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23 February 2022

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

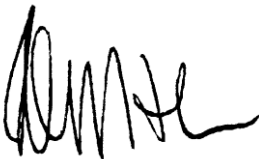
(21 pages by email)

Dear Madam

HALF YEAR REPORTS

In accordance with Listing Rule 4.2A, I attach the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2021. This Interim Financial Report should be read in conjunction with the Company's 30 June 2021 Annual Report.

Yours sincerely



Peter J. Nightingale
Company Secretary

pjn1144

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Appendix 4D

Half Year Report

Name of entity

BIOTRON LIMITED

ABN or equivalent company
reference

60 086 399 144

Financial year ended ('current period')

31 DECEMBER 2021

Results for announcement to the market

Revenues from ordinary activities	Down	85.86%	to	1,305
Loss from ordinary activities after tax attributable to members	Down	19.17%	to	1,938,863
Net loss for the period attributable to members	Down	19.71%	to	1,938,863
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend	Nil¢		Nil¢	
Interim dividend	Nil¢		Nil¢	
Previous corresponding period				
Final dividend	Nil¢		Nil¢	
Interim dividend	Nil¢		Nil¢	
Record date for determining entitlements to the dividend.	N/A			
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Please refer to note 5 of the Interim Financial Report regarding material uncertainty.				
NTA backing	Current period		Previous corresponding period	
Net tangible asset backing per ordinary security	0.28 cents		0.66 cents	

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BIOTRON LIMITED
A.B.N. 60 086 399 144

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2021**

BIOTRON LIMITED

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BIOTRON LIMITED

DIRECTORS' REPORT

The directors have the pleasure in submitting their report together with the interim financial statements of Biotron Limited ('Biotron' or 'the Company') for the half-year ended 31 December 2021 and the auditor's review report thereon.

DIRECTORS

The names and particulars of the directors of the Company at any time during or since the end of the half-year are:

Mr Michael J. Hoy
Independent and Non-Executive Chairman

Mr Hoy has more than 30 years' corporate experience in Australia, the United Kingdom, USA and Asia. He is Chairman of Lipotek Pty Limited and a former director of John Fairfax Holdings Limited and FXF Trust.

Mr Hoy has been a director since 7 February 2000 and Chairman since 16 March 2000.

Dr Michelle Miller, BSc, MSc, PhD, GCertAppFin (Finsia)
Managing Director

Dr Miller has worked for over 25 years in the bioscience industry, with extensive experience in commercial drug development. She completed her PhD in the Faculty of Medicine at Sydney University investigating molecular models of cancer development. Her experience includes several years at Johnson & Johnson developing anti-HIV gene therapeutics through preclinical research to clinical trials. She has finance industry experience from time spent as an Investment Manager with a specialist bioscience venture capital fund.

Dr Miller was appointed as Managing Director on 21 June 2002.

Dr Susan M. Pond AM, MD DSc, FTSE FAHMS
Independent and Non-Executive Director

Dr Pond has a strong scientific and commercial background having held executive positions in the biotechnology and pharmaceutical industry for 12 years, most recently as chairman and managing director of Johnson & Johnson Research Pty Limited (2003 - 2009). Previous non-executive positions include chair of AusBiotech Limited and director of Australian Nuclear Science and Technology Organisation, Wound Management Innovation CRC and Australian Academy of Technological Sciences and Engineering (ATSE). Dr Pond also served as a board member of Commercialisation Australia and Innovation Australia.

Dr Pond is currently chair of the New South Wales Smart Sensing Network, director of the Trusted Autonomous Systems Defence Cooperative Research Centre, Vectus Biosystems Ltd and the Australian Phenomics Network. She is Governor in Council of the Queensland University of Technology and a Fellow of the Australian Institute of Company Directors, the Academy of Technological Sciences & Engineering, the Academy of Health and Medical Sciences and the Royal Society of NSW.

Dr Pond holds a first-class honours degree in Bachelor of Medicine and Surgery from the University of Sydney and a Doctor of Medicine degree from the University of New South Wales. She obtained specialist clinical credentials in internal medicine, clinical pharmacology and clinical toxicology and held academic appointments at the University of California San Francisco and the University of Queensland before joining industry.

Dr Pond was appointed as a director on 7 March 2012.

Mr Robert B. Thomas BEc, MSDIA, SF Fin, FICD, FRSN
Independent and Non-Executive Director

Mr Thomas has over 35 years' experience in the securities industry, with Potter Partners (now UBS), County NatWest and Citigroup.

He is the chairman of Starpharma Holdings Limited and a director of Clarity Pharmaceuticals Limited. He chairs Grahger Retail Securities Pty Ltd and is a director of O'Connell Street Associates Pty Limited.

Mr Thomas has a Bachelor of Economics degree from Monash University (1963 - 1966). He has been a member of the Securities Institute of Australia since 1976 and was appointed as a Fellow to the Institute in 1997. He is a Master Stockbroker and is a Fellow of the Institute of Company Directors.

Mr Thomas was appointed as a director on 7 March 2012.

BIOTRON LIMITED

DIRECTORS' REPORT

Prof Stephen Locarnini, BSc(Hons), PhD, MBBS, FRC(Path)
Independent and Non-Executive Director

Professor Locarnini is a past director of the World Health Organisation (WHO) Regional Reference Laboratory for Hepatitis B and D for the Western Pacific Region (WPRO). His current major research interests include viral hepatitis, hepatitis vaccines and antiviral chemotherapy with an emphasis on the basic virology of the various agents of hepatitis, the molecular pathogenesis of hepatitis, as well as prevention and public health control measures.

Curative treatments for hepatitis B infections with antiviral agents represent the current focus for Professor Locarnini who is also interested in intellectual property issues when applied to clinical and diagnostic virology. He is a named inventor on over 20 internationally granted patents.

He worked at the Victorian Infectious Diseases Reference Laboratory (VIDRL, originally Fairfield Hospital Virus Laboratory) from 1989, as Director of Laboratory Services from 1990 to 1998 and, in 1993, he oversaw the amalgamation of all the Fairfield Laboratories into the one service of the VIDRL. He subsequently assumed the position of Head, Research & Molecular Development of VIDRL when the laboratory relocated to Melbourne Health in 1998.

Professor Locarnini is the recipient of numerous awards including the European Association for the Study of Liver Disease (EASL) International Recognition Award in 2010, the Malaysian Liver Foundation's Medal for work on Viral Hepatitis in 2003 and the Gastroenterological Society of Australia (GESA) Distinguished Research Prize in 2013. In 2019 he received the William H. Prusoff HEP DART Lifetime Achievement Award. He is author of 289 peer-reviewed articles, 24 invited editorials and 100 book chapters and reviews and every year delivers numerous invited, plenary, and named lectures at major international meetings and conferences.

Professor Locarnini currently has an academic appointment at the University of Melbourne.

He is a member of the Scientific Advisory Board of a number of emerging as well as established pharmaceutical and biotechnology companies. In 2017, he co-founded the biotech start-up company CLEAR-B with the Morningside-Newton Investment group in Boston, USA focusing on curative strategies for chronic hepatitis B.

Professor Locarnini was appointed as a director on 23 October 2018.

Mr Peter J. Nightingale
Company Secretary

Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Chartered Accountants Australia and New Zealand. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for more than 30 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe. Mr Nightingale is currently a director of Alpha HPA Limited and Prospech Limited.

Mr Nightingale has been Company Secretary since 23 February 1999.

BIOTRON LIMITED

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Biotron has completed several significant milestones during the first half of the 2021-2022 financial year. These include:

- Commenced two Phase 2 clinical trials of BIT225 for treatment of HIV-1 infection following receipt of relevant ethics and regulatory approvals at sites in Australia and Thailand.
- Continued testing a series of compounds with promising activity against SARS-CoV-2, the causative agent of Covid-19, in preliminary safety studies and animal models of disease.
- Reported that Biotron's lead antiviral drug BIT225 demonstrated substantial and clinically meaningful efficacy against SARS-CoV-2 in a series of animal and cell-based studies.
- Continued the design, synthesis and testing of new compounds under its HIV-1 program, with the aim of identifying a next-generation lead anti-HIV-1 drug.
- Continued the design, synthesis and testing of new compounds under its Hepatitis B program.

SARS-CoV-2

During the half-year in review, Biotron announced that BIT225 had demonstrated substantial and clinically meaningful efficacy against SARS-CoV-2 in a series of animal and cell-based studies performed at The SCRIPPS Research Institute, La Jolla, CA, USA.

The drug protected animals infected with the virus from developing severe disease.

BIT225 belongs to a new class of antiviral drugs known as viroporin inhibitors. It targets key viral-encoded proteins known as viroporins that are central to establishing and maintaining infections through modulation of the body's immune system.

BIT225 is Biotron's lead antiviral clinical-stage, investigational, small molecule antiviral drug. It is an oral drug, suitable for once-a-day dosing and has a well characterised safety profile. The drug has been evaluated in nine clinical trials involving healthy volunteers, patients with HIV-1 infection, patients co-infected with Hepatitis C virus ('HCV') and HIV-1 and patients with HCV (as monotherapy and in combination with pegylated interferon-alfa and ribavirin). Formal pre-clinical studies have assessed safety over 24 weeks of dosing.

The emergence of new SARS-CoV-2 variants such as Omicron highlights the urgent need for oral drugs to treat the infection and prevent severe disease, especially in at-risk individuals. BIT225 has an established human safety profile and has the potential to be an important first in class drug for COVID-19 treatment.

The Company is currently mapping out a clinical and regulatory pathway for treatment of COVID-19 with BIT225 in consultation with its USA based advisors and consultants. Designing a suitable trial in the current fluid environment of the pandemic require careful consideration of the clinical, regulatory and epidemiologic features of the SARS-CoV-2 virus. This process involves coordination between the Company, international medical experts in the treatment of COVID-19 and clinical trial design, regulatory authorities and funding agencies.

The USA Food and Drug Administration ('FDA') has created a special emergency program for possible coronavirus therapies, the Coronavirus Treatment Acceleration Program ('CTAP'). The program uses every available method to move new treatments to patients as quickly as possible. Biotron is preparing a detailed briefing package to submit to the FDA during the first quarter of 2022.

Guidance from the FDA will inform the final design of a suitable international trial and will be a key component of outreach to potential partners.

BIOTRON LIMITED

DIRECTORS' REPORT

HIV-1 Program

During the half-year in review, Biotron commenced two Phase 2 clinical trials of BIT225 for treatment of HIV-1 infection.

Previous clinical trials have shown that BIT225, an oral, first-in-class anti-viral drug in capsule form, induces important immune system changes that indicate improved health outcomes in HIV-positive people commencing antiretroviral treatment for the first time.

One of the new trials (BIT225-011) will further investigate the impact of BIT225 in people who have been taking approved anti-HIV-1 treatment ('ART') for an extended period with well-controlled HIV-1 infection but not achieved full immune reconstitution despite long term durably suppressive ART. This group, estimated to encompass more than one-third of the HIV-treated population, is at an increased risk of clinical progression to AIDS and other morbidities and has higher rates of mortality than HIV-infected patients who have attained full immune reconstitution.

The trial is in progress at sites in Sydney, Australia including St Vincent's Hospital and Holdsworth House.

The second new trial (BIT225-010) is underway at sites in Thailand. This study includes people newly diagnosed as being HIV-1 positive but not yet commenced ART with BIT225 treatment or placebo continuing for 6 months in combination with ART.

The two HIV-1 trials are expected to conclude in mid-2022 and data to be made available during the second half of 2022.

The trials are designed to generate data that will be central to demonstrating to potential pharmaceutical partners and regulatory authorities how BIT225 can be used to improve patient outcomes and address currently unmet medical needs.

During the half-year period, the Company progressed its program to design, synthesise and screen new chemical entities with the aim of identifying a follow-on, next-generation lead. The aim is to identify a lead candidate to progress to formal safety studies. Key lead candidates are currently being assessed for safety and favourable drug-like properties in animal studies.

Hepatitis B Program

During the half-year in review, Biotron has continued to design, synthesise and test new compounds with the aim of identifying a lead candidate for Hepatitis B virus ('HBV'). Biotron is working with other experienced groups to access key assays and continues to make good progress. The aim is to identify a lead series to progress to preliminary safety studies and assessment in animal models of HBV infection.

The current pandemic highlights the importance of novel approaches such as Biotron's viroporin compounds which have the potential to target a broad range of existing and emerging viruses.

Corporate

During the second half of the financial year, the Company will be focused on:

- Progressing the current Phase 2 HIV-1 clinical trials, with the aim of completing the clinical phase of the studies in mid-2022 and results available in the second half of 2022.
- Submission of a briefing package to the USA FDA under the CTAP program for clinical development of BIT225 for treatment of SARS-CoV-2/COVID-19. The anticipated guidance from the FDA will be key for finalising a trial design and for outreach to potential partners.
- Undertaking additional *in vitro* cell-based preclinical testing of compounds for the HBV program, including screening of newly designed and synthesised compounds for potential anti-HBV activity with the aim of identifying a lead compound to progress to clinical development.
- Ongoing sharing of data and discussions on its antiviral programs including the HIV-1 Phase 2 clinical trial and the SARS-CoV-2 program with potential pharmaceutical company partners regarding commercialisation opportunities for the Company's antiviral intellectual property.

BIOTRON LIMITED
DIRECTORS' REPORT

Subsequent Events

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2021.

This report has been signed in accordance with a resolution of the directors and is dated 23 February 2022:



Michael J. Hoy
Chairman



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Biotron Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Biotron Limited for 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.

KPMG

KPMG

Adam Twemlow
Partner
Brisbane
23 February 2022

BIOTRON LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	31 December 2021 \$	31 December 2020 \$
Continuing Operations			
Other income		-	50,000
Administration and consultants' expenses		(277,967)	(293,428)
Depreciation		(22,869)	(23,640)
Direct research and development expenses		(1,147,962)	(1,634,932)
Employee and director expenses		(442,044)	(471,353)
Rent and outgoings expenses		(4,587)	(5,526)
Other expenses from ordinary activities		(42,499)	(27,504)
Operating loss before financing income		(1,937,928)	(2,406,383)
Interest income	6	1,305	9,231
Interest expense	6	(2,240)	(1,399)
Net finance (expense)/income		(935)	7,832
Loss before tax		(1,938,863)	(2,398,551)
Income tax expense		-	-
Loss for the period		(1,938,863)	(2,398,551)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(1,938,863)	(2,398,551)
Basic and diluted loss per share	7	(0.28) cents	(0.34) cents

The above condensed interim statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		2,352,840	4,210,624
Other assets		64,477	51,062
Total current assets		2,417,317	4,261,686
Non-current assets			
Property plant and equipment		112,068	30,875
Other financial assets - bond deposit		33,985	33,943
Total non-current assets		146,053	64,818
Total assets		2,563,370	4,326,504
Current liabilities			
Trade and other payables		212,316	191,079
Employee entitlements		304,935	253,793
Lease liability		33,116	6,347
Total current liabilities		550,367	451,219
Non - current liabilities			
Employee entitlements		17,864	12,291
Lease liability		60,423	-
Total non- current liabilities		78,287	12,291
Total liabilities		628,654	463,510
Net assets		1,934,716	3,862,994
Equity			
Issued capital		52,843,994	52,843,994
Reserves		85,875	105,915
Accumulated losses		(50,995,153)	(49,086,915)
Total equity		1,934,716	3,862,994

The above condensed interim statement of financial position is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Notes	31 December 2021	31 December 2020
		\$	\$
Cash flows from operating activities			
Cash receipts in the course of operations		-	50,000
Payments for research and development		(1,140,992)	(1,858,667)
Cash payments in the course of operations		(698,987)	(686,279)
Interest received		1,305	9,231
Net cash used in operating activities		(1,838,674)	(2,485,715)
Cash flows from investing activities			
Payments for plant and equipment		-	(5,724)
Net cash used in investing activities		-	(5,724)
Cash flows from financing activities			
Lease payments		(19,110)	(19,110)
Net cash used in financing activities		(19,110)	(19,110)
Net decrease in cash and cash equivalents		(1,857,784)	(2,510,549)
Cash and cash equivalents at 1 July		4,210,624	7,660,903
Cash and cash equivalents at 31 December		2,352,840	5,150,354

The above condensed interim statement of cash flows is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Attributable to equity holders of the Company

	Issued Capital	Option Premium Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2020	52,843,994	74,081	(45,945,067)	6,973,008
Total comprehensive income for the period				
Loss for the period	-	-	(2,398,551)	(2,398,551)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,398,551)	(2,398,551)
Contribution by and distribution to owners				
Share based payments	-	63,944	-	63,944
Balance at 31 December 2020	<u>52,843,994</u>	<u>138,025</u>	<u>(48,343,618)</u>	<u>4,638,401</u>
Balance at 1 July 2021	52,843,994	105,915	(49,086,915)	3,862,994
Total comprehensive income for the period				
Loss for the period	-	-	(1,938,863)	(1,938,863)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,938,863)	(1,938,863)
Contribution by and distribution to owners				
Transfer from reserves to expired options	-	(30,625)	30,625	-
Share based payments	-	10,585	-	10,585
Balance at 31 December 2021	<u>52,843,994</u>	<u>85,875</u>	<u>(50,995,153)</u>	<u>1,934,716</u>

The above condensed interim statement of changes in equity is to be read in conjunction with the accompanying notes to the condensed interim financial statements.

BIOTRON LIMITED

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

1. REPORTING ENTITY

Biotron Limited (the 'Company') is a company domiciled in Australia. The Company is primarily involved in the research and development of new treatments for serious viral diseases such as HIV, HBV, Hepatitis C and coronaviruses.

The annual financial statements of the Company as at and for the year ended 30 June 2021 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.biotron.com.au.

2. STATEMENT OF COMPLIANCE

The condensed interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 30 June 2021. The condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

These condensed interim financial statements were authorised for issue by the directors on 23 February 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those applied in the financial statements as at and for the year ended 30 June 2021.

4. ESTIMATES

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2021.

5. GOING CONCERN

The condensed interim financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company has incurred a trading loss of \$1,938,863 in the half-year ended 31 December 2021 and has accumulated losses of \$50,995,153 as at 31 December 2021. The Company has cash on hand of \$2,352,840 at 31 December 2021 and used net cash of \$1,838,674 in operations for the half-year ended 31 December 2021. As at 31 December 2021, the Company had net assets of \$1,934,716. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

The ongoing operation of the Company is dependent on:

- the Company raising additional funding from shareholders or other parties; and/or
- the Company reducing expenditure in line with available funding.

The directors have prepared cash flow projections that support the ability of the Company to continue as a going concern for the period 1 January 2022 to 31 March 2023. These cash flow projections include significant ongoing expenditure on research and development activities and assume the Company obtains the research and development ('R&D') rebates from the Australian Government and sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Company plans to reduce expenditure in line with available funding.

In the event that the Company does not obtain additional funding and/or reduce expenditure in line with available funding, the achievement of which is significantly uncertain until secured or realised, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

BIOTRON LIMITED

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

	31 December 2021	31 December 2020
	\$	\$

6. LOSS BEFORE INCOME TAX

The following items are relevant in explaining the financial performance for the half-year:

Interest income on cash deposits	1,305	9,231
Interest expense on lease liability	(2,240)	(1,399)
Total	(935)	7,832

Lease liability repayment for the six months ended 31 December 2021 was \$19,110 (2020 - \$19,110) and is recognised as cash outflows from lease repayments.

7. LOSS PER SHARE

Basic and diluted loss per share have been calculated using:

Net loss for the period	1,938,863	2,398,551
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	31 December 2021	31 December 2020
	Number	Number

Weighted average number of ordinary shares	701,932,713	701,932,713
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As the Company is loss making, none of the potentially dilutive options on issue are currently dilutive in the calculation of total earnings per share.

8. RELATED PARTIES

Key management personnel and director transactions

During the half-year ended 31 December 2021, Peter J. Nightingale had a controlling interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Company. Fees paid to MIS Corporate Pty Limited during the half-year, which were in the ordinary course of business and on normal terms and conditions, amounted to \$72,000 (31 December 2020 - \$72,000). There were no amounts outstanding at 31 December 2021 and 31 December 2020.

9. SEGMENT REPORTING

The Company operates solely in the biomedical industry in Australia.

BIOTRON LIMITED

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

10. SHARE BASED PAYMENTS

The Company has a share option program that entitles key management personnel to be granted options in the Company.

There were no options issued during the half-year ended 31 December 2021. The terms and conditions of the options held by key management personnel during the half-year ended 31 December 2021 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Fair value of options granted \$	Options on issue Number	Total Exercised Number	Total Number Expired	Balance at end of the period Number
26 November 2019	29 November 2021	¹ 26 November 2019	\$0.25	30,625	5,000,000	-	(5,000,000)	-
26 November 2019	29 November 2022	² 26 November 2020	\$0.20	14,215	1,000,000	-	-	1,000,000
26 November 2019	29 November 2023	³ 26 November 2021	\$0.20	19,502	1,000,000	-	-	1,000,000
				64,342	7,000,000	-	(5,000,000)	2,000,000

¹ Vesting date is subject to the completion of a commercialisation transaction and continuing employment. The options can be exercised at any time after a commercialisation transaction through to the expiry date of the option (or within 2 months of termination).

² Vesting condition of 1 year service period. To exercise, option holders must remain with the Company or exercise within 2 months of the termination of their employment.

³ Vesting condition of 2 years service period. To exercise, option holders must remain with the Company or exercise within 2 months of the termination of their employment.

The terms and conditions of the options held by employees during the half-year ended 31 December 2021 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Fair value of options granted \$	Options on issue Number	Total Exercised Number	Total Number Expired	Balance at end of the period Number
26 November 2019	31 January 2023	¹ 31 January 2021	\$0.20	52,500	2,500,000	-	-	2,500,000
				52,500	2,500,000	-	-	2,500,000

¹ Vesting condition of 2 year service period. To exercise, option holders must remain with the Company or exercise within 2 months of the termination of their employment.

Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the key management become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vested during the period.

The fair value of options granted on 26 November 2019 to Key Management Personnel was \$64,342 and \$30,625 options expired unexercised. The Black-Scholes formula model inputs were the Company's share price of \$0.064 at the grant date, a volatility factor of 77% based on historic share price performance, a risk-free interest rate of 0.73% to 0.81% based on government bonds and a dividend yield of 0%.

The fair value of options granted on 26 November 2019 to employees was \$52,500. The Black-Scholes formula model inputs were the Company's share price of \$0.064 at the grant date, a volatility factor of 77% based on historic share price performance, a risk-free interest rate of 0.81% based on government bonds and a dividend yield of 0%.

For the half-year ended 31 December 2021 an expense of \$10,585 (2020 - \$63,944) was recognised.

11. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.


BIOTRON LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Biotron Limited ("the Company"):

- (a) the condensed interim financial statements and notes, set out on pages 7 to 13, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; 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.

This report has been signed in accordance with a resolution of the directors and is dated 23 February 2022:



Michael J. Hoy
Chairman



Michelle Miller
Managing Director



Independent Auditor's Review Report

To the shareholders of Biotron Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Biotron Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Biotron Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed interim statement of financial position as at 31 December 2021;
- Condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows for the half-year ended on that date;
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Material uncertainty related to going concern

We draw attention to Note 5, "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 5, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period 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.

KPMG

KPMG

Adam Twemlow
Partner
Brisbane
23 February 2022

BIOTRON LIMITED
CORPORATE DIRECTORY

Directors:

Mr Michael J. Hoy (Chairman).
Dr Michelle Miller (Managing Director).
Dr Susan M. Pond.
Mr Robert B. Thomas.
Prof Stephen Locarnini.

Company Secretary:

Mr Peter J. Nightingale.

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Share Registrar:

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Auditors:

KPMG
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71 Eagle Street
BRISBANE QLD 4000

Home Exchange:

ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000

Biotron Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.