

COMMENTARY ON HALF YEAR REPORT

Bio-Gene Technology Limited (ASX: BGT, “Bio-Gene” or “the Company”), an agtech development company enabling the next generation of novel insecticides, is pleased to present its financial results for the six months ended 31 December 2020 and an overview of operations for the period and up to date.

During the period the Company achieved several key milestones:

- Positive progress across key value generating milestones outlined at the 2020 AGM
- Successful completion of additional toxicology studies to support international registration requirements
- Completion of BASF/GRDC stage 2, and commencement of stage 3 field trials with results expected Q3 2021
- Commencement of Stage 2 of Clarke Mosquito product development program with results expected Q2 2021
- Further efficiencies identified for the manufacturing processes of both Flavocide™ and Qcide™
- Leading small cap broker PAC Partners engaged to provide research and advisory services
- Ongoing restructure of Board including appointment of Non-executive Director, Peter Beetham
- Strong cash position as at 31 December 2020 of \$5.0 million

Operations:

The successful completion of the second stage of the leading product development opportunity in stored grain in collaboration with BASF and GRDC was a highlight, from which agreement was reached as to the parameters of stage 3 residual efficacy testing which began in November. Positive Stage 3 data will place the Company in a very strong position to conclude a commercial agreement with its collaboration partners.

Separately, Stage 2 of the product development program with Clarke Mosquito began in August, with the initial focus on identifying the optimal platform for new formulations containing both Flavocide and Qcide. Stage 2 is scheduled for completion in the second quarter of 2021. Similar to the leading stored grain opportunity, work following completion of Stage 2 will most likely focus on taking key leading product candidates to field trials. The challenges associated with the increasing incidence of mosquito-borne diseases globally, compounded by increasing resistance to insecticides, has been well documented. Furthermore, in addition to the spread of Malaria, Zika virus, and Dengue fever, recent outbreaks of Eastern Equine Encephalitis in the United States are causing concern amongst communities. Whilst relatively rare, the mortality rates are very high for this disease in humans. Clarke is a key service provider for governments and councils within the Americas for the management of disease outbreaks transmitted by mosquitoes and other insects.

The Company is also working closely with other potential partners who are evaluating Bio-Gene’s products under Material Transfer Agreements (MTAs) as well as having discussions with a number of additional entities interested in testing the Company’s products for different applications. The Company hopes to be able to announce some results of the testing under a number of these MTAs towards the end of this financial year.

In addition to supporting these discussions, the Bio-Gene team has also been managing the ongoing research programs for both Flavocide and Qcide, including product efficacy testing, registration-enabling studies and improvements in manufacturing processes, in order to generate further value-adding data.

During the period, the Company also enhanced its Board with the appointment of Dr. Peter Beetham and commenced working on improving its investor communications with the appointment of PAC Partners.

Financial Performance:

The Company produced a loss from ordinary activities before income tax of \$1.3 million, a 25.3% increase over the previous corresponding period. The Company's cash position at balance date was \$5.0 million.

Further highlights and full financial results are contained in the attached Appendix 4D.

Approved for release by the Board of Directors of the Company.

For further information, please contact:

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About Bio-Gene Technology Limited

Bio-Gene is an Australian agtech development company enabling the next generation of novel insecticides. Its novel platform technology is based on a naturally occurring class of chemicals known as beta-triketones.

Beta-triketone compounds have demonstrated insecticidal activity (e.g. kill or knock down insects) via a novel mode of action in testing performed to date. This platform may provide multiple potential new solutions for insecticide manufacturers in applications across animal health and crop protection, as well as in public health, and in consumer applications.

The Company's aim is to develop and commercialise a broad portfolio of targeted insect control and pest management solutions.

APPENDIX 4D

BIO-GENE TECHNOLOGY LIMITED

ABN 32 071 735 950

HALF YEAR REPORT

Current reporting period
Previous corresponding period

Half year ended 31 December 2020
Half year ended 31 December 2019

Results for announcement to the market

A\$'000

Revenues from ordinary activities	Down	82.3% to	89
Loss from ordinary activities after tax attributable to members	Up	25.3% to	(1,330)
Net loss for the period attributable to members	Up	25.3% to	(1,330)

Explanation		
Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL
Record date for determining entitlements to the dividend	N/A	
	31 December 2020	31 December 2019
Net tangible asset per security	0.030¢	0.028¢
Control gained over entities having material effect		
N/A		
Loss of control of entities having material effect		
N/A		
Details of aggregate share of profit (loss) of associated and joint venture entities		
N/A		
This report is based on:		
accounts which have been subject to review		

BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950

APPENDIX 4D – HALF YEAR REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Bio-Gene Technology Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange.

DIRECTORS' REPORT

The Board of Directors of Bio-Gene Technology Limited ("Bio-Gene" or the "Company") has resolved to submit the following report together with the financial statements of the Company for the half year ended 31 December 2020.

1. Directors

The names of the Directors of the Company in office at any time during or since the end of the half year are:

Mr. Robert Klupacs (Interim Chairman)
Mr. Richard Jagger (Managing Director and CEO)
Mr. Peter May (Executive Director, Research and Development).
Dr. Peter Beetham (Non-Executive Director) (Appointed 21 December 2020)
Mr. Donald Brumley (Non-Executive Chairman) (Retired 26 November 2020)
Mr. Kevin Rumble (Non-Executive Director) (Retired 26 November 2020)

2. Results

The Company reported a loss for the half-year of \$1,329,512 (2019: \$1,061,140). This loss is after fully expensing all research and development costs.

3. Review of Operations

Key achievements during the period include:

- Strong progress made on commercialisation strategy;
- Successful completion of Stage 2 of the Stored Grain product development program with BASF and GRDC, with the key final Stage 3 field trial having commenced in November 2020;
- Stage 2 of the product development program with Clarke Mosquito now underway;
- Material Transfer Agreement (MTA) testing continues to advance with a number of global players in new key market segments, leading to potential additional partnering agreements;
- Further efficiencies identified for the manufacturing processes of both Flavocide™ and Qcide™;
- Additional toxicology and ecotoxicity studies completed or underway and due for completion before the end of the financial year;
- Appointment of Non-executive Director – Peter Beetham; and
- Leading small cap broker PAC Partners engaged to provide research and advisory services.

i) Development of Active Ingredient International Registration Package

Toxicity / registration enabling studies

In December 2020, the Company announced positive results from preliminary soil eco-toxicity testing studies on Flavocide. These studies positively build on the previous eco-toxicity studies performed on a range of organisms to further profile the effects of Flavocide on non-target organisms within soil-based ecosystems and are part of the strategic development of registration enabling data identified under the guidance of our regulatory consultants including DTS Regulatory Consultants and toxicologist advisor Dr. Andrew Bartholomaeus.

Testing is now underway on a number of additional indicator species which will further develop the safety profile of Flavocide and determine the next steps required in the registration enabling studies. This is an important part of the commercialisation process as registration of the active ingredients is a pre-requisite to sales. Bio-Gene's strategy is to identify the essential testing required to support product registration of the active ingredients that will facilitate product registrations for specific uses. We expect to be able to announce results on these studies soon.

Manufacturing

During the period the Company has focused on the continued improvement of Flavocide production. In particular identifying additional process adjustments and cost saving opportunities to lower manufacturing costs. This will assist in commercial discussions with companies reviewing Flavocide production as part of their assessments before progressing to partnership agreements. A number of improvements have been made and identified involving the recovery and recycling of waste products, enabling more efficient use of raw materials, and a cleaner manufacturing process.

The Flavocide manufacturing process has been successfully progressed from lab scale to pilot industrial scale. Bio-Gene, together with its manufacturing partner, Boron Molecular, is currently working on the production of 5 x 5kg batches of material to demonstrate consistency of production at scale. This material will then be used to undertake a 5-batch chemical analysis that involves determination of product specification and impurity profile and is a key component of the registration product data package.

The Qcide manufacturing program has also been advanced based on laboratory scale research in collaboration with James Cook University. The November 2020 harvest enabled a number of enhancements to the oil extraction process for Qcide to be successfully tested at commercial scale. Pleasingly, the enhancements delivered a higher percentage of extraction of total oil content, at a faster rate, as well as improved separation of oil from condensate produced from the steam distillation process.

DIRECTORS' REPORT

ii) EFFICACY: LEAD PRODUCT DEVELOPMENT AREAS

Long term stored grain product efficacy – working with BASF and GRDC

Early in the financial year the Company successfully completed stage two of this development opportunity, and in November 2020, Bio-Gene commenced Stage 3 of its four-way collaborative research program relating to stored grain pest control with BASF, the world's leading chemical company; GRDC, Australia's national grains research, development and extension investment body; and Queensland Department of Agriculture and Fisheries (DAF), a recognised leader in the field of stored grain pests research.

Stage 3 field testing will extend over a nine-month period, with periodic assessments at 0, 3, 6 and 9 months after treatment. Following the results announced on 26 March 2020 that Flavocide was able to control key stored grain pest, the Lesser Grain Borer, for over 13 months (both in field and laboratory work), the Company is optimistic about the outcome for Stage 3 testing. We will continue discussions about future commercial arrangements whilst the Stage 3 testing is underway.

Public Health- working with Clarke on mosquito control

Work on the second-stage partnership with Clarke - to develop both Flavocide and Qcide for use in public health mosquito control in North, South and Central America - commenced in August 2020. The first step in this study involves evaluating different solvents, or potential carriers of the molecules, to understand which options will offer the highest potential for efficacy and commercial opportunity for mosquito control. The ongoing project review meetings with Clarke are very positive and will prepare Bio-Gene for the second step which will involve development of formulation prototypes. This stage of the program is expected to conclude during Q2 2021.

Material Transfer Agreements

In addition to continuing to support the leading opportunities in stored grain and mosquito control, the Company is also working closely with other potential partners who are evaluating Bio-Gene's products under Material Transfer Agreements (MTAs). It is important that these potential partners are allowed to test the technology in their own facilities to help them identify the value and market potential in applications that are important to them. These agreements ensure that Bio-Gene's Intellectual property is secure, and that the Company gains access to the data generated.

Bio-Gene is particularly encouraged by progress made in new potential market segments as well as new geographies for existing market segments. Early success for this strategic approach has been identified in the projects with BASF and Clarke, and the Company remains confident that this work will lead to additional formal partner agreements which will be pursued over the coming months. To support the potential to expand the market access for Bio-Gene's products, the Company is continuing to conduct internal efficacy evaluations of its products with the aim of supporting discussions with additional partners and new applications. During the reporting period, Bio-Gene signed one additional MTA.

iii) EFFICACY: INTERNAL PROGRAMS

Ongoing Research Program at Purdue University

The Company has continued the relationship with Purdue University, and has engaged the University under the guidance of Professor Catherine Hill to conduct studies which will develop quantitative data to support observations that have been seen when target insects receive a "sub-lethal dose" (i.e. a dose that does not kill them). The potential to impact feeding or breeding of these individuals could be of great economic importance, and solid scientific data will support discussions with potential commercial partners across a wide range of applications.

While the University's scientific laboratories are still able to function during the COVID pandemic, there have been some delays caused by the required re-configuration of the facilities, and the staggering of work forces to ensure the safety of all staff. This testing is expected to commence in Q2 of 2021 and run over that quarter.

Ongoing New Applications Research

The company has engaged with leading contract research organisations based in Europe, USA and Australia, which have commenced a range of studies designed to support and build upon previous internal studies, identify new market opportunities, and to further de-risk the technology. Such studies will be very helpful in the on-going conversations with potential commercial partners and will put Bio-Gene in a stronger position when negotiating commercial deals in the future.

iv) BUILDING OUR EXPERTISE AND EXPERIENCE

Board of Directors

As reported at the AGM, the Company has assessed the skills matrix required to meet the needs of its evolving business. In particular the need to obtain Board level expertise in the form of experienced agtech development from an early stage to registration and beyond has been identified. In December 2020, the Company was very pleased to announce the appointment of Dr. Peter Beetham as a Non-executive Director. Dr. Beetham has over 30 years of experience in the bio-agriculture community, with a passion for moving technology to commercial application. He has a broad cross-section of technical, regulatory, commercial, intellectual property licensing and capital markets experience and a successful track record of developing agricultural biotechnology through to commercial licensing outcomes.

Dr. Beetham's appointment represents the commencement of the review and renewal of the Board structure following the retirements of Messrs Brumley and Rumble. The Board is continuing to progress discussions – and the due diligence process – with other potential Board candidates.

DIRECTORS' REPORT

CEO

CEO, Mr. Richard Jagger has moved to a full-time role with the Company, having previously been engaged on a four-day week basis. This will facilitate increased management focus across the range of business development and commercial partnership activities, as well as providing for closer levels of market engagement.

v) Other Corporate Matters

Intellectual Property

Two of Bio-Gene's patent applications have now entered into the National Phase. These patent applications cover specific applications of platforms in the control of resistant pest populations and, when granted, will give the Company patent protection in major target markets to 2039. These applications are now undergoing examination in various jurisdictions around the world. Completion of examination and granting is expected to take between 18-36 months. These patents provide increased protection for the technology and support the investment being made to develop a valuable, commercial outcome.

COVID-19

As stated previously, COVID-19 has had no significant impact on the Company's business processes or commercialisation strategy, other than delays experienced by some of the research laboratories testing our products. These delays are a result of careful evaluation and realignment of the procedures and operating protocols of each lab. These organisations are now comfortable they can carry out the agreed testing in a way that ensures the safety of their people, and the integrity of the results. Where there may be some delay in the completion of certain testing, the company is confident in the determination of each company to complete their testing programs.

Company Communications

The Board believes it must do a better job at communicating its strategy and value proposition and is committed to being more proactive and to engaging more effectively with shareholders and with prospective new investors.

To this end, during the period the Company appointed PAC Partners to assist with corporate advisory services and independent analyst research. PAC Partners focuses on leading emerging and mid-cap companies with corporate finance clients including some of Australia's highest potential growth companies. PAC Partners has specialist research capability, particularly in the agriculture sector and has received many awards for outstanding research in the space.

In addition to PAC Partners, the Company also appointed Everest Connect, specialists in digital communications to oversee its social media platforms and activate its communication roll out plans.

4. Financial and Treasury Activities

The financial results of the Company for the six months ended 31 December 2020 are summarised as follows:

- The Company produced a loss from ordinary activities before income tax and after income tax of \$1,329,512 (2019: \$1,061,140) mainly due to receipt of the additional R&D Tax Incentive following the settlement of the dispute with AusIndustry. Research and development costs have been expensed in the period in which they were incurred. Before interest income, tax, depreciation and amortisation the net loss for the period was \$1,320,178 (2019: \$1,065,197).
- Revenues generated for the period of \$89,212 (2019: \$504,622) were from the R&D Tax Incentive, research collaboration receipts, interest income and other.
- The Company's cash at balance date was \$5,003,878 (30 June 2020: \$5,521,868).
- During the prior corresponding period the Company settled its dispute with AusIndustry which resulted in an additional \$359,140 for the R&D Tax Incentive which was recognised as revenue in that period.

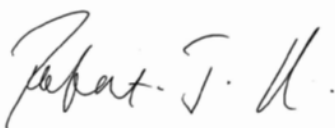
5. Events Subsequent to 31 December 2020

No subsequent event to the date of this report has a material impact on this financial report or on the financial forecasts of the Company.

6. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* accompanies this report.

Signed in accordance with a resolution of the Board of Directors dated 18 February 2021.



Robert Klupacs
Interim Chairman

AUDITOR'S INDEPENDENCE DECLARATION TO THE
DIRECTORS OF BIO-GENE TECHNOLOGY LIMITED



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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BIO-GENE TECHNOLOGY LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'JTP Assurance'.

JTP ASSURANCE
Chartered Accountants

A handwritten signature in blue ink that reads 'W. Tarrant'.

WAYNE TARRANT
Partner

Signed at Melbourne this 18th day of February 2021



BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

		Half-Year	
		31 December	31 December
		2020	2019
	Note	\$	\$
Revenues from continuing operations	2(a)	40,000	80,000
Other income	2(b)	49,212	424,622
Research & Development		(821,821)	(738,510)
Commercialisation Expenses		(128,820)	(124,493)
Management and Employment Expenses		(94,434)	(92,138)
Directors Expenses		(85,046)	(101,444)
Professional Services		(73,300)	(297,141)
Intellectual Property		(43,658)	(8,656)
Depreciation & Amortisation	3	(27,761)	(29,889)
Other Expenses		(143,884)	(173,491)
Loss from continuing operations before tax		(1,329,512)	(1,061,140)
Income tax (expense)		-	-
Loss for the half-year from continuing operations after income tax		(1,329,512)	(1,061,140)
Other comprehensive income (loss) for the period, net of tax		-	-
Total comprehensive loss for the half-year attributable to members of the Company		(1,329,512)	(1,061,140)
Earnings (loss) per share:			
Basic loss per share		(0.97¢)	(0.90¢)
Diluted loss per share		(0.97¢)	(0.90¢)

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

BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		31 December 2020	30 June 2020
	Note	\$	\$
Current assets			
Cash and cash equivalents	4	5,003,878	5,521,868
Trade and other receivables		35,670	483,041
Other assets		232,452	176,756
Total current assets		5,272,000	6,181,665
Non-current assets			
Property, plant and equipment		22,086	24,656
Right of use assets		5,600	12,320
Intangible assets	5	332,485	350,955
Total non-current assets		360,171	387,931
Total assets		5,632,171	6,569,596
Current liabilities			
Trade and other payables		518,883	188,787
Lease liabilities		5,140	11,663
Employee Benefits		88,036	211,558
Total current liabilities		612,059	412,008
Non-current liabilities			
Employee Benefits		12,267	5,280
Financial liabilities		150,000	150,000
Total non-current liabilities		162,267	155,280
Total liabilities		774,326	567,288
Net assets		4,857,845	6,002,308
Equity			
Contributed equity	6	14,604,758	14,535,664
Reserves	7	865,557	950,002
Accumulated losses	8	(10,612,470)	(9,483,358)
Total equity		4,857,845	6,002,308

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

BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed equity	Share option reserve	Share loan plan reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
2020					
At 1 July 2020	14,535,664	200,400	749,602	(9,483,358)	6,002,308
Loss for the period	-	-	-	(1,329,512)	(1,329,512)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	(1,329,512)	(1,329,512)
<i>Transactions with owners in their capacity as owners:</i>					
Contributed equity	-	-	-	-	-
Re-allocation of value of equity which vested during the period	69,094	-	(69,094)	-	-
Re-allocation of value of equity which expired during the period	-	(200,400)	-	200,400	-
Cost of share based payment	-	-	185,049	-	185,049
At 31 December 2020	14,604,758	-	865,557	(10,612,470)	4,857,845
2019					
	\$	\$	\$	\$	\$
At 1 July 2019	11,804,199	113,600	582,249	(7,550,587)	4,949,461
Loss for the period	-	-	-	(1,061,140)	(1,061,140)
Other comprehensive income	-	-	-	-	-
Adjustment following the adoption of AASB16	-	-	-	328	328
Total comprehensive income/(loss) for the year	-	-	-	(1,060,812)	(1,060,812)
<i>Transactions with owners in their capacity as owners:</i>					
Re-allocation of value of equity which vested during the period	71,560	-	(71,560)	-	-
Cost of share based payment	-	86,800	122,057	-	208,857
At 31 December 2019	11,875,759	200,400	632,746	(8,611,399)	4,097,506

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

BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		Half Year	
		31 December	31 December
		2020	2019
	Note	\$	\$
Operating activities			
Receipts from customers		40,000	-
Payments to suppliers and employees inclusive of GST		(1,028,285)	(1,353,310)
Interest received		22,739	34,324
Interest paid		(277)	(739)
COVID Stimulus		50,000	-
R&D tax incentive		425,415	465,293
Net cash used in operating activities		(490,408)	(854,432)
Investing activities			
Payments for property, plant and equipment		-	-
Payments for intangible assets		-	-
Net cash used in investing activities		-	-
Financing activities			
Net proceeds from issue of shares		-	-
Payment for share issue expenses		(21,059)	-
Repayments of lease liabilities		(6,523)	(7,461)
Net cash provided by financing activities		(27,582)	(7,461)
			-
Net increase in cash and cash equivalents		(517,990)	(861,893)
Cash and cash equivalent at 1 July		5,521,868	4,499,364
Cash and cash equivalents at 31 December	4	5,003,878	3,637,471

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Note 1: Basis of preparation

The financial report of Bio-Gene Technology Limited for the half year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 18 February 2021. Bio-Gene Technology Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The principal activity of the Company during the financial year was developing insecticides/pesticides.

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report, together with any public announcements made by Bio-Gene Technology Limited.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those of the previous financial year and corresponding interim reporting period except as noted below.

Note 2: Revenue and other income

(a) *Revenue from continuing operations*
Research collaboration receipts

	Half year 31 December 2020 \$	31 December 2019 \$
	40,000	80,000
	<u>40,000</u>	<u>80,000</u>

(b) *Other income*

Interest revenue
R&D tax incentive¹
Other income

	18,703	34,685
	30,509	389,878
	-	59
	<u>49,212</u>	<u>424,622</u>

1. During the prior corresponding period the Company settled its dispute with AusIndustry which resulted in an additional \$359,140 for the R&D Incentive being recognised as revenue.

Note 3: Expenses

Employee salary and benefit expenses:

Salary and employee benefit expenses
Defined contribution superannuation expenses
Share based payments

	Half year 31 December 2020 \$	31 December 2019 \$
	355,790	334,650
	37,446	34,539
	110,135	70,812

Depreciation, amortisation and impairment of non-current assets:

Depreciation – plant and equipment
Depreciation – right of use assets
Amortisation and impairment – intellectual property

	2,570	4,698
	6,720	6,720
	18,471	18,471

Operating expenses:

Foreign currency exchange losses

	-	-
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Note 4: Cash and cash equivalents

	31 December 2020	30 June 2020
	\$	\$
Cash at bank	12,414	32,411
Deposit at call	591,464	189,457
Term deposits	4,400,000	5,300,000
	<u>5,003,878</u>	<u>5,521,868</u>

Funds placed on term deposit are invested for a maximum of 90 days and therefore considered to be cash equivalents.

Note 5: Intangible assets

	31 December 2020	30 June 2020
	\$	\$
Intellectual property establishment and acquisitions at cost	557,818	557,818
Less: Accumulated amortisation	(225,333)	(206,863)
	<u>332,485</u>	<u>350,955</u>

Note 6: Contributed equity

The Company does not have authorised capital nor par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in equal proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(a) Movements in contributed equity during the period were as follows:

	31 December 2020	
	No.	\$
Opening balance 1 July 2020	151,116,276	14,535,664
Re-allocation of value of equity which vested during the period	-	69,094
Shares issued pursuant to the Loan Share Plan (LSP)	2,517,081	169,233
Share plan loans	-	(169,233)
Closing balance 31 December 2020	<u>153,633,357</u>	<u>14,604,758</u>

	31 December 2019	
	No.	\$
Opening balance 1 July 2019	129,007,597	11,804,199
Re-allocation of value of equity which vested during the period	-	71,560
Shares issued pursuant to the Loan Share Plan (LSP)	3,859,658	330,296
Share plan loans	-	(330,296)
Closing balance 31 December 2019	<u>132,867,255</u>	<u>11,875,759</u>

(b) Movements in share options over ordinary shares during the year were as follows:

	31 December 2020	30 June 2020
	No.	No.
Balance at beginning of the year	4,000,000	2,000,000
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year	(4,000,000)	-
Issued during the period ⁴	-	2,000,000
Lapsed during the year	-	-
Balance at end of the year	<u>-</u>	<u>4,000,000</u>

The options on issue at the beginning of the financial year expired on 24 November 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Note 7: Reserves

	31 December 2020 \$	30 June 2020 \$
Share options reserve	(a) -	200,400
Share loan plan reserve	(b) 865,557	749,602
	<u>865,557</u>	<u>950,002</u>
	31 December 2020 \$	30 June 2020 \$
(a) Share options reserve		
Opening balance 1 July	200,400	113,600
Value of Options issued during the period	-	86,800
Re-allocation of value of options which expired during the period	(200,400)	-
Closing balance	<u>-</u>	<u>200,400</u>
(b) Share loan plan reserve		
Opening balance 1 July	749,602	582,249
Value of shares issued under the Loan Share Plan (recognised over vesting period)	185,049	238,913
Re-allocation of value of shares issued under the LSP which vested during the period	(69,094)	(71,560)
Closing balance	<u>865,557</u>	<u>749,602</u>

Note 8: Movement in accumulated losses

	31 December 2020 \$	30 June 2020 \$
Opening balance 1 July	(9,483,358)	(7,550,587)
Adjustment following the adoption of AASB16	-	328
Re-allocation of value of options which expired during the period	200,400	-
Net loss for the period	(1,329,512)	(1,933,099)
Closing balance	<u>(10,612,470)</u>	<u>(9,483,358)</u>

Note 9: Operating segments

A segment is a component of the Company that engages in business activities to provide products or services within a particular economic environment. The Company operates in one business segment, being the conduct of research and development activities in the agricultural sector. The Board of Directors assess the operating performance of the Company based on management reports that are prepared on this basis. The Company invests excess funds in short term deposits but this is not regarded as being a separate segment.

Note 10: Commitments and contingencies

There are no commitments and contingencies required to be reported.

Note 11: Events subsequent to reporting date

No significant events have arisen subsequent to 31 December 2020 which require disclosure in the half year report.

DIRECTORS' DECLARATION

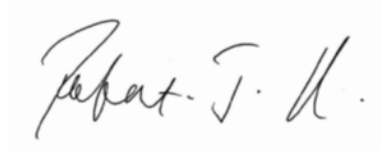
In the Directors' opinion:

the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporate Regulations 2001 and other mandatory professional reporting requirements;

- a) the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Robert J. Klupacs', is written over a light grey rectangular background.

Robert Klupacs
Interim Chairman

Dated this 18th day of February 2021

INDEPENDENT AUDITOR'S REPORT



JTP ASSURANCE

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
BIO-GENE TECHNOLOGY LTD
ABN 32 071 735 950

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Bio-Gene Technology Ltd, which comprises the consolidated condensed statement of financial position as at 31 December 2020, the consolidated condensed statement of profit or loss, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Bio-Gene Technology Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Bio-Gene Technology Ltd's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bio-Gene Technology Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Bio-Gene Technology Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

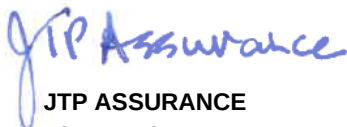
INDEPENDENT AUDITOR'S REPORT



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bio-Gene Technology Ltd is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of Bio-Gene Technology Ltd 's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



JTP ASSURANCE
Chartered Accountants



WAYNE TARRANT
Partner

Signed at Melbourne this 18th day of February 2021