consist of consumables used in the provision of services. Inventories are valued at the lower of cost and net realisable value. Cost is determined by actual purchase price. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(j) Trade and other receivables

Trade receivables (current), which generally have 30-day terms, are recognised initially at fair value less expected credit loss and any allowance for impairment.

AASB 9 Financial Instruments requires the Group to record an allowance for ECL’s for all loans and other debt financial assets not held at FVPL.

The Group’s ECL is based on an estimated percentage of past due receivables that are expected to default based on historical experience.

(k) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, in hand and short-term deposits with an original maturity 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 purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other payables

Trade and other payables are carried at amortised costs and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee leave benefits

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. Unused sick leave on termination of employment is forfeited.

Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(o) Share-based payment transactions

The group provides benefits to employees including executive directors of the Group in the form of share-based payment transactions, whereby the employees render services in exchange for rights over shares ('equity-settled transactions') under the Cryosite Employee Incentive Plan (CEIP) or individually negotiated share-based payment arrangements.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired and
(ii) the number of awards that, in the opinion of directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it was granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. In the case where outstanding equity-settled awards have expired, the relevant amounts in respect to these awards in the share reserves are transferred to retained earnings.

(p) Right-of-use asset

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 payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the 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 payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) Revenue from contracts with customers

Rendering of services

The Group provides the following services:

- specialist temperature-controlled storage, sourcing, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns and biological services and;
- long term storage for cord blood and tissue samples.

The Group identified that the above services are distinct and have assessed the revenue recognition in accordance with AASB 15 Revenue from Contracts with Customers separately.

Revenue from clinical trials and biological services logistics services

Revenue from clinical trials pertain to processing and distribution of samples for clinical testing. The Group has assessed that each sample processed is distinct from each other and that asset is transferred to the customer at the completion of the service. Accordingly, the Group assessed that the performance obligation is satisfied at that point in time and revenue is recognised as and when the customer obtains control of the asset.

Revenue from cord blood and cord tissue storage

Under AASB 15, the Group assessed that the collection, processing and storage services for cord blood and tissue samples constitute a single performance obligation because none of the services are distinct and marketed independently of the others. In addition, it was determined that the performance obligation is performed over time (i.e. throughout the storage contract period of 18 or 25 years). This resulted in the recognition of "Deferred revenue" and "Deferred costs" in the statement of financial position that are unwound to revenue and costs for the remaining contract period.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income

Dividends: revenue is recognised when the Company's right to receive the payment is established.

Government assistance

Government assistance is not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the assistance will be received. Government assistance that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(s) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future tax profit will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws), that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.
Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(t) Contributed equity

Contributed capital bares no special terms or conditions affecting income or capital entitlements of the shareholders. Ordinary share capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(u) Share options reserve

The share options reserve captures the equity component of the company’s equity settled transactions of the share-based payments schemes.

(v) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Earnings per share

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members of the parent, adjusted for:
- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

The basic EPS and diluted EPS are calculated as above based on net profit after tax.

(x) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair values of financial instruments measured at amortised cost are disclosed at Note 32.

Fair value is the price that would be received to sell an asset or pair to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principle market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in the highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(y) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period, or
- 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 noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from the source. Actual results may differ from these estimates and estimates under different assumptions and conditions.

Management has identified the following critical accounting estimates and judgements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Determining the timing of satisfaction of performance obligations*

The Group concluded that the revenue from collection, processing and storage of cord blood and tissue should be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that the contract term of 18 or 25 years is the best method to determine the timing of satisfaction of performance obligations.

- *Consideration of significant financing component in a contract*

The storage contract for cord blood and cord tissue is either 18 or 25 years and the payment options available to the customers follow:

i. Upfront payment of the full contract price at inception of the contract;
ii. Instalment payment of either 12 or 24 months; and,
iii. Partial upfront settlement with the remaining balance paid in instalment throughout the life of the contract (referred to by the Group as “Annual plans”).

Management determined that there is a significant financing component included in the annual plans because the total amount paid under this plan is significantly higher than the upfront cash payment. The amount of financing component attributed to the contract is determined as the difference between the total Annual plan payments and the upfront cash payment.

- *Taxation*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The group’s accounting policy for taxation requires management’s judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those arising from carry forward tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

The Group has unconfirmed tax losses arising in Australia of $2,193,058 (2021 $2,509,170), of which $231,429 (2021 $231,429) have been recognised, that are available for offset against future taxable profits of the company. The tax rate of Cryosite had been changed from 26% (June 2021) to 25% (June 2022). Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax liabilities or assets recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

- *Share Based Payment Transactions*

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would

have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact on expenses and equity.

- *Estimated Useful Lives of Assets*

The estimation of the useful lives of assets and their residual values has been based on historical experience as well as manufacturers' warranties. In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. The estimated useful life of licenses acquired has been based upon the useful life of the patents and associated methodologies underpinning the license. The assessment of useful life is reviewed annually by the Board to determine whether the assumptions made continue to be appropriate and supportable given the license conditions and underlying patents. If the useful life assessment is assessed as inappropriate, either due to a change in license conditions or patents, it is changed on a prospective basis.

- *Long Service Leave Provision*

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

- *Make Good Provisions*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. This provision includes future cost estimates associated with dismantling, closure, decontamination and permanent storage of historical residues. The calculation of any provision requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts provided. Any provision recognised will be periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting both the expense or asset and provision. The appropriateness of the make good provision is assessed annually.

- *Provision for expected credit losses on trade receivables and contract assets*

In accordance with AASB 9, the Group uses a provision matrix to calculate ECLs (expected credit losses) for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 12 on page 43.

- *Impairment of financial assets*

The Group recognises a loss allowance for expected credit loss on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amounts of expected credit losses are updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. For Cord Blood and cGMP customer, the expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For GXP clients, the expected credit loss rate are estimated by the clients' history and investment grade.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL hat is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

- *Impairment of Non-Financial Assets other than Indefinite Life Intangible Assets*

The Group assesses impairment of non-financial assets other than indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

- *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the debtor.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

- *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information chat is available without undue cost or effort. Forward- looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition.

- An actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating
- Significant deterioration In external marker indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of rime or the extent to which the fair value of a financial asset has been less than its amortised cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on ocher financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

- *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (ie. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

- *Group write off policy*

If there are no reasonable expectation of recovery of a financial asset after an active collection process and the invoices were overdue for eleven months or longer, the group can write off the assets against the provision of doubtful debt if provided before or write off as a bad debt expense if not provided before. The group reviews twice a year on provision for expected credit losses on trade receivables by AASB 9 worksheet in December and June each year. A management approval from two senior managers (GM, CEO, CFO) is required if the write of assets is above $10k. Board approval is required if the write of assets is above $20k.

4 LEASE AASB 16

The entity leases the premises housing its principle place of business. From 1 July 2019, in line with AASB 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is amortised over the lease term on a straight-line basis.

Lease liabilities have been measured at the present value of the remaining lease payments, discounted using the RBA June 2019 Lending Rate - Small business variable rate as of 1 July 2019.
The recognised right-of-use assets relates to property and is comprised as follows:

	2022 **$**	2021 $
Property right of use recognised at beginning of the period	**985,839**	1,213,340
Depreciation expense for the year	**(227,498)**	(227,501)
Lease Asset as at the end of the period	**758,341**	985,839

	2022 $	2021 $
At 1 July	**1,065,018**	1,262,319
Accretion of interest	**50,733**	63,476
Payments	**(265,987)**	(260,777)
At 30 June	**849,764**	1,065,018
Lease liability – current	**233,449**	215,253
Lease liability – non-current	**616,315**	849,765
Total Liabilities	**849,764**	1,065,018

5 SEGMENT INFORMATION

Identification of Reportable Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The segment information provided is consistent with the internal management reporting.

Two reportable segments have been identified as follows:

Clinical Trials and Biological Services Logistics	Specialist temperature-controlled storage, sourcing, labelling, status management, secondary packaging, schedule drug distribution, destruction, returns and biological services.
Cord Blood and Tissue Storage	Storage of cord blood and tissue samples.

The accounting policies used by the Company in reporting segments internally are the same as those contained in note 1 to the accounts.

Operating Segments
2022

Operating Segment	**Clinical Trials and Biological Storage and Logistics $**	**Cord Blood and Tissue $**	**Unallocated $**	**Total $**
Revenue	**9,297,112**	**2,459,738**	**-**	**11,756,850**
Net profit before tax	**4,038,933**	**748,796**	**(2,981,316)**	**1,806,413**
Tax	**-**	**(250,456)**	**(192,126)**	**(442,582)**
Net profit after tax	**4,038,933**	**498,340**	**(3,173,442)**	**1,363,831**
Total Comprehensive Income net of tax	**4,038,933**	**498,340**	**(3,173,442)**	**1,363,831**
Segment Assets 30 June 2022	**2,250,969**	**12,161,577**	**7,090,025**	**21,502,571**
Segment Liabilities 30 June 2022	**949,283**	**16,779,643**	**1,912,708**	**19,641,634**
Depreciation and Amortisation	**270,021**	**4,424**	**289,617**	**564,062**

5 SEGMENT INFORMATION (continued)

2021

Operating Segment	Clinical Trials and Biological Storage and Logistics $	Cord Blood and Tissue $	Unallocated $	Total $
Revenue	7,504,620	2,519,149	8,194	10,031,963
Net operating profit	3,141,304	756,679	(2,827,535)	1,070,448
Government incentive - cash boost	-	-	50,000	50,000
Net profit before tax	3,141,304	756,679	(2,777,535)	1,120,448
Tax	-	(312,799)	(155,075)	(467,874)
Net profit after tax	3,141,304	443,880	(2,932,610)	652,574
Total Comprehensive Income net of tax	3,141,304	443,880	(2,932,610)	652,574
Segment Assets 30 June 2021	2,546,729	13,639,225	5,806,901	21,992,855
Segment Liabilities 30 June 2021*	593,350	18,714,009	2,307,953	21,615,312
Depreciation and Amortisation	(301,748)	(4,066)	(283,284)	(589,098)

*Last year Segment Liabilities were reclassified, refer to note 35d.

6 REVENUE

	Consolidated 2022 $	2021 $
Customer contract revenues		
Revenue from clinical trials, logistics and biological services	**9,297,112**	7,504,620
Revenue from cord blood and tissue storage	**2,459,738**	2,519,149
Total revenue	**11,756,850**	10,023,769
Cord Blood and Tissue Storage is comprised of:		
Cord Blood revenue (cash items)	**411,914**	389,917
Cord Blood deferred revenue (non-cash items)	**2,047,824**	2,129,232
Total Cord Blood and Tissue storage	**2,459,738**	2,519,149
****Cord Blood deferred revenues and costs are comprised of***		
Cord Blood deferred revenue (non-cash)	**2,047,824**	2,129,232
Cord Blood deferred cost (non-cash)	**(1,295,892)**	(1,332,576)
Cord Blood deferred Income Tax expense (non-cash)	**(250,456)**	(312,799)
Total Cord Blood deferred net Income (non-cash)	**501,476**	483,857
Other revenue		
Bank interest	**7,002**	8,194
Government incentive – cash boost	**-**	50,000
Foreign currency gain/(loss)	**(11,308)**	(39,765)
Total Other revenue	**(4,306)**	18,429

*Refer note 5 Segment Information

7 EXPENSES

	Note	Consolidated 2022 $	2021 $
(a) Legal costs			
Continuing operations		**8,056**	47,898
		8,056	47,898
(b) Employee benefits expense			
Salaries		**2,145,566**	1,839,152
Superannuation costs		**252,678**	165,104
		2,398,244	2,004,256
(c) Depreciation – plant & equipment	18	**332,498**	357,531
(d) Amortisation of Intangibles	19	**4,066**	4,066
(e) Amortisation of Leases	4	**227,498**	227,501
(f) Finance Costs	4		
Accretion interest right of use assets		**50,733**	63,476
ACCC monthly interest accrual		**30,604**	45,197
		81,337	108,673

8 INCOME TAX

(a) Income tax expense

The major components of income tax are:

	Consolidated 2022 $	2021 $
Statement of comprehensive income		
Current income tax (expense)/benefit	**(442,582)**	(467,874)
Income tax expense reported in the statement of comprehensive income	**(442,582)**	(467,874)
Income tax (expense)/benefit is attributable to the following:		
Continuing operations	**(442,582)**	(519,874)
Under provision prior year	**-**	52,000
	(442,582)	(467,874)

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate follows:

	2022	2021
Accounting profit(loss) before tax	**1,806,413**	1,120,448
Income tax calculated at 25% (2021:26%)	**(451,603)**	(291,316)
Tax losses recouped (2021: Tax losses recognised)	**79,028**	(94,328)
Tax rate change from 26% to 25% (2021:from 27.5% to 26%)	**(64,126)**	(117,142)
Other items	**(5,881)**	(17,088)
Under provision prior year	**-**	52,000
Income tax (expense) benefit	**(442,582)**	(467,874)

8 INCOME TAX (continued)

(c) Deferred tax assets, net

	Consolidated	
	2022	2021
	$	$
Deferred income tax at 30 June relates to the following:		
<u>Deferred taxes arising from AASB 15 adoption</u>		
Deferred tax asset on deferred revenue	**4,024,908**	**4,718,337**
Deferred tax liability on deferred costs	**(2,650,970)**	**(3,093,945)**
Net deferred tax asset – AASB 15	**1,373,938**	**1,624,392**
<u>Deferred taxes arising from normal business operations</u>		
Post-employment benefits	**87,195**	**72,606**
Provision for doubtful debts	**(1,270)**	-
Provision for make good	**50,000**	**52,000**
Superannuation Payable	**6,446**	**4,073**
Accruals	**15,336**	**17,338**
Lease Liability	**22,856**	**20,587**
Tax Losses carried forward	**57,857**	**60,171**
Impairment and depreciation of plant & equipment	**(290,216)**	**(109,886)**
Prepayments	**(113,437)**	**(104,665)**
Consumables	**10,565**	**23,137**
Section 40-880	**5,418**	**7,513**
Net deferred tax asset – normal operations	**(149,251)**	**42,874**
Net deferred tax assets	**1,224,687**	**1,667,266**

(d) Tax (expense) benefit related to items of other comprehensive income.

There were no items of comprehensive income during the year giving rise to any income expense (benefit).

(e) DTA Opening Balance Adjustment

Cryosite had a net Deferred Tax Assets- AASB15 of $1,624,392 as at 30 Jun 2021. $64,126 was taken to Profit and Loss for the current year to reflect a change in tax rate change from 26% in FY21 to 25% in FY22.

(f) Tax losses

The Group has unconfirmed tax losses arising in Australia of $2,193,058 (2021: $2,509,170), of which $231,429 (2021: $231,429) have been brought to account as a deferred tax asset that are available for offset against future taxable profits of the company. The unrecognized deferred income tax asset of $490,408 (2021: $592,213) arising from these losses has not been brought to account at reporting date, as realisation of the benefit is not probable at this point in time. The Group will continue to review this regularly to determine whether to recognize these tax losses as deferred tax asset in the future.

Tax consolidation

Effective from 1 July 2002, Cryosite Limited and its 100% owned subsidiary formed a tax consolidated group. On formation of the tax consolidated group, the entities in the tax consolidated group agreed to enter into a tax sharing deed which will, in the opinion of the directors, limit the joint and several liabilities of the wholly-owned entities in the case of default by the head entity Cryosite Limited. The tax sharing deed was signed on 12 May 2011.

8 INCOME TAX (continued)

The entities have also agreed to enter into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax loss, deferred tax assets and tax credits that are transferred to the Company under the tax consolidation legislation. The tax consolidated current tax liability or current year tax loss and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052. The group uses a group allocation method for this purpose where the allocated current tax payable, current tax loss, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company is a stand-alone taxpayer but modified as necessary to recognise membership of a tax consolidated group. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements which is determined having regard to membership of the tax consolidated group.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current inter-company receivables or payables.

9 EARNINGS PER SHARE

	Consolidated	
	2022	2021
	$	$
The following reflects the income used in the basic and diluted earnings per share computations:		
Basic earnings per share	**2.79**	1.39
Diluted earnings per share	**2.79**	1.34
Basic EPS disclosure		
Earnings used in EPS calculation		
Net profit attributable to ordinary equity holders of the parent	**1,363,831**	652,574
	No. of shares	
Weighted average number of ordinary shares for basic earnings per share	**48,809,563**	46,859,563
Diluted EPS disclosure		
Earnings used in diluted EPS calculation		
Net profit attributable to ordinary equity holders of the parent	**1,363,831**	**652,574**
	No. of shares	
Weighted average number of ordinary shares for basic earnings per share	**48,809,563**	46,859,563
Options	**-**	1,950,000
Weighted average number of ordinary shares used in the calculation of diluted EPS	**48,809,563**	48,809,563

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before completion of these financial statements.

10 CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	$	$
Cash at bank and on hand	**2,341,010**	1,881,126
Short-term deposit	**3,000,000**	2,000,000
Total Cash and Cash Equivalents	**5,341,010**	3,881,126

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents for the consolidated group and parent entity is $5,341,010 (2021: $3,881,126).

11 STATEMENT OF CASH FLOW RECONCILIATION

Reconciliation of the net profit after tax to the net cash flows from operations	Consolidated	
	2022	2021
	$	$
Net profit	**1,363,831**	652,574
Less: Transfer to investing activities	**4,060**	(9,987)
Adjustments for non-cash items		
Depreciation and amortisation of non-current assets	**559,996**	585,032
Amortisation of intangibles	**4,065**	4,066
Interest Expense on lease and ACCC	**81,337**	108,673
Foreign exchange	**22,815**	42,288
Other Equity	**2,563**	11,776
Changes in assets and liabilities		
Decrease (Increase) in trade and other receivables	**468,465**	(974,095)
Decrease (Increase) in deferred tax asset – AASB 15	**693,429**	857,752
Decrease (Increase) in deferred costs – AASB 15	**1,295,892**	1,332,576
Increase (Decrease) in deferred tax liability -AASB 15	**(442,974)**	(544,952)
Increase (Decrease) in deferred revenue -AASB 15	**(2,047,824)**	(2,129,232)
Decrease (Increase) in prepayments	**(51,193)**	(48,884)
Decrease (Increase) in other current assets	**11,232**	(5,892)
Decrease (Increase) in deferred tax asset	**192,125**	155,075
Decrease (Increase) in other assets	**44,614**	108,023
Increase (Decrease) in trade and other creditors	**155,156**	242,824
Increase (Decrease) in current other liabilities	**3,200**	53,330
Increase (Decrease) in non- current other liabilities	**(56,529)**	(103,642)
Increase (Decrease) in unearned income	**137,576**	87,841
Decrease (Increase) in lease assets	**12,245**	30,200
Increase (Decrease) in employee benefits	**69,526**	60,028
Net cash flow from operating activities	**2,523,608**	488,801

12 TRADE AND OTHER RECEIVABLES – CURRENT

		Consolidated 2022 $	2021 $
Trade receivables		**1,148,707**	1,608,337
Allowance for impairment loss	(a)	**(42,259)**	(88,990)
		1,106,448	1,519,347
Other receivables		**106,201**	150,887
Carrying amount of trade and other receivables		**1,212,649**	1,670,234

(a) Allowance for impairment loss

Trade receivables (current), which generally have 30-day terms, are recognised initially at fair value less an allowance for impairment as per AASB 9 requirements.

As per AASB 9, the Group's accounting for impairment losses for financial assets is based on a forward-looking expected credit loss (ECL) approach. The Group's ECL is based on an estimated percentage of past due receivables that are expected to default based on historical experience.

Movements in the provision for impairment loss were as follows:

	Consolidated 2022 $	2021 $
Balance at the beginning of the period	**88,990**	**169,068**
Increase (reduction) in impairment	**(46,731)**	**(80,078)**
Balance at end of period	**42,259**	**88,990**

(b) Analysis of trade receivables aging and allowance for expected credit losses.

		Total $	Not yet Due $	0-30 Days $	31-60 Days $	61-90 Days $	+91 Days $
2022							
Current		**1,148,707**	**1,147,124**	**19,389**	**(7,641)**	**30,569**	**(40,734)**
Non-Current	**16**	**35,637**	**35,637**				
Total Consolidated		**1,184,344**	**1,182,761**	**19,389**	**(7,641)**	**30,569**	**(40,734)**
Expected Credit Loss Rate		**3.6%**	**3.4%**	**6.7%**	**0.0%**	**3.9%**	**0.0%**
Total Provision Calculated		**42,259**	**39,784**	**1,297**	**0**	**1,178**	**0**
2021							
Current		1,657,162	778,460	599,474	120,796	117,480	40,952
Non-Current		80,251	80,251	-	-	-	-
Total Consolidated		1,737,413	858,711	599,474	120,796	117,480	40,952
Expected Credit Loss Rate		5.1%	3.5%	1.8%	2.9%	2.8%	100.0%
Total Provision Calculated		88,990	30,180	11,085	3,480	3,293	40,952

12 TRADE AND OTHER RECEIVABLES – CURRENT (continued)

The impairment loss is based on ECL and not specific to certain debtors.
Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(c) Fair value and credit risk

Due to the nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

13 INVENTORIES

	Consolidated	
	2022	2021
	$	$
Inventories at cost	**47,168**	52,508
Total Inventories at cost	**47,168**	52,508

14 PREPAYMENTS

	Consolidated	
	2022	2021
	$	$
Current		
Balance at beginning of period	**387,317**	353,672
Additions (reductions) during the year	**62,622**	33,645
Balance at end of period	**449,939**	387,317
Non-current		
Balance at beginning of period	**15,239**	-
Additions (reductions) during the year	**(11,429)**	15,239
Balance at end of period	**3,810**	15,239

15 OTHER ASSETS – CURRENT AND NON-CURRENT

	Consolidated	
	2022	2021
	$	$
Capital expenditure deposit/ Bank guarantee security deposit current	**-**	5,892
Bank guarantee security deposit non- current	**167,937**	167,937
Total	**167,937**	173,829

16 TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Consolidated	
	2022	2021
	$	$
Trade receivables due under term payment plans	**35,637**	**80,251**
Total	**35,637**	**80,251**

For analysis of maximum exposure to credit risk at the time of reporting refer to Note 12(b).

17 INVESTMENT IN CONTROLLED ENTITY

Name – Cryosite Distribution Pty Limited	Equity interest held by the consolidated entity		Investment	
	2022	2021	**2022**	2021
	%	%	**$**	$
Country of incorporation – Australia	**100**	100	**20**	20

18 PLANT AND EQUIPMENT

	Leasehold Improvements	Fixtures and fittings	Information Technology	Warehouse Equipment	Office furniture & equipment	Total
	$	$	$	$	$	$
Cost						
At 1 July 2020	31,467	133,829	190,829	4,198,384	41,636	4,596,145
Additions	84,058	19,723	49,386	293,581	418	447,169
Disposals	-	-	(53,219)	(999,792)	(5,905)	(1,058,916)
At 30 June 2021	**115,525**	**153,552**	**186,999**	**3,492,173**	**36,149**	**3,984,398**
Additions	**6,349**	**-**	**33,110**	**731,015**	**44,128**	**814,602**
Disposals	**-**	**-**	**-**	**(28,082)**	**-**	**(28,082)**
At 30 June 2022	**121,874**	**153,552**	**220,109**	**4,195,106**	**80,277**	**4,770,918**
Depreciation and Impairment						
At 1 July 2020	(5,169)	(92,974)	(101,359)	(3,195,451)	(32,729)	(3,427,682)
Depreciation charge	(15,485)	(6,853)	(27,612)	(300,554)	(7,027)	(357,531)
Disposals	-	-	53,219	904,909	5,905	964,033
At 30 June 2021	**(20,654)**	**(99,827)**	**(75,752)**	**(2,591,096)**	**(33,851)**	**(2,821,180)**
Depreciation charge	**(23,918)**	**(7,518)**	**(35,548)**	**(262,268)**	**(3,246)**	**(332,498)**
Disposals	**-**			**28,082**	**-**	**28,082**
At 30 June 2022	**(44,572)**	**(107,345)**	**(111,300)**	**(2,825,282)**	**(37,097)**	**(3,125,596)**
Net Book Value - 30 June 2021	94,871	53,725	111,247	901,077	2,298	1,163,218
Net Book Value - 30 June 2022	**77,302**	**46,207**	**108,809**	**1,369,824**	**43,180**	**1,645,322**

19 INTANGIBLE ASSETS

	Software $	Total $
Cost		
At 30 June 2021	**20,317**	20,317
Additions	**-**	-
At 30 June 2022	**20,317**	20,317
Amortisation and impairment		
At 30 June 2021	**(4,066)**	(4,066)
Amortisation	**(4,065)**	(4,065)
At 30 June 2022	**(8,131)**	(8,131)
Net book value – 30 June 2021	**16,251**	16,251
Net book value – 30 June 2022	**12,186**	12,186

Software Development

During the previous financial year, the Group developed, validated and constructed a new Cord Blood database. The costs have been capitalised in line with accounting policies and are amortised over a 5-year period.

20 DEFERRED COSTS

	Consolidated	
	2022	2021
	$	$
Current	**1,252,547**	1,295,890
Non-current	**9,351,338**	10,603,887
	10,603,885	11,899,777

Deferred costs represent upfront costs, such as laboratory fees, attributable for the collection and processing of cord blood and tissue samples. These are capitalised and amortised over the remaining life of the storage contracts as required under AASB 15.

21 TRADE AND OTHER PAYABLES

	Consolidated	
	2022	2021
	$	$
CURRENT LIABILTIES		
Trade payables	**460,092**	**627,267**
Other payables	**463,073**	**160,272**
Total current payables	**923,165**	**787,539**
NON-CURRENT LIABILTIES		
Client deposits	**441,682**	441,682
Total non-current payables	**441,682**	441,682

21 TRADE AND OTHER PAYABLES (continued)

Fair value

Trade payables are non-interest bearing and are normally settled on 30 to 90-day terms. Therefore, their carrying value is assumed to be their fair value.

Other payables are non-interest bearing and are on ranging from 30 days to 12-month terms. Their carrying value is assumed to be fair value.

At 30 June, the ageing analysis of trade payables is as follows:

	Total $	Not yet due $	0-30 Days $	31-60 Days $	61-90 Days $	Over 90 Days $
2022	**460,092**	**460,092**	**460,092**	**-**	**-**	**-**
Consolidated	**460,092**	**460,092**	**460,092**	**-**	**-**	**-**
2021						
Consolidated	**627,267**	**73,683**	**487,892**	-	-	**65,692**

Other balances within trade and other payables are not past due. It is expected that these other balances will be paid.

22 UNEARNED INCOME

	Consolidated	
	2022 $	2021 $
Current	**293,549**	138,385
Non-current	**10,559**	28,148
	304,108	166,533

23 DEFERRED REVENUE

	Consolidated	
	2022 $	2021 $
Current	**1,939,072**	**2,047,829**
Non-current	**14,160,559**	**16,099,625**
	16,099,631	**18,147,454**

24 PROVISIONS

	Consolidated	
	2022 $	2021 $
Current		
Annual leave	**203,800**	**164,715**
Long service leave	**76,451**	**70,815**
	280,251	**235,530**

24 PROVISIONS (continued)

	Consolidated	
	2022	2021
	$	$
Non-current		
Long service leave	**68,530**	43,724
Lease make good	**200,000**	200,000
	268,530	243,724
Movements in provisions		
Annual leave		
Balance at beginning of the year	**164,715**	124,941
Arising /(taken) during the year	**39,085**	39,774
	203,800	164,715
Long Service Leave		
Balance at beginning of the year	**114,539**	94,285
Arising / (taken) during the year	**30,442**	20,254
	144,981	114,539

Nature and timing of long service leave provision is based on the accounting policy and the significant estimations and assumptions applied in the measurement of this provision as in Note 3.

Nature and timing of lease make-good provision

In June 2019 the current lease agreement with Allsup Pty Limited for the premises in Granville, was extended until 31 October 2025. The make good provision remains at $200,000 in respect of the Group's obligation to reflect this arrangement regarding the leased premises. Because of the long-term nature of the liability, there is uncertainty in estimating the actual cost that may ultimately be incurred and any impacts on this of renegotiated terms at the time of lease expiry.

For the relevant accounting policy and the significant estimations and assumptions applied in the measurement of this provision refer to Note 3.

25 CONTRIBUTED EQUITY AND ACCUMULATED LOSSES

	Consolidated	
	2022	2021
	$	$
Ordinary shares	**5,978,788**	5,861,788

Movement in ordinary shares on issue

	2022		2021	
	Shares No.	**$**	Shares No.	$
Beginning of the financial year	**46,859,563**	**5,861,788**	46,859,563	5,861,788
End of the financial year	**48,809,563**	**5,978,788**	46,859,563	5,861,788

Terms of conditions of contributed equity

Ordinary shares carry the right to receive dividends and entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

25 CONTRIBUTED EQUITY AND ACCUMULATED LOSSES (continued)

Movement in accumulated losses

	Consolidated	
	2022	2021
	$	$
Balance at the beginning of the year	**(5,514,637)**	(6,167,211)
Net profit for the year	**1,363,831**	652,574
Transfer of reserves to retained earnings	**32,955**	
Balance at the end of the year	**(4,177,851)**	(5,514,637)

26 RESERVES

	Consolidated	
	2022	2021
	$	$
Share options reserve	**-**	30,392
Balance at the end of year	-	30,392

Movement in share options/rights reserve

	Consolidated	
	2022	2021
	$	$
Balance at the beginning of the year	**30,392**	18,616
Performance rights/options granted	**2,563**	11,776
Performance rights/options cancelled	**-**	-
Transfer of reserves to retained earnings	**(32,955)**	-
Balance at the end of the year	-	30,392

The purpose of the share rights reserve is to record the value of share-based payments provided to employees as part of their remuneration. Refer to Note 30 for further details of these plans.

27 COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments – Group as lessee

Group as lessee

Commercial Property Security deposits

The security deposit for the lease at Granville is covered by a bank guarantee for $167,937 issued by the Commonwealth Bank of Australia. Cash deposit is held as security as per note 15.

(b) Contingent Liabilities

The Group is not aware of any contingent liabilities at reporting date.

28 AUDITORS REMUNERATION

	Consolidated	
	2022	2021
	$	$
Amounts received or due and receivable by Mazars for:		
- Audit or review of the financial report of the entity and any other entity in the consolidated group.	**71,000**	71,002
- Other services in relation to the entity and any other entity in the consolidated group.	**-**	7,300
	71,000	78,300

29 RELATED PARTY DISCLOSURES

During the financial year, payments were made to CoSA Life Science Pty Limited ("CoSA"), an entity related to Mr. Bryan Dulhunty. During the year, Cryosite paid CoSA $14,710 for Company Secretary services. In prior year Cryosite paid $100,006 including the Executive Director fee (July Oct 2020) $25,006, Company Secretary fee $25,000 and the incentive payment of $50,000.

Mr. Bryan Dulhunty stepped down from his role of Company Secretary on 11th January 2022.

<u>Parent Entity</u>

The consolidated financial statements include the financial statements of Cryosite Limited and its wholly owned subsidiary Cryosite Distribution Pty Limited. For details, refer to Note 17. Cryosite Limited is the ultimate parent entity.

Cryosite Distribution Pty Limited neither has a bank account nor does it hold any cash in its own right. All receipts and payments for this entity are made by Cryosite Limited, with the amounts charged against an inter-company loan account. No interest is payable on this balance and no amounts are due and payable.

Cryosite Limited and Cryosite Distribution Pty Limited are part of a tax consolidation group and have entered into a tax funding agreement. Under this agreement, payments are to be made for tax losses transferred between entities in the group. Refer to Note 8.

No dividend was paid in the financial year ended 30 June 2022 and 30 June 2021. 1c per share unfranked final dividend declared for FY22 on 26th Aug 2022.

30 SHARE-BASED PAYMENTS EXPENSE

	Consolidated	
	2022	2021
	$	$
Total Expense (income) recognized in the profit and loss relating to share based payments:		
Options	**2,563**	**11,775**
	2,563	**11,775**

Long Term Incentive Plan: Cryosite Employee Incentive Plan (CEIP)

On the 23rd February 2017, the Cryosite Employee Incentive Plan (CEIP) was established by the Company. On invitation, the CEIP provides executives the opportunity to receive a long-term equity-based incentive in each financial year and is governed by the CEIP Plan Rules.

Full details of the performance rights and options issued to executives are noted in the remuneration report which forms part of the Directors' Report.

Options

There were no options granted during the 2022 year.	Key management personnel No	Staff No	Total No
Options granted 27th June 2019	1,950,000	-	1,950,000
Balance granted as at 30th June 2022	**nil**	**-**	**nil**
Options exercised in June 2022	(1,950,000)	-	(1,950,000)
Balance as at 30th June 2022	**nil**	**-**	**nil**

The following components of the CEIP for options are as follows;

Vesting date	Up to 25 months from date of grant.
Option price	6 cents
Vesting conditions	Options will only vest after certain performance and conditions are met.
Performance conditions	Earnings per Share (EPS), Positive operating cashflow
Service conditions	Continuous employment with Cryosite from the date of the options are granted until the vesting date.
Expiry date	Options will expire 36 months after the vesting date.
Exercise of Options	Any options which meet the Vesting conditions will be available for exercise up until the Expiry date.

Conditions of options

Grant date	27 June 2019
Vesting date	1 September 2021
Expiry date	1 September 2024
Period	27/6/2019 to 1/9/2021
Exercise price	6 cents

30 SHARE-BASED PAYMENTS EXPENSE (continued)

Targets for options

Conditions of Vesting	Target date	Percentage of Performance Rights that vest
Positive Earnings per share (EPS)*	30 June 2021	33.3%
Positive Cashflow from Operations*	30 June 2021	33.3%
Continuous service	30 June 2021	33.3%

* Based on the 2021 audited accounts

On 31 August 2021 directors resolved that the vesting conditions have been meet and all options were fully vested as at 1 September 2021. Mr. Dulhunty and Mr. Hogg exercised all their options on 1st of September 2021.

31 KEY MANAGEMENT PERSONNEL

(a) Key Management Personnel

Directors

Mr. Steven Waller*	Non-Executive Chairman
Mr. Bryan Dulhunty *	Non-Executive Director
Mr. Andrew Kroger	Non-Executive Director
Mrs. Nicola Swift	Non-Executive Director

Executive

Mr. John Hogg (appointed on 15th October 2020)	Chief Executive Officer
Jane Hao (appointed on 8th of January 2021)	Chief Financial Officer

* On 10th March 2022 Mr. Steven Waller stepped up from his Non Executive Director role and was appointed a Non Executive Chairman.
On 10th March 2022 Mr. Bryan Dulhunty stepped down from his Non Executive Chairman's role to Non-Executive Director.

Compensation for key management personnel

	Consolidated	
	2022	2021
	$	$
Directors		
Short-term employee benefits*(1)	**247,000**	305,006
Post-employment benefits	**24,700**	19,475
Share base payments	**1,709**	7,850
Sub-total directors	**273,409**	332,331
Key Management Personnel		
Short-term employee benefits	**384,773**	285,438
Post-employment benefits	**38,477**	28,317
Share base payments	**854**	3,925
Sub-total key management personnel	**424,104**	317,680
Total compensation	**697,513**	650,011

*This includes payments made to CoSA Pty which is a party related to Bryan Dulhunty. During the year, Cryosite paid CoSA $14,710 for Company Secretary services. In prior year Cryosite paid $100,006 including the Executive Director fee (July-Oct 2020) $25,006, Company Secretary fee $25,000 and the incentive payment of $50,000.

32 FINANCIAL INSTRUMENTS

The Group's principal financial liabilities comprise of trade payables. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations.

The Group does not enter into any derivative transactions. The main risks arising from the Group's financial instruments are cash flow interest rate risk and credit risk. The Board of Directors reviews and monitors each of these risks.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to:

- cash and cash deposits with floating interest rates; and
- assessments of appropriate discount rates for deferred arrangements.

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets is set out below:

2022	Note	**Weighted average effective interest %**	**Floating Interest $**	**Non-Interest bearing $**	**Total $**
Financial assets					
Interest bearing deposits	10	**0.25%**	**3,000,000**	**-**	**3,000,000**
Cash and equivalents	10	**0.01%**	**2,329,471**	**11,539**	**2,341,010**
Other assets non current	15	**0.42%**	**167,937**	**-**	**167,937**
Current receivables	12	**-**	**-**	**1,212,649**	**1,212,649**
Non-Current receivables	16	**-**	**-**	**35,637**	**35,637**
Total			**5,497,408**	**1,259,825**	**6,757,233**
Financial Labilities					
Trade creditors and accruals	21		**-**	**460,092**	**460,092**

2021	Note	Weighted average effective interest %	Floating Interest $	Non-Interest bearing $	Total $
Financial assets					
Interest bearing deposits	10	0.18%	2,000,000	-	2,000,000
Cash and equivalents	10	0.03%	1,871,745	9,381	1,881,126
Other assets non current	15	1.00%	167,937	5,892	173,829
Current receivables	12	-	-	1,670,234	1,670,234
Non-Current receivables	16	-	-	80,251	80,251
Total			4,039,682	1,765,758	5,805,440
Financial Labilities					
Trade creditors and accruals	21		-	627,267	627,267

Interest rate sensitivity analysis

The Group has no material exposure to any probable interest volatility.

32 FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group trades with a number of types of customers, the main ones being:

- Incorporated companies
- Research institutes; both private and academic
- Cord Blood customers

Incorporated Companies

The Group trades with recognised, publicly listed companies and large unlisted proprietary companies and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Research institutes both private and academic

The Group also trades with research institutes that are either publicly, privately or government owned along with recognised universities. Such customers are subject to credit search and collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Cord Blood customers

All cord blood customers need to sign a formal agreement and prepay for their storage charges.

We don't offer individuals a trade on credit term. Credit risk limits are remote and regularly monitored. There are no transactions that are not denominated in the functional currency of the Group.

(c) Capital management

When managing capital, the boards' objective is to ensure the entity continues as a going concern as well as to maintain returns to shareholders. The board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As part of regular reviews, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2021. The Board of Directors is responsible for assessing financial risks, related controls and other financial risk management strategies. The Group deploys its assets and liabilities so as to manage risk at commercially appropriate levels, bearing in mind the constraints imposed by the consolidated entity's size, results and other financial circumstances. The Group aims to balance opportunities to improve profitability against related risks of losses of assets or the incurrence of additional liabilities.

32 FINANCIAL INSTRUMENTS (continued)

(d) Fair value

All financial assets and liabilities have been disclosed in the financial statements and notes thereto at their carrying value, which approximates their net fair values. The fair value of the assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair values of balances related to long term revenue contracts are determined using a discounted cash flow method using discount rates that reflect the appropriate level of risk over the life of the long-term revenue stream.

(e) Liquidity Risk

The Group has assessed liquidity risk to be low at balance date. Total current assets, including cash and equivalents, of $8,303,313 (2021: $7,292,967) at balance date less the total current liabilities of $3,726,016 (2021: $3,477,866) brings in an excess of amounting to $4,577,297(2021: $3,815,101). The Group generated a positive operating cashflow of $2,523,608. 2021: $438,801 (excluding the government incentive of $50k) during the financial year. Liquidity risks are managed by managing the payment & receipt cycle, capital expenditures and controllable expenses.

Maturity analysis of financial assets and liabilities based on management's expectation.

Year ended 30 June 2022	**Less than 6 months $**	**6-12 months $**	**1-5 years $**	**Greater than 5 $**	**Total $**
Consolidated Financial Assets					
Cash and cash equivalents	**5,342,010**	**-**	**-**	**-**	**5,341,010**
Trade and other receivables	**1,139,052**	**9,655**	**34,452**	**1,185**	**1,184,344**
Other assets	**-**	**-**	**167,937**	**-**	**167,937**
	6,480,062	**9,655**	**202,389**	**1,185**	**6,693,291**
Consolidated Financial liabilities					
Trade and other payables	**460,092**	**-**	**-**	**-**	**460,092**
Net maturity	**6,019,970**	**9,655**	**202,389**	**1,185**	**6,233,199**

Year ended 30 June 2021	Less than 6 months $	6-12 months $	1-5 years $	Greater than 5 $	Total $
Consolidated Financial Assets					
Cash and cash equivalents	3,881,126	-	-	-	3,881,126
Trade and other receivables	1,567,385	40,952	79,067	1,185	1,688,589
Other Assets	-	-	167,937	-	167,937
	5,448,511	40,952	247,004	1,185	5,737,652
Consolidated Financial liabilities					
Trade and other payables	561,575	65,692	-	-	627,267
Net maturity	4,886,936	(24,740)	247,004	1,185	5,110,385

The risk implied from the values shown in the table above, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from investment in working capital such as inventories and trade receivables. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as enable an effective controlling of future risks, the Directors monitor the expected settlement of financial assets and liabilities.

32 FINANCIAL INSTRUMENTS (continued)

The Group has assessed liquidity risk to be low at balance date and at the date of this report.

(f) Currency Risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The risk is measured using sensitivity analysis and cash flow forecasting. In order to protect against exchange rate movements, the consolidated entity has established a foreign currency bank account.

33 PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2022 $	2021 $
ASSETS		
Total Current Assets	**8,303,313**	7,292,967
Total Non-Current Assets	**13,199,279**	14,699,908
TOTAL ASSETS	**21,502,592**	21,992,875
LIABILITIES		
Total Current Liabilities	**3,726,016**	3,477,866
Total Non-Current Liabilities	**15,915,618**	18,137,446
TOTAL LIABILITIES	**19,641,634**	21,615,312
EQUITY		
Contributed equity	**5,978,808**	5,861,808
Share option reserves	**-**	30,392
Accumulated losses	**(4,117,851)**	(5,514,637)
TOTAL EQUITY	**1,860,957**	377,563
TOTAL COMPREHENSIVE INCOME		
Net Profit of the parent entity for the year net of income tax	**1,363,831**	652,574
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,363,831**	652,574

GUARANTEES ENTERED INTO BY THE PARENT ENTITY

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiaries.

COMMITMENTS AND CONTINGENCIES OF THE PARENT ENTITY
Commitments and contingencies for the parent entity are the same as those disclosed in Note 27.

34 OTHER LIABILITIES

On the 13th February 2019, the Company settled with the Australian Competition and Consumer Commission (ACCC) in relation to the proceeding against Cryosite in the Federal Court of Australia. Under the legal settlement reached, the outstanding portion of the penalty is to be paid in annual instalments until 2029.

	2022 **$**	2021 $
Other Liabilities – current	**56,530**	53,330
Other Liabilities – non-current	**417,973**	474,502
Total	**474,503**	527,832

35 RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassification have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of Profit and Loss and other comprehensive income, Consolidated Statement of Cash Flow, Statement of Cash Flow Reconciliation (note 11) and Operating Segments (note 5). Comparative figures have been adjusted to conform to the current years' presentation.

The items were reclassified as follows:

(a) Statement of Profit & Loss and Other Comprehensive Income

	Notes	30 Jun 2021 $	30 Jun 2021 $	Reclassification
		Reclassified	Reported in prior year	
Sales of goods and rendering of services	**6**	**10,023,769**	10,023,769	-
Other revenue			58,194	58,194
Revenue		**10,023,769**	10,081,963	58,194
Costs of providing services		**(4,129,378)**	(4,129,378)	-
Depreciation and amortisation expense	**7(c,d,e,)**	**(589,098)**	(589,098)	-
Marketing expenses		**(74,933)**	(74,933)	-
Occupancy expenses		**(558,154)**	(558,154)	-
Administration expenses	**7(ab)**	**(3,461,514)**	(3,609,952)	148,438
Total expenses		**(8,813,077)**	(8,961,515)	148,438
Finance income/(expense)	**7(f)**	**(108,673)**	-	(108,673)
Other income/(expense)	**6**	**18,429**	-	18,429
Profit (loss) before tax		**1,120,448**	1,120,448	-
Income tax (expense) benefit	8(a)	**(467,674)**	(467,674)	-
Profit (loss) after tax		**652,574**	652,574	-
Net comprehensive Profit (loss)for the year		**652,574**	652,574	-

(b) Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $ Reclassified	2021 $ Reported in prior year	Reclassification
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers inclusive of GST		**7,644,188**	7,644,188	-
Payments to suppliers and employees inclusive of GST*		**(7,178,831)**	(7,205,387)	26,556
Government Incentive - Cash Boost		**50,000**	50,000	-
Net cash flows from operating activities	11	**515,357**	488,801	26,556
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment		**(396,894)**	(396,894)	-
Software development costs	19	**-**	-	-
Interest received		**22,810**	22,810	-
Net cash flows (used in) investing activities		**(374,084)**	(374,084)	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Operating Lease Payments (including notional interest)		(260,777)	(260,777)	-
Interest expense		(34,646)	(34,646)	-
Net cash flows (used in) financing activities		(295,423)	(295,423)	-
Net (decrease)/ increase in cash and cash equivalents		**(154,135)**	(180,706)	26,556
Cash and cash equivalents at beginning of year		**4,061,832**	4,061,832	-
Effect of exchange rate changes on cash		**(26,556)**	-	(26,556)
Cash and cash equivalents at end of year	10	**3,881,126**	3,881,126	-

(c) Statement of Cash Flows Reconciliation

Reconciliation of the net profit after tax to the net cash flows from operations	Consolidated		Reclassification
	2021	2021	
	$	$	
	Reclassified	Reported in prior year	
Net profit	**652,574**	652,574	-
Less: Transfer to investing activities	**(9,987)**	(9,987)	-
Adjustments for non-cash items			
Depreciation and amortisation of non-current assets	**585,032**	585,032	-
Amortisation of intangibles	**4,066**	4,066	-
Interest Expense on lease and ACCC	**108,673**	108,673	-
Provision for dividend		-	-
Foreign exchange	**68,844**	42,288	26,556
Other Equity	**11,776**	11,776	-
Changes in assets and liabilities			
(Increase) Decrease in trade and other receivables	**(974,095)**	(974,095)	-
Decrease (Increase) in deferred tax asset – AASB 15	**857,752**	857,752	-
Decrease (Increase) in deferred costs – AASB 15	**1,332,576**	1,332,576	-
Increase (Decrease) in deferred tax liability -AASB 15	**(544,952)**	(544,952)	-
Increase (Decrease) in deferred revenue -AASB 15	**(2,129,232)**	(2,129,232)	-
Decrease (Increase) in inventory	**-**	-	
Decrease (Increase) in prepayments	**(48,884)**	(48,884)	-
Decrease (Increase) in other current assets	**(5,892)**	(5,892)	-
Decrease in deferred tax asset	**155,075**	155,075	-
Decrease (Increase) in other assets	**108,023**	108,023	-
Increase (Decrease) in trade and other creditors	**242,824**	242,824	-
Increase (Decrease) in current other liabilities	**53,330**	53,330	-
Increase (Decrease) in non- current other liabilities	**(103,642)**	(103,642)	-
Decrease (Increase) in unearned income	**87,841**	87,841	-
Increase (Decrease) in income tax provision	**-**	-	
Increase (Decrease) in lease assets	**30,200**	30,200	-
Increase in employee benefits	**60,028**	60,028	-
Net cash flow from operating activities	**515,357**	488,801	(26,556)

d) SEGMENT INFORMATION

2021 - Reclassified

Operating Segment	Clinical Trials and Biological Storage and Logistics $	Cord Blood and Tissue $	Unallocated $	Total $
Revenue	7,504,620	2,519,149	8,194	10,031,963
Net operating profit	3,141,304	756,679	(2,827,535)	1,070,448
Government incentive - cash boost	-	-	50,000	50,000
Net profit before tax	3,141,304	756,679	(2,777,535)	1,120,448
Tax	-	(312,799)	(155,075)	(467,874)
Net profit after tax	3,141,304	443,880	(2,932,610)	652,574
Total Comprehensive Income net of tax	3,141,304	443,880	(2,932,610)	652,574
Segment Assets 30 June 2021	2,546,729	13,639,225	5,806,901	21,992,855
Segment Liabilities 30 June 2021	593,350	18,714,009	2,307,953	21,615,312
Depreciation and Amortisation	(301,748)	(4,066)	(283,284)	(589,098)

2021 - Reported in prior year

Operating Segment	Clinical Trials and Biological Storage and Logistics $	Cord Blood and Tissue $	Unallocated $	Total $
Revenue	7,504,620	2,519,149	8,194	10,031,963
Net operating profit	3,141,304	756,679	(2,827,535)	1,070,448
Government incentive - cash boost	-	-	50,000	50,000
Net profit before tax	3,141,304	756,679	(2,777,535)	1,120,448
Tax	-	(312,799)	(155,075)	(467,874)
Net profit after tax	3,141,304	443,880	(2,932,610)	652,574
Total Comprehensive Income net of tax	3,141,304	443,880	(2,932,610)	652,574
Segment Assets 30 June 2021	2,546,729	13,639,225	5,806,901	21,992,855
Segment Liabilities 30 June 2021	642,937	18,664,422	2,307,953	21,615,312
Depreciation and Amortisation	(301,748)	(4,066)	(283,284)	(589,098)

36 EVENTS SUBSEQUENT TO YEAR END

As a result of continued growth in profits and cashflow, the Board of Cryosite has determined it is appropriate to re-establish payment of an unfranked final dividend to shareholders. On 26th August 2022, the Board of Cryosite determined to that 1c per share will be paid as an unfranked final dividend. The dividend declared post the year-end.

Level 12, 90 Arthur Street
North Sydney NSW 2060

PO Box 1994
North Sydney NSW 2059
Australia

Tel: +61 2 9922 1166
Fax: +61 2 9922 2044
www.mazars.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRYOSITE LIMITED AND ITS CONTROLLED ENTITY

Report on the Financial Report

Opinion

We have audited the accompanying consolidated financial report of Cryosite Limited (the "Company") and the entity it controlled (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022 and 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 ended on that date, other selected explanatory notes and the directors' declaration.

In our opinion, the accompanying consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 judgment, were of most significance in our audit of the financial report for the current year. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will 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 identified above when it becomes available 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

mazars

Opinion on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2022 as outlined on pages 10 to 14 of the financial report.

In our opinion, the Remuneration Report of Cryosite Limited for the year ended 30 June 2022, 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.

Mazars

MAZARS RISK & ASSURANCE PTY LTD

R. Megale

R. Megale
Director
Sydney,26 August 2022

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 5th August 2022.

SUBSTANTIAL SHAREHOLDERS

The names of any substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	2022		2021	
Shareholder	**No of shares**	**% of issued capital**	No of shares	% of issued capital
ANDREW KROGER AND RELATED ENTITIES	**22,543,702**	**46.19**	20,266,964	43.25
BNP PARIBAS NOMINEES PTY LTD	**3,850,099**	**7.89**	5,867,934	12.52
MR GARY GRIFFITH ROBINS & MR ALLAN JAMES ROBINS	**3,761,500**	**7.71**	2,800,000	5.98
DMX Capital partners and related entities	**2,770,973**	**5.68**	2,770,973	5.91

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are:

SHAREHOLDERS	**LISTED ORDINARY SHARES**	
	No of shares	% of ordinary shares
MR ANDREW KROGER and related entities	22,543,702	46.19
BNP PARIBAS NOMINEES PTY LTD	3,850,099	7.89
MR GARY GRIFFITH ROBINS & MR ALLAN JAMES ROBINS	3,761,500	7.71
DMX CAPITAL PARTNERS and related entities	2,770,973	5.68
MR ALISTAIR DAVID STRONG	2,025,000	4.15
MR MARK GREGORY KERR & MRS LINDA MARIE KERR	1,964,535	4.02
DULHUNTY MANAGEMENT PTY LTD	1,330,000	2.72
CITICORP NOMINEES PTY LIMITED	1,105,694	2.27
NATIONAL NOMINEES LIMITED	691,016	1.42
MR JOHN HOGG	650,000	1.33
SUNNYIT PTY LTD	559,518	1.15
H F A ADMINISTRATION PTY LIMITED	480,000	0.98
MRS JANE SUSAN MILLIKEN	350,917	0.72
BELL POTTER NOMINEES LTD	350,000	0.72
MR STEPHEN ROBERTS	337,707	0.69
GINGA PTY LTD	318,100	0.65
CASTLEREAGH EQUITY PTY LTD	300,000	0.61
M N J HOLDINGS PTY LTD	214,931	0.44
NARON NOMINEES PTY LTD	213,007	0.44
MRS MICHELE EVE ROBINS	200,000	0.41
	44,016,699	**90.19**

DISTRIBUTION OF EQUITY SECURITIES

Number of Shareholders by Size of Holding

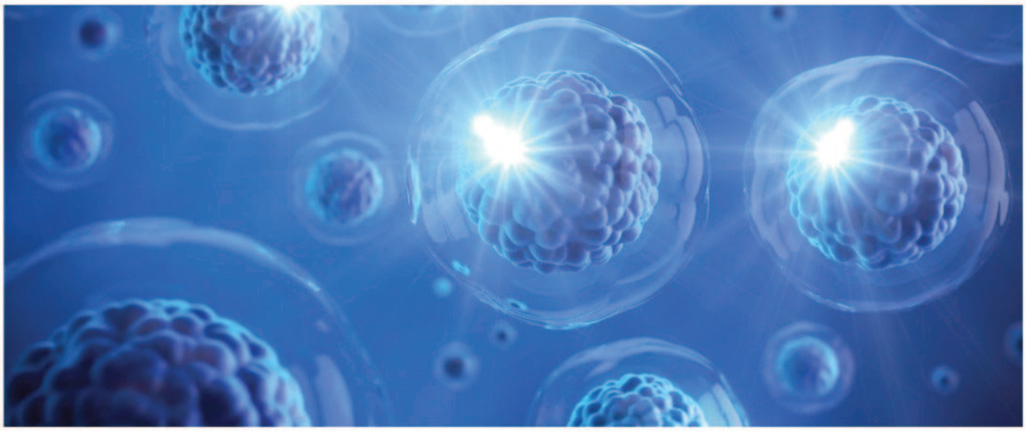
Range	No of Holders	No of ordinary shares
1 to 1,000	48	17,228
1,001 to 5,000	239	839,612
5,001 to 10,000	66	539,285
10,001 to 100,000	92	2,761,544
100,001 and Over	33	44,651,894
Total	478	48,809,563

Voting Rights

All ordinary shares carry one vote per share without restriction.

Number of shareholders holding less than a marketable parcel

The number of shareholders holding less than a marketable parcel of shares is 32 and they hold 1,696 shares.



Cryosite's specialist services include:

- Clinical Trial Logistics
- Biological Storage
- Comparator Sourcing
- Temperature Sensitive Storage & Distribution
- Clinical Trials Reverse Logistics
- TGA Licensed
- Secondary Packaging
- GMP Certified

www.cryosite.com