



GBS Inc. Reports Third Quarter 2021 Financial Results and Recent Business Highlights

May 14, 2021

*- Anticipate Emergency Use Submission for SARS-CoV-2
Antibody Biosensor Test in the Second Half of 2021 -*

- \$14 Million in Cash, Cash Equivalents, and Marketable Securities as of March 31, 2021, Provides Runway into the Second Half of 2022 -

*- Established a Point-of-Care Test Commercialization Ecosystem with
World-Class Healthcare Institutions -*

- University of Newcastle, The Wyss Institute for Biologically Inspired Engineering and John Hopkins University -

NEW YORK, May 14, 2021 (GLOBE NEWSWIRE) -- [GBS Inc.](#) (Nasdaq: GBS), a life sciences company developing non-invasive, real-time diagnostic testing for patients and their primary health practitioners at point-of-care, today announced its financial results for the first quarter of 2021, and summarized recent business highlights.

"We continued to execute across the business this quarter as we further developed our commercialization plans for both the COVID-19 test and glucose monitoring on the Biosensor Platform technology," Chief Executive Officer of GBS Inc. (GBS), Harry Simeonidis said.

"Our clinical chemistry and infectious disease programs are progressing as we continue the design for manufacturing of our Saliva Glucose Biosensor. In addition, we are integrating Harvard University's eRapid technology with our Biosensor for SARS-Cov-2 antibody tests, and are working with best-in-class commercialization experts across novel sensing technology and salivary diagnostics to decentralize and democratize diagnostics."

Chief Executive Officer of The iQ Group Global Group, Dr. George Syrmalis said, "Despite the extensive vaccination rollout in most of the developed parts of the world, we have yet to generate real patient data assessing the levels of immunity of vaccinated people, over time. We have yet to understand how long the vaccine protects people and when reimmunization is necessary. Thus, we remain committed to bringing an oral point-of-care diagnostic and antibody monitoring test to market once EUA authorized."

Recent Operational Developments

Point-of-Care Test Commercialization Ecosystem Established

- Received approval from the Harvard Longwood campus Institutional Review Board (IRB) to commence a validation study to test clinical samples from a COVID-19 repository and to commence clinical studies on the COVID-19 Antibody Biosensor.
- Onboarded and aligned with world-class institutions, Johns Hopkins University, The Wyss Institute for Biologically Inspired Engineering, and the University of Newcastle for the development of saliva-based POCs for both glucose monitoring and COVID-19 antibody detection.
- Onboarded new top-tier members to GBS's scientific team to formulate and execute its commercialization plan.

COVID-19 Testing Key Developments

- Commenced research protocols with The Wyss Institute for Biologically Inspired Engineering to progress with the milestone of integrating this technology with the Company's Biosensor for SARS-Cov-2 antibody tests.
- Initiated study for the salivary collection protocol with Johns Hopkins University, Bloomberg School of Public Health.
- Completed technical optimization of Wyss's eRapid assay performance in relation to SARS-Cov-2 antibody detection at The Wyss Institute to align with the fastest antibody tests currently on market using clinical samples.

Glucose Testing Key Developments

- Developing a clinical plan to for regulatory submission and subsequent approval with Precision Medicine Architects, LLC.
- Commenced global voice of customer survey with Precision Medicine Architects, LLC as part of the process to finalize product development of the device and usability.
- Further development of prototyping for middleware and smartphone application.
- Executed Option Agreement to acquire the rights to use, make, market, sell and offer to sell Products under the Intellectual Property Rights in the Glucose Field in the North American market for the Saliva Glucose Biosensor.

Financial Discipline

- For the quarter ending March 31, 2021, a total of 58,600 Series A warrants and 1,400,195 Series B warrants were exercised and converted into common stock.
- On March 31, 2021, GBS entered into an agreement with Life Science Biosensor Diagnostics (LSBD) to provide GBS an option to acquire an exclusive license to use LSBD's intellectual property in the treatment or management of diabetes, filed in North America (the 'Option Agreement'). The Option Agreement has a term of two years and the exercise price for the option is \$5 million.

Anticipated Events and Targeted Milestones for 2021

- Anticipate Emergency Use Approval for SARS-CoV-2 Antibody Biosensor test from FDA in the second half of 2021.
- Development of clinical protocol for FDA review for Saliva Glucose Biosensor.
- Design transfer to manufacture for Saliva Glucose Biosensor and SARS-CoV-2 Antibody Biosensor.
- Continue to pursue our licensing and sublicensing partnership opportunities for commercialization.

First Quarter 2021 Financial Results

The Company reported a net loss of approximately \$2.6 million, for the first quarter of 2021, compared to a net loss of approximately \$0.11 million, for the first quarter of 2020. This overall increase was largely attributable to further progression on regulatory and development milestones and increased expenditure on general and administrative expenses with funding secured by the IPO.

As of March 31, 2021, the Company's cash, cash equivalents, and marketable securities totaled approximately \$14.2 million, compared to approximately \$19.8 million on December 31, 2020.

GBS believes that based on the current operating plan and financial resources, its cash equivalents and marketable securities will be sufficient to cover expenses and capital requirements through at least the second quarter of 2022.

About GBS Inc.

GBS Inc. is a life sciences company developing non-invasive, real-time point-of-care (POC) diagnostic tests for patients and their primary health practitioners ("GBS"). For more information about the Company, please visit our corporate website at gbs.inc.

About The iQ Group Global

The iQ Group Global is a bioscience investment consortium that finds, funds and develops bioscience discoveries to create life-changing medical innovations.

Visit our website: theiqgroupglobal.com

Forward-Looking Statements

Some of the statements in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. Forward-looking statements in this press release include, without limitation, GBS Inc.'s ability to develop and commercialize its diagnostic tests, realize commercial benefit from its partnerships and collaborations, and secure regulatory approvals, among others. Although GBS, Inc. believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. GBS Inc. has attempted to identify forward-looking statements by terminology including "believes," "estimates," "anticipates," "expects," "plans," "projects," "intends," "potential," "may," "could," "might," "will," "should," "approximately" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors, included in the Company's public filings filed with the Securities and Exchange Commission. Any forward-looking statements contained in this release speak only as of its date. We undertake no obligation to update any forward-looking statements contained in this release to reflect events or circumstances occurring after its date or to reflect the occurrence of unanticipated events.

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	Three Months Ended March 31,		Nine Months Ended March 31,	
	2021	2020	2021	2020
Revenues				
Other income:				
Government support income	\$ 34,290	-	\$ 372,754	\$ -
Shared services	-	(1,533)	-	119,744
Total revenues and other income	<u>34,290</u>	<u>(1,533)</u>	<u>372,754</u>	<u>119,744</u>
Operating expenses:				
General and administrative expenses	1,013,389	53,842	2,205,842	1,752,182
Development and regulatory approval expenses	2,156,316	(58,825)	2,529,074	541,023
Prospectus and capital raising expenses	5,100	32,274	358,674	174,639
Total operating expenses	<u>3,174,805</u>	<u>27,291</u>	<u>5,093,590</u>	<u>2,467,844</u>
Loss from operations	<u>(3,140,515)</u>	<u>(28,824)</u>	<u>(4,720,836)</u>	<u>(2,348,100)</u>
Other (expense) income:				
Interest expense	(18,561)	(82,305)	(1,091,249)	(380,961)
Loss from unconsolidated equity method investment	-	-	(135,692)	-
Realized foreign exchange gain/(loss)	8,774	-	(270,333)	-
Interest income	<u>7,635</u>	<u>22</u>	<u>8,139</u>	<u>91</u>
Total other expense	<u>(2,152)</u>	<u>(82,283)</u>	<u>(1,489,135)</u>	<u>(380,870)</u>
Loss before income taxes	<u>(3,142,667)</u>	<u>(111,107)</u>	<u>(6,209,971)</u>	<u>(2,728,970)</u>
Income tax (expense)/benefit				
Current	-	-	-	-
Deferred	-	-	-	-
Total income tax (expense)/benefit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	<u>(3,142,667)</u>	<u>(111,107)</u>	<u>(6,209,971)</u>	<u>(2,728,970)</u>
Net (loss) income attributable to non-controlling interest	<u>(14,854)</u>	<u>1,485</u>	<u>(25,684)</u>	<u>(22,210)</u>
Net loss attributable to GBS, Inc.	<u>\$ (3,127,813)</u>	<u>\$ (112,592)</u>	<u>\$ (6,184,287)</u>	<u>\$ (2,706,760)</u>
Other comprehensive income				
Foreign currency translation gain/(loss) attributable to non-controlling interest	-	-	-	-
Foreign currency translation gain/(loss) attributable to GBS, Inc.	<u>(262,032)</u>	<u>100,921</u>	<u>(278,744)</u>	<u>(28,129)</u>
Total other comprehensive income	<u>(262,032)</u>	<u>100,921</u>	<u>(278,744)</u>	<u>(28,129)</u>
Comprehensive net loss attributable to GBS, Inc	<u>\$ (3,389,845)</u>	<u>\$ (11,671)</u>	<u>\$ (6,463,031)</u>	<u>\$ (2,734,889)</u>
Net loss per share, basic and diluted	\$ (0.27)	\$ (0.01)	\$ (0.64)	\$ (0.32)
Weighted average number of shares outstanding, basic and diluted	11,795,741	8,510,000	9,667,399	8,510,000

This is information extracted from GBS's March 31, 2021, Financial Statements filed with the Form 10Q with the SEC on February 11, 2021, and should be read with the financial statements accordingly

GBS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Amounts in \$)

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
ASSETS		

Current assets:		
Cash and cash equivalents	\$ 14,261,622	\$ 427,273
Deferred charges	-	1,863,613
Other current assets	2,324,389	49,062
	<hr/>	<hr/>
Total current assets	16,586,011	2,339,948
Investment in affiliate	-	135,692
Other non-current assets	866,667	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 17,452,678	\$ 2,475,640
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,521,899	\$ 787,469
Related party payables	37,235	1,769,293
Convertible notes payable	-	5,133,706
Total current liabilities	<hr/> 1,559,134	<hr/> 7,690,468
Employee benefit liabilities	18,128	-
	<hr/>	<hr/>
Total liabilities	1,577,262	7,690,468
Commitments and contingencies - Note 10		
Shareholders' equity (deficit):		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, 3,000,000 and 2,370,891 shares issued and outstanding at March 31, 2021 and June 30, 2020, respectively	30,000	23,709
Common stock, \$0.01 par value, 100,000,000 shares authorized, 11,881,322 and 8,630,000 shares issued and outstanding at March 31, 2021 and June 30, 2020, respectively	118,813	86,300
Additional paid-in capital	38,440,097	10,899,942
Accumulated deficit	(22,016,804)	(15,832,517)
Accumulated other comprehensive loss	(642,695)	(363,951)
Total consolidated group equity (deficit)	<hr/> 15,929,411	<hr/> (5,186,517)
Non-controlling interests	(53,995)	(28,311)
Total shareholders' equity (deficit)	<hr/> 15,875,416	<hr/> (5,214,828)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 17,452,678	\$ 2,475,640

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