



NEWS RELEASE

GBS Inc. Reports Second Quarter 2021 Financial Results and Provides Corporate Update

2021-02-16

- December 2020 Initial Public Offering generated \$21.6m in gross proceeds and listing on the NASDAQ Stock Market

-Executes Partnerships, Research Collaboration and Commercial Agreements-
- John Hopkins University, Wyss Institute & Cambridge Consultants Ltd.

NEW YORK, Feb. 16, 2021 (GLOBE NEWSWIRE) -- **GBS Inc.** (Nasdaq: GBS), a life sciences company developing non-invasive, real-time diagnostic testing in the hands of patients and their primary health practitioners at point of care, today announced its financial results for the fourth quarter and full year 2020 and provided a corporate update.

"In part to the COVID-19 pandemic, diagnostics solutions have become of paramount importance in the clinical care continuum and accelerated the need for alternatives to the central laboratory testing model. 2020 has certainly been a pivotal year for GBS as we have made significant strides across the organization towards commercializing our novel Biosensor Platform technology and providing patients and physicians a point of care diagnostic platform solution," said Harry Simeonidis, Chief Executive Officer of GBS. "From pipeline developments to strategic collaborations and ultimately concluding the year by extending our financial runway with a public listing on the NASDAQ Global stock market, I am proud of our achievements in 2020 and encouraged by the opportunity to advance our pipeline of more than 130 additional diagnostic tests."

Dr. George Szymalis, Chief Executive Officer of The iQ Group Global Group, added, "For decades we have evaluated solutions to address the challenges of diabetes as a global epidemic and now we are faced with the COVID-19 global pandemic. Rising up to this challenge and by redesigning our diagnostic platform and working with the Wyss Institute of Harvard, Newcastle University and Johns Hopkins University, School of Public Health with the aim of

developing a COVID-19, IgG antibody test, that may be able to serve as a self-administered, antibody screening test and potentially as an accompanying diagnostic for people who are to be vaccinated.”

Fourth Quarter & FY Highlights and Recent Operational Developments

Pipeline Development

- Johns Hopkins University Sponsored Research Agreement to Accelerate Development of next-generation Saliva Based Diagnostic Tests (February 2021)
- Harvard University/Wyss Institute collaboration to develop a printable point-of-care SARS-CoV-2 antibody test (May 2020)

Financial Discipline

- Initial Public Offering generated \$21.6m in gross proceeds and listing on the NASDAQ Global Stock Market (December 2020)

Commercial Development

- Cambridge Consultants Ltd. as advisors on our commercial scale manufacturing program (March 2020)

Anticipated Events and Targeted Milestones for 2021

- Anticipate Emergency Use Approval for SARS-CoV-2 Antibody Biosensor test from FDA 2nd 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 out licensing and sublicensing partnership opportunities for commercialization

Fourth Quarter and Full Year Financial Results

The Company reported a net loss of approximately \$1.9 million, for the fourth quarter of 2020, compared to a net loss of approximately \$0.4 million, for the fourth quarter of 2019. Government support income was \$283,037 and \$0 for the three months ended December 31, 2020 and 2019 respectively.

As of December 31, 2020, the Company's cash, cash equivalents and marketable securities totaled approximately \$19.8 million, compared to approximately \$0.25 million on December 31, 2019. In 2020, the Company closed its initial public offering which generated approximately \$19.7 million in net cash proceeds.

GBS believes that based on the current operating plan and financial resources, its cash, cash equivalents and marketable securities at December 31, 2020 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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GBS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2020	2019	2020	2019
Revenues				
Other income:				
Government support income	\$ 283,037	-	\$ 338,464	\$ -
Shared services	-	(798)	-	121,277
Total revenues	<u>283,037</u>	<u>(798)</u>	<u>338,464</u>	<u>121,277</u>
Operating expenses:				
General and administrative expenses	671,450	972,012	1,192,453	1,698,340
Development and regulatory approval expenses	341,820	494,667	372,758	599,848
Prospectus and capital raising expenses	187,093	236,438	353,574	142,365
Total operating expenses	<u>1,200,363</u>	<u>1,703,117</u>	<u>1,918,785</u>	<u>2,440,553</u>
Loss from operations	<u>(917,326)</u>	<u>(1,703,915)</u>	<u>(1,580,321)</u>	<u>(2,319,276)</u>
Other (expense) income:				
Interest expense	(986,860)	(149,145)	(1,072,688)	(298,656)
Loss from unconsolidated equity method investment	-	-	(135,692)	-
Realized foreign exchange loss	(86,637)	-	(279,107)	-
Interest income	434	27	504	69
Total other expense	<u>(1,073,063)</u>	<u>(149,118)</u>	<u>(1,486,983)</u>	<u>(298,587)</u>
Loss before income taxes	<u>(1,990,389)</u>	<u>(1,853,033)</u>	<u>(3,067,304)</u>	<u>(2,617,863)</u>
Income tax (expense)/benefit				
Current	-	-	-	-
Deferred	-	-	-	-
Total income tax (expense)/benefit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	<u>(1,990,389)</u>	<u>(1,853,033)</u>	<u>(3,067,304)</u>	<u>(2,617,863)</u>
Net loss attributable to noncontrolling interest	(6,425)	(16,715)	(10,830)	(23,695)
Net loss attributable to GBS, Inc.	<u>\$ (1,983,964)</u>	<u>\$ (1,836,318)</u>	<u>\$ (3,056,474)</u>	<u>\$ (2,594,168)</u>
Other comprehensive income				
Foreign currency translation gain (loss)	33,856	(133,286)	(16,712)	(129,050)
Total other comprehensive income	<u>33,856</u>	<u>(133,286)</u>	<u>(16,712)</u>	<u>(129,050)</u>
Comprehensive net loss attributable to GBS, Inc	<u>\$ (1,956,533)</u>	<u>\$ (1,986,319)</u>	<u>\$ (3,084,016)</u>	<u>\$ (2,746,913)</u>
Net loss per share, basic and diluted	\$ (0.23)	\$ (0.22)	\$ (0.35)	\$ (0.30)

Weighted average shares outstanding, basic and diluted	8,622,724	8,510,000	8,626,362	8,510,000
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This is information extracted from GBS's December 31 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>December 31, 2020</u>	<u>June 30, 2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,877,860	\$ 427,273
Deferred charges	-	1,863,613
Other current assets	88,548	49,062
Total current assets	<u>19,966,408</u>	<u>2,339,948</u>
Investment in affiliate	-	135,692
TOTAL ASSETS	<u><u>\$ 19,966,408</u></u>	<u><u>\$ 2,475,640</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 734,825	\$ 787,469
Related party payables	431,621	1,769,293
Convertible notes payable	-	5,133,706
Total current liabilities	<u>1,166,446</u>	<u>7,690,468</u>
Employee benefit liabilities	<u>17,947</u>	<u>-</u>
Total liabilities	1,184,393	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 December 31, 2020 and June 30, 2020, respectively	30,000	23,709
Common stock, \$0.01 par value, 100,000,000 shares authorized, 10,422,527 and 8,630,000 shares issued and outstanding at December 31, 2020 and June 30, 2020, respectively	104,225	86,300
Additional paid-in capital	37,956,585	10,899,942
Accumulated deficit	(18,888,991)	(15,832,517)
Accumulated other comprehensive loss	<u>(380,663)</u>	<u>(363,951)</u>
Total consolidated group equity (deficit)	18,821,156	(5,186,517)
Non-controlling interests	<u>(39,141)</u>	<u>(28,311)</u>
Total shareholders' equity (deficit)	<u>18,782,015</u>	<u>(5,214,828)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 19,966,408</u></u>	<u><u>\$ 2,475,640</u></u>

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