

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 2021 and an overview of operations for the period and up to date.

During the period the Company achieved several key milestones, including:

- Announcement of commercial deal with Evergreen Garden Care for consumer products
- Positive results from Clarke Phase 2 mosquito studies leading to signing of a binding term sheet to negotiate exclusive US development rights prior to Phase 3 testing
- Key IP protection allowed by US Patent Office extending patent coverage to 2038
- Capital raising of \$3.2 million successfully completed
- Roadmap developed for registration enabling studies for both Flavocide™ and Qcide™

Operations:

In October the Company signed two new commercial agreements. The first was the signing of a license and development agreement with Evergreen Garden Care, the leading home and garden care company outside of North America, which was formerly known as Scotts International. The second was the signing of a binding option and term sheet with Clarke Mosquito Control relating to professional mosquito control in the public health sector in the United States.

The Evergreen partnership allows Bio-Gene to move forward with Evergreen to create consumer focused products using the Bio-Gene technology, initially for the European and Australia/New Zealand markets.

The Binding Term Sheet with Clarke allowed for 90 days exclusivity for the parties to finalise terms of a commercial agreement. These negotiations are continuing, and it is expected that the Company will be in a position to update the market further in the near future. As part of the long-term commercial agreement, the Companies are planning to proceed with the phase 3 studies, which will focus on (a) determining the effective rate of formulations in field operations and (b) a comparison of effective dose against one or more pyrethroid resistant populations. These studies are expected to commence once suitable weather conditions return to the U.S. post the northern hemisphere winter.

The Company is also working closely with other potential partners which are evaluating Bio-Gene’s products under Material Transfer Agreements (MTAs) as well as having discussions with additional entities interested in testing the Company’s products for different applications. The Company plans to announce further 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 and progress towards regulatory approvals. Specifically, the company announced the signing of a research agreement with the University of Florida to progress a research program to phase 2, which will look at Qcide and Flavocide in synergistic combinations with pyrethrins/pyrethroids against resistant houseflies.

The Company also announced the allowance of a new patent in the United States based on US Patent Application 16/856984. This patent focuses on the treatment of resistant pests, and in particular stored grain pests. This is a significant result, given the size of the U.S. market for many applications. It considerably strengthens Bio-Gene's IP position and creates a strong negotiation position for future commercial deals. The patent provides coverage until July 2038. There are a number of patent applications still under review around the world.

The Company has continued to build on this and other recent patent allowances in Australia by filing and responding to feedback on patent applications in other jurisdictions. The recent allowances in Australia and the U.S. give the Company confidence that further allowances will be granted. Via its internally funded research, Bio-Gene is continuing to look at opportunities to support additional patent applications that would offer additional value to the Company and its commercial partners.

The Bio-Gene technical and product development team has been working closely with the Company's regulatory and other expert advisors to clearly identify the roadmap for registration of Bio-Gene's active ingredients. The information required for each of the targeted market segments and major geographies has been identified and costed. Bio-Gene has confirmed protocols and study plans for the testing program for the current financial year with several of these key studies now underway.

Subsequent to the end of the half year, the Company announced in early February the appointment of Sarah Driessens as Head of Regulatory Affairs. Sarah has a Masters in Biotechnology and has worked for over 13 years with Monsanto (and subsequently Bayer after the Monsanto acquisition). Her main areas of focus were product registrations for agricultural and consumer products across major geographic jurisdictions. She gained invaluable knowledge and experience working with key stakeholders and achieved notable success, especially in the European regulatory system. Sarah will lead the coordination of the Bio-Gene regulatory program.

Financial Performance:

In December, the Company completed a strategic capital raise. The raise secured \$3.2 million before costs which strengthens the Company's balance sheet and will help fund its operations including:

- Major registration enabling studies (specifically mammalian toxicology and ecotox/environmental fate) to support commercial partners as highlighted in recent announcements;
- The development of additional efficacy studies to support commercial discussions in new market segments and provide data support for value-adding IP;
- The further advancement of manufacturing improvement programs for Qcide and Flavocide;
- Recruitment of additional expertise to project manage the Company's expanded operations; and
- General working capital.

For the six months to 31 December 2021, the Company produced a loss from ordinary activities before income tax of \$1.4 million, an 8.1% increase over the previous corresponding period. The Company's cash position at balance date was \$5.8 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.

-ENDS-

For further information, please contact:

Bio-Gene Technology Limited:

Richard Jagger
Chief Executive Officer

P: 03 9628 4178

E: bgt.info@bio-gene.com.au

Roger McPherson

CFO & Company Secretary

P: 03 9628 4178

E: bgt.info@bio-gene.com.au

About Bio-Gene Technology Limited

Bio-Gene is an Australian agtech company enabling the next generation of novel insecticides. Bio-Gene's 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 crop protection and storage, public health, animal health and consumer products. The Company's aim is to develop and commercialise a broad portfolio of targeted insect control and 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 2021
Half year ended 31 December 2020

Results for announcement to the market

A\$'000

Revenues from ordinary activities	Up	360.0% to	410
Loss from ordinary activities after tax attributable to members	Up	8.1% to	(1,437)
Net loss for the period attributable to members	Up	8.1% to	(1,437)

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 2021	31 December 2020
Net tangible asset per security	0.034¢	0.024¢
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 2021

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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 2021 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 2021.

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 (Non-Executive Chairman)
Mr. Richard Jagger (Managing Director and CEO)
Mr. Peter May (Executive Director, Research and Development).
Dr. Peter Beetham (Non-Executive Director)
Mr. James Joughin (Non-Executive Director)
Mr. Andrew Guthrie (Non-Executive Director)

2. Results

The Company reported a loss for the half-year of \$1,437,191 (2020: \$1,329,512). This loss is after fully expensing all research and development costs.

3. Review of Operations

Key achievements during the period include:

- Announcement of commercial deal with Evergreen Garden Care for consumer products
- Positive results from Clarke Phase 2 mosquito studies leading to signing of a binding term sheet to negotiate exclusive US development rights prior to Phase 3 testing
- Key IP protection allowed by US Patent Office extending patent coverage to 2038
- Capital raising of \$3.2 million successfully completed
- Roadmap developed for registration enabling studies for both Flavocide™ and Qcide™

i) Commercial Agreements

Agreement with Evergreen Garden Care

In October 2021, the Company announced that it had signed a license and development agreement with Evergreen Garden Care, the leading home and garden care company outside of North America, which was formerly known as Scotts International. This agreement relates to commercial applications of Flavocide and Qcide within the consumer market space, focusing on the European Union, the United Kingdom, Australia, and New Zealand. This agreement resulted directly from studies conducted by Evergreen under an MTA. These studies showed significant promise in the potential for Bio-Gene products in this market space, prompting Evergreen to take up an early commercial position to allow them to advance some initial applications whilst exploring additional applications to potentially add to the agreement.

The initial applications relate to fly and mosquito products, as well as ant control. The agreement terms are based on these two applications alone and allow the companies to identify and negotiate terms for additional applications within the consumer market. Both parties expect that more applications will be identified to add to these early targets as further research is undertaken. Any such extension will lead to further payments to Bio-Gene. The confidence demonstrated by Evergreen to commit to a commercial agreement, as well as committing to significant investment in product evaluation and registration enabling studies provides meaningful validation of Bio-Gene's Intellectual Property.

The agreement sets out a licence fee and milestones which would be payable over the next few years based on the successful achievement of key events. These payments are in the order of a high six figure sum, which will be surpassed by the significant investment that will be made by Evergreen on the refinement of formulations and registration of products for these applications, as well as further research and development to identify new applications.

Agreement with Clarke Mosquito Control

In October 2021, the company also announced the signing of a binding Option and Term sheet with Clarke Mosquito Control. The agreement commits Clarke to paying Bio-Gene a low six figure sum for the opportunity to negotiate commercial terms at the completion of Phase 3 testing. The agreement grants Clarke a 12-month option to develop Bio-Gene technology for products to be used in the United States, across the field of professional public health control. The agreement comes on the back of the successful Phase 2 testing conducted by Clarke, where formulations were developed and laboratory tested to identify lead prototypes that can now undergo more extensive evaluation. The most recent study assessed the performance of prototypes on three important species of mosquito: *Aedes aegypti*, *Culex quinquefasciatus* and *Anopheles quadrimaculatus*. The results have given both companies the confidence to proceed to field product development and testing. An important component of products in this application is the United States Environmental Protection Agency's (EPA's) requirements that all registered products achieve 90% efficacy at the recommended label rates. The results to date support the expectation that the technology can be registered for such applications.

DIRECTORS' REPORT

The field work will focus on (a) determining the effective rate of the current formulation in field operations against susceptible colony populations and (b) a comparison of effective dose in one or more pyrethroid resistant colony populations. It is expected that these studies will provide sufficient information to allow the terms of a commercial agreement to be determined.

For Bio-Gene, the additional field testing prior to finalising the commercial arrangements offers the opportunity to further invest in regulatory and efficacy studies to support commercialisation and enhance the value proposition for the Company's technology. The cost of these studies will be borne by Clarke and represents significant investment in the development of end-use-products for this market.

The introduction of products with a novel Mode of Action, such as Flavocide and Qcide, is critical for vector management to address populations of pests resistant to currently used chemistry and reduce the potential of increased insecticide resistance in the future. Products of natural origin are seen by the general public as favourable alternatives to many existing products which is a key consideration for mosquito abatement districts, municipalities, counties and states in assessing products for effective mosquito control.

ii) Capital Raising

In December 2021, the Company announced that it had secured commitments to raise \$3.2 million via a strategic share placement (Placement) to sophisticated and professional investors and directors and/or their associates.

Funds raised via the Placement will be used to strengthen the Company's Balance Sheet and enable it to expand its own development activities as well as undertake the necessary collaborative activity under the recently announced partnerships with Evergreen and Clarke. In particular:

- The advancement of major registration enabling studies (specifically longer-term toxicology studies), to support Bio-Gene's commercial partners as highlighted in the Company's recent announcements;
- The development of additional efficacy studies to support commercial discussions relating to new market opportunities;
- Further advancement of manufacturing improvement programs for Qcide and Flavocide;
- Recruitment of additional expertise to project manage the Company's expanded operations; and
- General working capital.

The Placement was by way of the issue of 18,937,118 fully paid ordinary shares at \$0.17. The issue of 1,009,177 shares to directors and/or their associates will occur in February 2022, following shareholder approval at the EGM held on 27 January 2022. The \$0.17 per share price represented a discount of 15 per cent to the \$0.20 per share closing price of Bio-Gene on 6 December 2021, the last trading day prior to the raise being conducted.

iii) Development of Registration Data Packages & Manufacturing Capability

Toxicity / registration enabling studies

The major proportion of funding received from the recent capital raise will be used directly to advance required studies and data generation for registration dossiers. The recent announcements with Evergreen and Clarke confirmed the initial target registration applications and geographies. The Company will now finalise program arrangements with its contracted research partners to implement the program planned for this year. In addition to providing some of the required data for the regulatory dossiers, the advancement of this work provides reassurance to these commercial partners relating to the overall viability and commercial acceptance of their end use products that incorporate the Bio-Gene technology.

Manufacturing

During the period the Company has continued to focus on its manufacturing improvement programs for both Flavocide and Qcide.

A component of our work on Flavocide has been focused on positive refinement of the manufacturing standard operating procedures, including improvements in yield and purity of intermediates and final product, as well as recovery and recycle of waste streams. These projects aim to identify reductions in cost of production and ultimately the supply of the active ingredient to commercial partners. This offers the potential to increase market penetration in target segments as well as opening up additional markets.

In addition, the Company is working to refine its list of potential toll manufacturers, accessing companies globally that offer the right balance of cost, easy access to raw materials and intermediate components, and proximity to anticipated target markets. With the assistance of the manufacturing consultant, the aim is to audit candidates for this important component of the business strategy over the course of the coming year.

The research project with James Cook University (JCU) has aimed to improve the extraction process used in the production of Qcide oil from leaf biomass harvested from coppiced trees grown as an irrigated row-crop in north Queensland. Laboratory studies undertaken by JCU researchers investigated and identified optimum processing conditions for oil extraction. This has led to significant modifications and improvements to on-farm equipment and commercial-scale processes for oil production. The Company has successfully demonstrated consistency in the extraction process to produce oil to a target specification which includes high levels of the active compound tasmanone. The harvest in June 2021 resulted in a 40% improvement in oil yield from the current area farmed, thereby supporting the goal of improving cost of goods to assist partners in developing expanded markets. The recent harvest this month implemented further processes to investigate improvements in yields.

DIRECTORS' REPORT

iv) Efficacy: Lead Product Development Areas

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

The results of the 9-month Stage 3 study were reported by QDAF in mid-February, and the partners in the program (QDAF, BASF, GRDC and Bio-Gene) have convened a meeting to review the results. It is anticipated that this meeting will allow the partners to determine next steps towards commercialisation of the technology.

v) Efficacy: Internal Programs

Ongoing Research Program at Purdue University

The Company continues to conduct research with Purdue University with the objective of identifying additional value-add characteristics of its technology, in particular for mosquito control. Work is continuing on investigating the ability of the technology to interfere with the behaviour of mosquitos and the potential effects of the molecules from the vapour phase. As previously articulated, this research is not stand alone but is part of an on-going program to map out the full potential of Bio-Gene's molecules for mosquito control around the home and in general public health situations. Expanding from pure efficacy research to how the technology is best deployed helps identify the most efficient and valuable ways to use the active ingredients. The interim results are valuable in discussions with various commercial entities currently reviewing mosquito control opportunities with the technology.

Flying Insect Research at the University of Florida

The company has engaged with researchers at the University of Florida (UF) to test Qcide and Flavocide against resistant strains of flying insects, initially with houseflies. As previously reported on the results of phase one of this study, which confirmed the activity of both Qcide and Flavocide against resistant strains of housefly showing a close alignment in their dose response curves between both the resistant and susceptible strains. Phase two study protocols have been established and are aimed at testing Flavocide and Qcide as synergists in combination with pyrethroids/pyrethrins by topical dose response assays. This work will commence in February with results towards the end of Q2.

Other studies underway with Flavocide and Qcide with other contract research organisations continue to deliver results that help refine the immediate target options for the Bio-Gene products on crop and other segment pests, which provide valuable data for discussions with partners and to guide testing programs under new Material Transfer Agreements (MTAs).

Material Transfer Agreements

The Company has continued discussions with other potential commercial partners who are currently accessing the products via agreed testing programs. Those agreements allow for regular interaction about the results to hand and, in some cases, next steps under MTAs. The aim is to broaden future commercial opportunities by advancing these programs beyond the MTA evaluation stage into formal product and market development programs.

This strategy of interacting with additional commercial companies via MTAs is an important part of the development pipeline.

vi) Other Corporate Matters

Intellectual Property

Throughout the period the Company has continued to build on its recent patent allowances in Australia and the U.S. by filing and responding to feedback on patent applications in other jurisdictions. The recent allowances in Australia and the U.S. provide confidence that further allowances will be granted. Supported by its internally funded research, the company will continue to look at opportunities to support additional patent applications that would offer additional value to Bio-Gene and its commercial partners.

COVID-19

As previously reported, the pandemic has had no significant impact on the Company's business processes or commercialisation strategy, despite the inability to travel internationally to meet with potential partners. There have been some minor delays experienced by some of the overseas research laboratories testing our products but pleasingly, there has been minimal impact on Australian-based research work including that being undertaken by Queensland DAF in relation to the collaborative project with BASF and GRDC on grain storage pests.

Company Communications

During the period, Richard Jagger, CEO visited with potential investors in Singapore, Melbourne, and Sydney. Unfortunately, physical attendance at other locations was not possible due to the on-going restrictions in related to COVID-19.

A review of the past 12 months and a look forward to expectations for the next year was presented by the CEO at the AGM.

The Company continues to build on its social media interactions with regular communications on company activities and global issues relevant to Bio-Gene's business development activities. These and on-going updates can be found on Bio-Gene's social media pages:

- LinkedIn: - <https://au.linkedin.com/company/bio-genetechnology>
- Twitter: - <https://twitter.com/biogenetechLtd>

The Company will continue to focus on investor briefings and industry presentations over the course of the year.

DIRECTORS' REPORT

4. Financial and Treasury Activities

The financial results of the Company for the six months ended 31 December 2021 are summarised as follows:

- The Company produced a loss from ordinary activities before income tax and after income tax of \$1,437,191 (2020: \$1,329,512). 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 \$1,434,875 (2020: \$1,320,178).
- Revenues generated for the period of \$410,353 (2020: \$89,212) were from licence and option fees, the R&D Tax Incentive, interest income and other.
- The Company's cash at balance date was \$5,815,558 (30 June 2021: \$3,933,195).
- During the period the Company raised \$3,219,310 before costs (including \$171,560 from directors and/or their associates which was approved at an Extraordinary General Meeting on 27 January 2022) by way of a strategic share placement to sophisticated and professional investors.

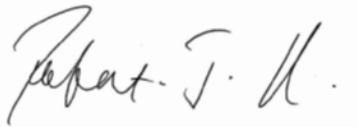
5. Events Subsequent to 31 December 2021

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 17 February 2022.

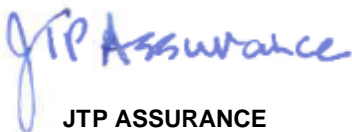


Robert Klupacs
Chairman

**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 2021 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.



JTP ASSURANCE
Chartered Accountants



WAYNE TARRANT
Partner

Signed at Melbourne this 17th day of February 2022

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 2021

		Half-Year	
		31 December 2021	31 December 2020
	Note	\$	\$
Revenues from continuing operations	2(a)	349,049	40,000
Other income	2(b)	61,304	49,212
Research & Development		(778,181)	(821,821)
Commercialisation Expenses		(170,269)	(128,820)
Management and Employment Expenses		(113,397)	(94,434)
Directors Expenses		(149,960)	(85,046)
Professional Services		(268,231)	(73,300)
Intellectual Property		(88,215)	(43,658)
Depreciation & Amortisation	3	(21,127)	(27,761)
Other Expenses		(258,164)	(143,884)
Loss from continuing operations before tax		(1,437,191)	(1,329,512)
Income tax (expense)		-	-
Loss for the half-year from continuing operations after income tax		(1,437,191)	(1,329,512)
Other comprehensive income (loss) for the period, net of tax		-	-
Total comprehensive loss for the half-year attributable to members of the Company		(1,437,191)	(1,329,512)
Earnings (loss) per share:			
Basic loss per share		(1.01¢)	(0.97¢)
Diluted loss per share		(1.01¢)	(0.97¢)

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 2021

		31 December 2021	30 June 2021
	Note	\$	\$
Current assets			
Cash and cash equivalents	4	5,815,558	3,933,195
Trade and other receivables		541,700	523,751
Other assets		259,941	207,067
Total current assets		6,617,199	4,664,013
Non-current assets			
Property, plant and equipment		20,069	22,725
Intangible assets	5	295,542	314,013
Total non-current assets		315,611	336,738
Total assets		6,932,810	5,000,751
Current liabilities			
Trade and other payables		634,525	409,588
Financial liabilities		75,000	-
Employee Benefits		126,254	183,126
Total current liabilities		835,779	592,714
Non-current liabilities			
Employee Benefits		28,688	11,859
Financial liabilities		-	150,000
Total non-current liabilities		28,688	161,859
Total liabilities		864,467	754,573
Net assets		6,068,343	4,246,178
Equity			
Contributed equity	6	17,944,720	15,062,071
Reserves	7	1,145,496	863,329
Accumulated losses	8	(13,021,873)	(11,679,222)
Total equity		6,068,343	4,246,178

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 2021

	Contributed equity	Share option reserve	Share loan plan reserve	Accumulated losses	Total
2021	\$	\$	\$	\$	\$
At 1 July 2021	15,062,071	57,681	805,648	(11,679,222)	4,246,178
Loss for the period	-	-	-	(1,437,191)	(1,437,191)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	(1,437,191)	(1,437,191)
<i>Transactions with owners in their capacity as owners:</i>					
Issued capital	3,047,750	-	-	-	3,047,750
Transaction costs related to shares issued	(165,101)	-	-	-	(165,101)
Re-allocation of value of equity which vested during the period	-	-	-	-	-
Re-allocation of value of equity cancelled during the period	-	-	(94,540)	94,540	-
Cost of share based payment	-	231,982	144,725	-	376,707
At 31 December 2021	17,944,720	289,663	855,833	(13,021,873)	6,068,343
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>					
Issued capital	-	-	-	-	-
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

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 2021

		Half Year	
		31 December 2021	31 December 2020
	Note	\$	\$
Operating activities			
Receipts from customers		369,049	40,000
Payments to suppliers and employees inclusive of GST		(1,450,038)	(1,028,285)
Interest received		18,953	22,739
Interest paid		-	(277)
COVID Stimulus		-	50,000
R&D tax incentive		-	425,415
Net cash used in operating activities		(1,062,036)	(490,408)
Investing activities			
Payments for property, plant and equipment		-	-
Payments for intangible assets		-	-
Net cash used in investing activities		-	-
Financing activities			
Proceeds from issue of shares		3,047,750	-
Funds received in advance for issue of shares		111,200	-
Payment for share issue expenses		(139,551)	(21,059)
Repayments of financial (and lease) liabilities		(75,000)	(6,523)
Net cash provided by financing activities		2,944,399	(27,582)
			-
Net increase in cash and cash equivalents		1,882,363	(517,990)
Cash and cash equivalent at 1 July		3,933,195	5,521,868
Cash and cash equivalents at 31 December	4	5,815,558	5,003,878

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 2021

Note 1: Basis of preparation

The financial report of Bio-Gene Technology Limited for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 17 February 2022. 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

Licence and option fees

Research collaboration receipts

	Half year 31 December 2021 \$	31 December 2020 \$
Licence and option fees	349,049	-
Research collaboration receipts	-	40,000
	349,049	40,000

(b) Other income

Interest revenue

R&D tax incentive

Other income

Interest revenue	18,811	18,703
R&D tax incentive	34,050	30,509
Other income	8,443	-
	61,304	49,212

Note 3: Expenses

Employee salary and benefit expenses:

Salary and employee benefit expenses

Defined contribution superannuation expenses

Share based payments

	Half year 31 December 2021 \$	31 December 2020 \$
Salary and employee benefit expenses	463,113	355,790
Defined contribution superannuation expenses	45,487	37,446
Share based payments	110,266	110,135

Depreciation, amortisation and impairment of non-current assets:

Depreciation – plant and equipment

Depreciation – right of use assets

Amortisation and impairment – intellectual property

Depreciation – plant and equipment	2,656	2,570
Depreciation – right of use assets	-	6,720
Amortisation and impairment – intellectual property	18,471	18,471

Operating expenses:

Foreign currency exchange losses

Foreign currency exchange losses	-	-
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Note 4: Cash and cash equivalents

Cash at bank

Deposit at call

	31 December 2021 \$	30 June 2021 \$
Cash at bank	18,408	9,894
Deposit at call	5,797,150	3,923,301
	5,815,558	3,933,195

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 5: Intangible assets

	31 December 2021	30 June 2021
	\$	\$
Intellectual property establishment and acquisitions at cost	557,818	557,818
Less: Accumulated amortisation	(262,276)	(243,805)
	<u>295,542</u>	<u>314,013</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 2021	
	No.	\$
Opening balance 1 July 2021	153,633,357	15,062,071
Shares issued at 17 cents pursuant to Share Placement	17,927,941	3,047,750
Shares cancelled pursuant to the Loan Share Plan (LSP)	(1,013,956)	(98,935)
Share plan loans	-	98,935
Transaction costs arising on issue of shares	-	(165,101)
Closing balance 31 December 2021	<u>170,547,342</u>	<u>17,944,720</u>

	30 June 2021	
	No.	\$
Opening balance 1 July 2020	151,116,276	14,535,664
Repayment of loans on LSP shares	-	272,600
Re-allocation of value of equity which vested during the period	-	253,807
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>15,062,071</u>

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

	31 December 2021	30 June 2021
	No.	No.
Balance at beginning of the year	2,500,000	4,000,000
Granted during the year	-	-
Exercised during the year	-	-
Expired during the year	-	(4,000,000)
Issued during the period	2,500,000	2,500,000
Lapsed during the year	-	-
Balance at end of the year	<u>5,000,000</u>	<u>2,500,000</u>

Terms of options issued

	Options Issued	Exercise Price	Value \$ ³	Expiry
Options issued – 6 May 2021	2,500,000	25 cents	94,715	6/5/24
Options issued – 1 December 2021	2,500,000	25 cents	194,948	1/12/24

- Share options granted carry no rights to dividends and no voting rights.
- The valuations of options issued are determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued.
- The Options were issued for equity and advisory services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Note 7: Reserves

	31 December 2021 \$	30 June 2021 \$
Share options reserve	(a) 289,663	57,681
Share loan plan reserve	(b) 855,833	805,648
	<u>1,145,496</u>	<u>863,329</u>
	31 December 2021 \$	30 June 2021 \$
(a) Share options reserve		
Opening balance 1 July	57,681	200,400
Value of Options issued during the period	231,982	57,681
Re-allocation of value of options which expired during the period	-	(200,400)
Closing balance	<u>289,663</u>	<u>57,681</u>
(b) Share loan plan reserve		
Opening balance 1 July	805,648	749,602
Value of shares issued under the Loan Share Plan (recognised over vesting period)	144,725	309,853
Re-allocation of value of shares issued under the LSP which vested during the period	-	(253,807)
Re-allocation of value of shares issued under the LSP which were cancelled during the period	(94,540)	-
Closing balance	<u>855,833</u>	<u>805,648</u>

Note 8: Movement in accumulated losses

	31 December 2021 \$	30 June 2021 \$
Opening balance 1 July	(11,679,222)	(9,483,358)
Re-allocation of value of shares issued under the LSP which were cancelled during the period	94,540	-
Re-allocation of value of options which expired during the period	-	200,400
Net loss for the period	(1,437,191)	(2,396,264)
Closing balance	<u>(13,021,873)</u>	<u>(11,679,222)</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.

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 2021 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 2021 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. H.', is written over a light grey rectangular background.

Robert Klupacs
Chairman

Dated this 17th day of February 2022

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 2021, 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 2021 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.

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 2021 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

JTP ASSURANCE
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 17th day of February 2022