

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **February 10, 2022**

GBS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-39825

(Commission
File Number)

82-1512711

(IRS Employer
Identification No.)

**420 Lexington Ave, Suite 300
New York, NY 10170**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **Telephone: (646) 828-8258**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	GBS	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On February 10, 2022, GBS Inc. (the “Registrant”) issued a press release announcing financial results for the three months ended December 31, 2021. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained herein and in the accompanying exhibits shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this report, including the exhibit hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press release dated February 10, 2022.
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104	Cover Page Interactive Data File (embedded within the Inline XBRL document)
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 10, 2022

GBS INC.

By: /s/ Spiro Sakiris

Name: Spiro Sakiris

Title: Chief Financial Officer



GBS Inc. Reports Second Quarter 2022 Financial Results and Recent Business Highlights

– Discussions underway between the University of Newcastle and GBS to oversee the high-tech manufacturing facility supported by its \$4.7 Million Grant Funding

Award from Australian Government –

- \$11.19 Million in Cash, Cash Equivalents, and Marketable Securities as of December 31, 2021, Provides Estimated Runway into H1 2023 –

-To Host Conference Call and Webcast Today at 4:30 p.m. ET-

New York, NY, February 10, 2022 – 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 second quarter ended December 31, 2021, and provided a recent business update. Management will host a webcast and conference call at 4:30 p.m. today after market.

“This has been a productive quarter for the GBS team as we continue to development our lead asset for saliva-based glucose testing. Our team is actively engaged with partners across the globe to initiate clinical studies, build world class manufacturing faculties and establish sale partnership opportunities in Asia,” Interim Chief Executive Officer of GBS, Dr. Steven Boyages said. “We are fortunate to have built upon several collaborative relationships this quarter that will position our manufacturing, funding and clinical operations for success in the year ahead.”

Q2 2022 & Recent Highlights

Key Development and Manufacturing Advancements

- Sourcing for required equipment has commenced. This sourcing has the dual purpose of immediately utilizing the equipment in the interests of efficiency to progress development of the biosensor and at the same time commission this equipment in preparation for the facility. The initial batch of equipment is expected to be ordered in April and finalized in June 2022.
 - Discussions are underway between the University of Newcastle and GBS Inc for the location, buildout, and commissioning of the new high-tech manufacturing facility. In response to the Australian government’s announcement of the Medical Research Commercialization Initiative, GBS is in the process of evaluating and preparing expressions of interests towards further Australian Government funding, as we believe that GBS firmly fits into the objectives of this initiative. The initiative will focus on Early-Stage Translation and Commercialization Support, which funds support for early-stage medical research and medical innovation projects with commercial potential. The Medical Research Future Fund will have available in total approximately \$225 million (USD) of potential project funding over the next 10 years for companies that meet the criteria.
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Quality Assurance and Regulatory Affairs

- Strategic regulatory affairs planning is underway to address the Asian Pacific (APAC) region requirements
- GBS team is working closely with LSBDD on its FDA submissions and the clinical development plan
- Implementation of new Quality Assurance (QA) system underway
- Audit of key suppliers in progress

Clinical Development Plan

- In December, GBS announced that its licensor, Life Science Biosensor Diagnostics (LSBD), has filed an application with the U.S. Food and Drug Administration (FDA) for Breakthrough Device Designation. Based on feedback from the FDA to LSBDD, further data generation would be advisable in order to advance this submission, the team is working towards this goal.
- The team has submitted the correlation clinical trial protocol for IRB approval to the Mills-Peninsula Medical Center (MPMC) in California (which will be responsible for executing this initial clinical trial enrolling 40 subjects.) The objectives will be:
 - Explore the relationship between salivary glucose and plasma glucose as well as the time course between the two testing modalities using Glucose Tolerance Testing in 40 subjects
 - Generation of time course data from these studies to determine salivary glucose characteristics

This will lead to the development of the algorithm between plasma and salivary glucose

It is anticipated that the first stage of this Clinical Plan to be completed by July 2022.

Anticipated Events and Targeted Milestones for Calendar Year 2022

- Progressing the design transfer to manufacture phase for Saliva Glucose Biosensor and Manufacturing Setup Completed before year end 2022
- Key Clinical Milestone Targets
 - Correlate saliva glucose to plasma glucose – Research A Study (1H'22)
 - Preliminary Biosensor response – Research B Study (Q3'22)
 - Biosensor Algorithm Development (Q4'22)

Second Quarter 2022 Financial Results

As of December 31, 2021, the Company's cash, cash equivalents and marketable securities totaled approximately \$11.19 million, compared to approximately \$12.57 million on June 30, 2021.

For the quarter ended December 31, 2021, the Company had a preliminary net loss of \$3.46 million or \$0.23 per share, compared to a net loss of \$1.99 million or \$0.23 per share for the same period in 2020. This is predominantly due to the acceleration of development and commercialization expenditures and the expensing of \$2.60 million in prepaid R&D contributions funded in the previous year.

As of December 31, 2021, the Company had 14.88 million shares outstanding.

GBS is of the view that based on the current operating plan and financial resources, its cash, cash equivalents and marketable securities at December 31, 2021, are estimated to be sufficient to continue to cover expenses and capital requirements into H1 2023. Cash runway does not include exercising the glucose North American license option agreement.



Conference Call and Webcast

To participate in today's conference call, please dial 877-407-3982 (Domestic/Toll-Free) or 201-492-6780 (International) and reference the conference ID: 13726819.

To participate via a webcast, please visit: [Webcast Registration Link](#)

(<https://78449.themediaframe.com/dataconf/productusers/vvdb/mediaframe/47098/indexl.html>)

The webcast will be archived for approximately 30 days and will be available at <https://investors.gbs.inc/news-and-events/investor-calendar>.

About GBS Inc.

GBS Inc. is a life sciences company developing non-invasive, real-time monitoring and diagnostic tests for patients and their primary health practitioners. With the world-first Biosensor Platform, GBS Inc. is developing and launching diagnostic tests urgently needed to help people living with diabetes.

For more information, please visit GBS.inc or follow GBS Inc. on Twitter and LinkedIn.

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.

For more information, please contact:

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GBS, INC.
PRELIMINARY CONSOLIDATED STATEMENTS OF
OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
(Amounts in \$)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2021	2020	2021	2020
Revenue:				
Other income:				
Government support income	\$ 177,791	\$ 283,037	\$ 177,791	\$ 338,464
Total revenue	<u>177,791</u>	<u>283,037</u>	<u>177,791</u>	<u>338,464</u>
Operating expenses:				
General and administrative	1,003,244	671,450	2,335,764	1,192,453
Development and regulatory approval	2,641,182	341,820	2,747,981	372,758
Prospectus and capital raising	-	187,093	-	353,574
Total operating expenses	<u>3,644,426</u>	<u>1,200,363</u>	<u>5,083,745</u>	<u>1,918,785</u>
Loss from operations	(3,466,635)	(917,326)	(4,905,954)	(1,580,321)
Other income (expense):				
Interest expense	(675)	(986,860)	(675)	(1,072,688)
Loss from unconsolidated equity method investment	-	-	-	(135,692)
Realized foreign exchange gain (loss)	14	(86,637)	(3,104)	(279,107)
Interest income	3,473	434	8,070	504
Total other income (expense)	<u>2,812</u>	<u>(1,073,063)</u>	<u>4,291</u>	<u>(1,486,983)</u>
Loss before income taxes	(3,463,823)	(1,990,389)	(4,901,663)	(3,067,304)
Income taxes	-	-	-	-
Net loss	(3,463,823)	(1,990,389)	(4,901,663)	(3,067,304)
Net loss attributable to non-controlling interest	(3,825)	(6,425)	(9,013)	(10,830)
Net loss attributable to GBS Inc.	<u>\$ (3,459,998)</u>	<u>\$ (1,983,964)</u>	<u>\$ (4,892,650)</u>	<u>\$ (3,056,474)</u>
Other comprehensive gain (loss), net of tax:				
Foreign currency translation gain (loss)	\$ 7,355	\$ 33,856	\$ (60,127)	\$ (16,712)
Total other comprehensive gain (loss)	<u>7,355</u>	<u>33,856</u>	<u>(60,127)</u>	<u>(16,712)</u>
Comprehensive loss	(3,456,468)	(1,956,533)	(4,961,790)	(3,084,016)
Comprehensive loss attributable to non-controlling interest	(3,825)	(6,425)	(9,013)	(10,830)
Comprehensive loss attributable to GBS Inc.	<u>\$ (3,452,643)</u>	<u>\$ (1,950,108)</u>	<u>\$ (4,952,777)</u>	<u>\$ (3,073,186)</u>
Net loss per share, basic and diluted	\$ (0.23)	\$ (0.23)	\$ (0.34)	\$ (0.35)
Weighted average shares outstanding, basic and diluted	14,882,522	8,622,724	14,444,324	8,626,362



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

	<u>December 31, 2021</u>	<u>June 30, 2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,190,622	\$ 12,573,685
Grant receivable, current portion	\$ 1,611,384	2,098,884
Research and development tax incentive receivable	\$ 1,134,846	1,025,455
Other current assets	\$ 148,157	2,509,017
Total current assets	<u>\$ 14,085,009</u>	<u>18,207,041</u>
Grant receivable, net of current portion	\$ 1,150,988	3,148,328
Other non-current assets	\$ -	504,000
TOTAL ASSETS	<u><u>\$ 15,235,997</u></u>	<u><u>\$ 21,859,369</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 448,886	\$ 1,467,968
Related party payables	9,536	13,323
Current portion of deferred grant income	3,421,837	2,098,884
Current employee benefit liabilities	129,212	102,475
Total current liabilities	<u>4,009,471</u>	<u>3,682,650</u>
Employee benefit liabilities	30,707	21,770
Long-term deferred grant income	1,150,988	3,148,328
Total liabilities	<u>5,191,166</u>	<u>6,852,748</u>
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, 0 and 1,300,000 shares issued and outstanding at December 31, 2021 and June 30, 2021, respectively	-	13,000
Common stock, \$0.01 par value, 100,000,000 shares authorized, 14,882,522 and 13,582,122 shares issued and outstanding at December 31, 2021 and June 30, 2021, respectively	148,825	135,821
Additional paid-in capital	38,440,085	38,440,089
Accumulated deficit	(27,762,453)	(22,869,803)
Accumulated other comprehensive loss	(721,387)	(661,260)
Total consolidated GBS Inc. equity	<u>10,105,070</u>	<u>15,057,847</u>
Non-controlling interest	(60,239)	(51,226)
Total shareholders' equity	<u>10,044,831</u>	<u>15,006,621</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 15,235,997</u></u>	<u><u>\$ 21,859,369</u></u>