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Annual Report 2020

WHO WE ARE

Bio-Gene is an Australian agtech development company enabling the next generation of novel insecticides, addressing the global problems of insecticide resistance and toxicity. Its novel platform technology is based on naturally occurring beta-triketones, a type of chemistry that may offer new solutions for insect management control in, crop protection (including grain storage), public health, consumer applications and animal health.

Insecticide resistance is a real and growing problem. Almost 600 insect types (as well as other arthropod pests such as ticks and mites) are resistant to more than one insecticide class. In terms of public health, over 60 countries have reported mosquito resistance to at least one insecticide class. With insect-borne diseases such as malaria, Zika and dengue fever becoming more widespread and only limited solutions available to address this expansion, the problem of insecticide resistance is expected to grow.

Many of the insecticide classes currently in use have toxicity profiles that pose mounting human and environmental problems, especially in agriculture where both crops and livestock can be continually exposed to these compounds. With the global insecticide market valued at in excess of US$32 billion per annum, there is real potential to disrupt the current paradigm with an insect control solution that is targeted, safer, has low environmental impact and is cost effective to use.

Flavocide™ is one of our lead beta-triketone insecticide products, one of a class of chemistry identified in extracts of specific Australian native flora that have been shown to have insecticidal activity. Flavocide, based on flavesone, is a chemically synthesised, nature-identical compound. Our research indicates flavesone has a novel mode of action versus all other insecticides on the market today. We have demonstrated flavesone efficacy when used alone, or in combination with other existing insecticides on resistant populations of certain pests, and it therefore has the potential to address existing insecticide resistance to other chemistry. Our second product, Qcide™, contains the natural form of another triketone the Company is also developing, and is suitable for natural or biological applications.

BIO-GENE TECHNOLOGY LTD

An insecticide technology & IP development company

BETA-TRIKETONES
Platform Technology

Key technology enabling a new generation of novel insecticides to address the increasing problem of insecticide resistance

- Data shows initial products **Flavocide™** & **Qcide™** can be highly effective for insect management
- Potentially suitable for commercialisation into multiple targeted insecticides
- Collaborate with commercial partners to bring multiple insect indications to market
- Targeting public health, animal health crop protection & consumer sectors

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CHAIRMAN'S AND CEO'S REPORT

Dear Shareholder,

On behalf of the Bio-Gene Technology Board and management team, we are pleased to present our 2020 Annual Report.

Bio-Gene achieved a number of significant milestones throughout the past year. Firstly, we were successful in raising significant funding from government sources as well as completing a capital raise through existing and new shareholders, details of which are outlined below. As of June 30, we had $5.5 million cash on hand, which extends our runway well beyond 12 months - an important position to be in given these trying times - and allows us to continue moving forward with the commercialisation of our technology.

During the past 12 months, we have made excellent progress with our commercialisation activities which resulted in two evaluation projects. The first of these is a four-way collaborative research program relating to stored grain pest control. The partnership includes Bio-Gene; 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), recognised experts in the field of stored grain pests. Having the involvement of BASF and GRDC in this project is exciting to Bio-Gene as it offers third-party validation of our technology and identifies the opportunity for commercialisation by having both the industry and a commercial partner involved from an early stage.

The research program began in January 2020 and consists of three stages, the first of which was completed in April 2020. Stage 2 is due to be completed early September, whereupon assessment of the data is made before the commencement of stage 3. DAF have done a terrific job of staying on track with these studies, despite the distractions and restrictions of the COVID-19 pandemic.

The second partnership, which was announced in April 2020, is with Clarke Mosquito Control Inc. (Clarke) to develop both Flavocide and Qcide for use in public health mosquito control in the Americas. Clarke, which is based in the US, is the largest vertically integrated company serving the regional public health mosquito control market. Building on their initial testing, the next stage is to develop specific formulations to identify the most suitable solutions for different market applications. This agreement with Clarke has the opportunity to expand into other markets and is very valuable for discussions with other stakeholders to further develop commercial opportunities in the public health space.

We have continued to engage with new companies to facilitate internal testing of our products, with the aim of replicating the Clarke and BASF/GRDC projects into new market segments. Bio-Gene, together with these international companies, have agreed on specific testing protocols and target pests, and we have ensured that we can access and discuss ongoing results with the various R&D divisions whilst protecting our Intellectual Property throughout the process.

During the year the Company announced positive results from its residual testing of Flavocide in grain storage, which demonstrated the ability for Flavocide to meet the key industry standard for any new grain protectant to enter the market.

In addition, the Company continued its work at Purdue University and was delighted to announce a globally significant breakthrough with trial results that confirmed Flavocide can control resistant strains of the *Anopheles gambiae* mosquito. The Company has now demonstrated Flavocide activity against resistant populations of the major mosquito species that carry diseases of such global importance as Malaria, Zika virus and Dengue fever.

In addition, Bio-Gene commenced eco-toxicity studies with Flavocide with positive results. These studies are pivotal to further profiling and understanding the safety profile of products containing flavesone when released into the environment, which is an important component of our registration process.

Complementing our testing work, we have advanced our studies of Flavocide's Mode of Action. We have also progressed our body of work with collaborators to continue to improve manufacturing systems for both Qcide and Flavocide.

Our I.P. has been further supported by advancing the two new patent applications into the country by country examination phase. If granted, these two patents will provide protection to at least 2038.

On 26 May 2020, Bio-Gene announced the successful completion of a $2.4 million capital raise via a placement to sophisticated and professional investors at $0.155 per share. Combined with the proceeds from the Share Purchase Plan of $428,000, Bio-Gene raised a total of $2.8 million.

In addition, Bio-Gene secured non-dilutive funding from government sources of nearly $1 million. Pleasingly this amount included the proceeds of the settlement with AusIndustry in respect of the R&D Incentive claim relating to the three years ending 30 June 2019 which resulted in additional refunds totalling $359,140.

During the year ahead we will continue to work with potential partners with the aim of advancing our technology towards commercial partnerships. We take this opportunity to thank our fellow Directors, our employees, our adviser to the Board Doug Rathbone, our scientific advisors and everyone who has worked with Bio-Gene during the past year for their valuable contribution. We also thank you our shareholders for your ongoing support and we look forward to sharing updates with you as we make further progress during FY2021.

Don Brumley
Non-Executive Chairman

Richard Jagger
Chief Executive Officer and Managing Director

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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 year ended 30 June 2020.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Mr. Donald Brumley (Non-Executive Chairman)
Mr. Richard Jagger (Managing Director and CEO)
Mr. Robert Klupacs (Non-Executive Director)
Mr. Kevin Rumble (Non-Executive Director)
Mr. Peter May (Executive Director, Research and Development)

Details of each director's qualifications and special responsibilities, together with meetings attended, are set forth in other parts of this report.

On 29 November 2019, Kevin Rumble advised the Board of his plan to retire at the 2020 Annual General Meeting.

Company Secretary:

Mr. Roger McPherson

Principal activities

The principal activity of the Company is to pursue the development and ultimately the commercialisation of insecticide products.

Bio-Gene's lead beta-triketone insecticide products are Flavocide™ (flavesone), a synthetically produced nature-identical compound, and Qcide™, a natural oil with high levels of tasmanone. Early research indicates insecticidal activity of these products when used alone, or in combination with other existing insecticides, as well as a novel mode of action with the potential to overcome existing insecticide resistance.

Bio-Gene is seeking to commercialise these products via partners as insecticide formulations for use in a range of target markets.

Review of financial position

A successful capital raising involving new and existing shareholders, as well as significant non-dilutive funding from government sources has put us in a very strong financial position going forward with $5.5 million as of June 30, 2020.

Review of operations

Other key achievements during the period include:

- Crucial advancements on our commercialisation strategy with the execution of two evaluation projects (BASF/GRDC and Clarke) and a number of additional material transfer agreements (MTAs) signed with international companies

- Several international companies of significance to our key market segments have conducted in-house testing of Flavocide and Qcide

- Advancement of Bio-Gene's research and development programs for both Flavocide and Qcide, confirming our relevance to major insecticide markets globally

- Advancement of the toxicology studies for Flavocide and physico-chemical studies for Qcide which are important steps towards completing our registration enabling studies

- Our IP position continues to strengthen with the two new patents moving into the country by country phase of examination. In addition, our intellectual property regarding manufacturing techniques offers significant value to the company

Commercial Advancements

One of the key focus areas for the Company during the year has been engagement and discussions with several international companies, many of which have received samples of Flavocide and Qcide under material transfer agreements, with which to undertake their own testing. Bio-Gene, together with these international companies have agreed on specific testing protocols and target pests. In addition, Bio-Gene has ensured that it can access and discuss ongoing results with the various R&D divisions whilst protecting its Intellectual Property throughout the process.

DIRECTORS' REPORT

As a result of this process Bio-Gene was pleased to announce two evaluation projects during the year. The first of these is a four-way collaborative research program relating to Flavocide for stored grain pest control. The four-way partnership includes Bio-Gene; 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), recognised experts in the field of stored grain pests. The research program which began in January 2020 is assessing Flavocide in combination with other chemical groups for control of the full range of key pests. In April 2020, Bio-Gene announced that the program had completed Stage 1, which identified the optimum combination of Flavocide with existing compounds for control of the most common, and highly resistant stored grain pest, the Lesser Grain Borer. The results of this stage guided Stage 2 treatment modifications for evaluation on other major pests of stored grain, which collectively aim to develop one product combination to control the five significant pest species. Stage 2 commenced in May and is anticipated to take approximately three months to complete. Stage 3, comprising of field trials, will then follow to determine the residual efficacy of the optimum product combination.

Bio-Gene announced that it had signed its second partnership, in April 2020, with Clarke Mosquito Control Inc. (Clarke) to develop both Flavocide and Qcide for use in public health mosquito control in North, South and Central America. The partnership follows positive results from their internal testing of Flavocide and Qcide earlier in the year. The next stage is to develop specific products which may incorporate other chemistries to identify the most suitable formulations for different market applications. This agreement with Clarke has the opportunity to expand into other markets and is very valuable for discussions with other stakeholders including for example NGOs and philanthropic organisations, to further develop commercial opportunities in the public health space.

Entering into other evaluation partnerships is an ongoing process with a number of new companies identified and engaged throughout the year, which should lead to the establishment of further formal evaluation agreements.

Flavocide™

Over the year the Company has continued to expand Flavocide's data package through further efficacy testing of the product. The testing program has been undertaken with a number of groups to demonstrate efficacy across a range of pests in different market sectors.

Grain Storage Pests

Following the completion of its initial program with the Queensland DAF, to assess Flavocide against a range of grain storage pests, Bio-Gene subsequently expanded this program to undertake residual studies in respect of Flavocide. This is an important area as it points to commercial viability and, in December 2019, Bio-Gene announced results from its stored grain trial that confirmed Flavocide successfully controlled the Lesser Grain Borer, over a nine-month period, which is considered a key industry standard for any new grain protectant to enter the market. In March 2020, Bio-Gene announced final results from this trial, showing Flavocide continued to control this key stored grain pest over 13 months.

The residual efficacy over 13-months is highly encouraging because it further strengthens Bio-Gene's technology as an effective alternative in stored grain applications. Furthermore, these results serve as an excellent basis for the collaborative trial program with BASF, Queensland DAF and GRDC.

Mosquitos

In December 2019, Bio-Gene was delighted to announce a globally significant breakthrough with trial results, being conducted at Purdue University, that confirmed Flavocide can control the *Anopheles gambiae* mosquito species which carries Malaria and is increasingly resistant to commonly used insecticides. These laboratory trial results demonstrate that Flavocide is active against resistant strains of the *Anopheles gambiae* mosquito. Combined with previous trial work, the company has now demonstrated Flavocide activity against resistant populations of the major mosquito species that carry diseases of such global importance as Malaria, Zika virus and Dengue fever.

Unique Mode of Action

The Company has continued with it studies of Flavocide's mode of action (MoA), conducted by Pacific Discovery Services (a division of Neurosolutions). This work comprises studies to elucidate the mode of action and assist in understanding how best to utilise the insecticidal activity including identifying the best multiple compound combinations using the molecule.

The data generated as part of these new studies will ultimately be used to support a submission for a new classification of insecticide with the Insect Resistance Action Committee (IRAC) prior to product registration.

The research undertaken to date has supported Bio-Gene's engagement with both industry experts and companies who are looking to find new insecticide technology, to enable them to offer to the market new and valuable commercial products.

Manufacturing

The company has continued the scale-up program of Flavocide manufacture, under a development agreement with Boron Molecular Pty Ltd. Phase One of the project has been completed, which has delivered an improved standard operating procedure for synthesis of the technical grade material with improvements in yield and purity. The next phase will involve production on a larger scale with dedicated production equipment, which also aims to produce batch samples to demonstrate consistency of production and to provide technical grade material suitable for use in toxicological and product chemistry testing.

Toxicology testing

Bio-Gene continued with its de-risking approach to its toxicology program with an initial focus on eco-toxicity. Positive results were seen from preliminary aquatic eco-toxicity studies, performed on three species, Guppy (*Poecilia reticulata*), Water flea (*Daphnia magna*) and freshwater algae (*Pseudokirchneriella subcapitata*) which represent key target species to indicate the environmental impact from the introduction of a pesticide to an aquatic environment.

Preliminary results from an avian eco-toxicity study were also announced, again undertaken with technical grade flavesone, the active constituent contained in Flavocide. This study was performed on Japanese Quail (*Coturnix japonica*); representing a key test species to assess the environmental impact from the introduction of an insecticide to an outdoor environment. The study suggests that Flavocide would be classified within the toxicity range of currently reregistered insecticides in relation to this species.

All of these studies are pivotal to further profiling and understanding the safety profile of future products containing flavesone when released into the environment, with particular relevance to outdoor uses such as for public health and crop protection.

Qcide™

Manufacturing
During the year the Company has continued to develop its eucalypt tree plantations in North Queensland and improve extraction techniques of the Qcide natural oil. The collaboration with James Cook University (JCU) to develop a tissue culture system for the *Eucalyptus cloeziana* chemotype to support expansion of tree plantations and scale up Qcide oil production continued with establishment of several lines of superior trees in culture.

In addition, JCU has also commenced a laboratory-based engineering program aimed at improving oil extraction from harvested plant biomass and thereby increase production from current and future plantations. Maximising the yield potential from each kilogram of bio-mass that is harvested will help to provide a more cost-effective product.

A eucalyptus harvest and associated experimentation programs were completed during the year which demonstrated further improved extraction techniques of oil from biomass.

Flying Insects
Discussions with companies involved in insect control in consumer markets have continued to highlight significant interest in Qcide as a natural insecticide for the control of household pests, in particular flying insects, such as houseflies and mosquitoes. The Company has therefore continued efficacy studies to demonstrate the effectiveness of Qcide for these uses.

Testing carried out by University of Technology Sydney (UTS), evaluated Qcide against houseflies both alone and in combination with pyrethrins, a natural compound used in the consumer market. This program demonstrated improvements in knockdown and mortality with a combination product that offers potential for use as an effective 'flying-insect-killer' (FIK) product. Further testing is planned against resistant strains of housefly to further demonstrate Qcide's position in the consumer market.

Purdue University completed efficacy testing of Qcide against the *Aedes aegypti* mosquito that also evaluated the synergistic action when combined with other insecticides. Findings demonstrated dose-mortality and mortality-over-time activity against both larvae and adult stages including against synthetic pyrethroid (SP) resistant strains. Dose-mortality data also supported potential use of Qcide as a synergist when used in combination with SPs.

Physico-chemical testing & registration package
A series of tests were undertaken by contract laboratories to determine physico-chemical properties of Qcide oil as part of the product chemistry regulatory package and to assist in other studies associated with production and use of Qcide oil. Properties defined included pH, solubility in water & solvents, viscosity, boiling point and flash point.

Intellectual Property Position

An important component of Bio-Gene's value proposition is its Intellectual Property. The Company submitted two additional provisional patent applications in 2017 and one in 2018. These cover unique inventions as part of the Company's strategy to provide added protection to its technology and therefore enhanced value to potential customers. As part of the global patent application process the Company has now entered the specific country by country patent examination phase for the initial two of these patents, which if successfully granted, will provide protection to at least 2038.

Scientific Advisors

Bio-Gene continues to utilise external expertise to support and enhance its limited internal resources. Professor Catherine Hill provides guidance on the science program, Neil Anderson is facilitating the Flavocide manufacturing scale up program, DTS Regulatory Consultants provide regulatory guidance, and Doug Rathbone offers support to the board and management on the Company's commercial strategy. In addition to these resources, other consultants are identified and engaged where appropriate to support the Company's regulatory and commercialisation progress.

Improvement of the financial position of the Company

On 26 May 2020, Bio-Gene announced the successful completion of a $2.4 million capital raise via a placement to sophisticated and professional investors at $0.155 per share. Combined with the proceeds from the Share Purchase Plan of $428,000, Bio-Gene raised a total of $2.8 million.

In addition, Bio-Gene secured non-dilutive funding from government sources of nearly $1 million which included the R&D Tax Incentive, the Export Market Development Grant and COVID-19 related government stimulus measures. Pleasingly this amount also included the proceeds of the settlement with AusIndustry in respect of the R&D Incentive claim relating to the three years ending 30 June 2019 which resulted in additional refunds totalling $359,140.

Through effective capital management, Bio-Gene has been able to further its development program and engage with potential commercial partners during the year.

At the end of the year, Bio-Gene held $5.5 million in cash which, based on current plans, provides the Company with sufficient cash for well in excess of 12 months.

COVID-19
To date COVID-19 has had no significant impact on the Company's business processes or commercialisation strategy. However, due to continued government lockdowns in various jurisdictions the pandemic has resulted in delays in some of the research programs. Pleasingly, at this stage there has not been an impact on the research work being undertaken by Queensland DAF in relation to the collaborative project with BASF and GRDC on grain storage pests.

DIRECTORS' REPORT

Financial summary

The financial results of the Company for the year ended 30 June 2020 are summarised as follows:

Statement of financial position:

- Cash and term deposits held of $5,521,868 (2019: $4,499,364) at reporting date. This increase represents the Company's capital raising offset by the ongoing investment in its research and development programs and commercialisation activities during the financial year.
- The Company's policy is to hold its cash and cash equivalent deposits in "A" rated or better deposits.
- The Company's strategy is to outsource product development expenses including manufacturing, regulatory and trial expenses, to specialist, best of breed partner organisations. As a consequence, the Company has not incurred any major capital expenditure for the period and does not intend to incur substantial commitments for capital expenditure in the immediate future.

Operating results:

- The Company produced a loss from ordinary activities after income tax of $1,933,099 (2019: $2,055,570).
- Total revenue including other income during the period was $1,136,609 (2019: $644,605). This revenue included the R&D Tax Incentive of $784,785 (2019: $505,859), Government grants of $64,549 (2019:$Nil), Government stimulus $100,000 (2019:$Nil), Research Collaboration receipts of $120,000 (2019 $Nil) interest of $64,480 (2019: $135,847) and Licence Fees of $2,795 (2019: $2,899).
- Total operating expenses for the period were $3,069,709 (2019: $2,700,175). Research and development costs have been expensed in the year in which they were incurred. The increase in expenditure is primarily due to the cost of advancing patents to national phase.
- Basic and diluted net loss per share decreased to 1.62¢ (2019: 1.75¢) due to the decrease of the loss.

Statement of cash flows:

- The Company's cash outflow from operations over the period was $1,644,691 (2019: $2,201,479).

Capital Raising

During the year Bio-Gene undertook a Share Placement and conducted a Share Purchase Plan (SPP) that were announced in May 2020. The Share Placement and SPP raised a total of $2,828,000.

At 30 June 2020 the Company had 151,116,276 (2019: 129,007,597) shares on issue. Refer to Note 15(a) for further detail of movements in issued capital.

Earnings per share

	2020	*2019*
Basic loss per share from continuing operations	(1.62¢)	(1.75¢)
Basic diluted loss per shares from continuing operations	(1.62¢)	(1.75¢)

Dividends

No dividends were paid or declared during the course of the financial year and no dividends are recommended in respect to the financial year ended 30 June 2020.

Likely developments and expected results of operations

The Company will continue to fully evaluate Flavocide and Qcide in a range of market applications, and to develop a comprehensive data package to support product registrations in Australia and internationally.

Disclosure of information, in addition to that provided in this report, regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Significant changes in state of affairs

Other than as detailed in this Annual Report there were no significant changes to the state of affairs of Bio-Gene Technology Limited during the year.

DIRECTORS' REPORT

Business strategies and prospects

The Company's strategy is to develop its proprietary technologies to a point where they can be licensed and/or partnered with an agricultural, chemical or biotech partner for further development and ultimately released to the market. Bio-Gene would generate milestone payments and royalty revenues from such transactions.

Material business risks:

The Company's operations and business prospects are subject to a number of risks. The Board regularly reviews the possible impact of these risks and seeks to minimise this impact through a commitment to its corporate governance principles and risk management function. However, not all risks are manageable or within the control of the Company. The key business risks faced by the Company that are likely to have an effect on its future prospects include:

1. Laboratory and Field Trials

Development of the Company's products may fail for a number of reasons including lack of efficacy, toxicity or adverse side effects. Failure can occur at any stage of the trials, requiring the Company to abandon or repeat trials. The Company or the relevant regulatory authorities may suspend the Company's trials at any time if it appears that the trials could potentially result in unacceptable health risks.

2. Manufacturing/production

The Company has successfully manufactured product at a scale sufficient to conduct the trials that have been undertaken to date. The Company is now working on improving the production process to allow for cost effective manufacturing at scale. With any chemical production process, however, there is inherent variability which cannot be controlled and therefore the yields of finished product can vary. The Company's production technologies have also not been tested at a scale sufficient to make commercial quantities of a product in the event that it proves successful and can be brought to market and are therefore subject to risk of failure or high costs.

3. Out-licencing

The Company is relying on its ability to be able to out-licence its products at a time deemed appropriate. The agricultural industry is highly competitive and numerous entities around the world compete with the Company to discover, validate and commercialise insecticides. The Company's competitors may discover and develop products in advance of the Company and/or products that are more effective than those developed by the Company. As a consequence, the Company may not be able to out-licence its products or not be able to out-licence its products for the desired returns, resulting in adverse effects on revenue and profitability.

4. Sufficiency of funding

The Company has limited financial resources and may need to raise additional funds from time to time to finance the development and commercialisation of its products and its other objectives. The Company's product development activities may never generate revenues and the Company may never achieve profitability. The Company's ability to raise funds in the future will be subject, among other things, to factors beyond the control of the Company and its Directors including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

5. Third party collaborations

The Company has established and intends to continue to establish collaborative relationships to achieve its product development objectives. The Company does not have all the resources that it needs to internally develop its product candidates through to full development and to launch marketable products and relies on its ability to maintain and enter into collaborative and licencing relationships to achieve this objective, and relies on its collaborators to fulfil their responsibilities. Any failure by these collaborators to fulfil their responsibilities could adversely impact the Company.

Insurance and indemnification

During the financial year, the Company paid a premium in respect of a contract insuring the Directors and Company Secretary (as named above), and all executive officers of the Company against a liability incurred when acting in their capacity as a Director, Company Secretary or executive officer to the extent permitted by the Corporations Act 2001. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the insurance contract.

Other than to the extent permitted by law, the Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any other related body corporate against a liability incurred as such by an officer or auditor.

Environmental issues

The company's operations are not currently regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Auditor's Independence Declaration

A copy of the auditor's declaration under Section 307C in relation to the audit for the year ended 30 June 2020 is included in this report.

Auditor

JTP Assurance continues in office in accordance with Section 327 of the *Corporations Act 2001.*

Non-audit services

The Company did not employ the auditor on assignments additional to their statutory audit duties during the year.

Accordingly, no amount was paid or payable to the auditor (JTP Assurance) for non-audit services provided during the year. Details of amounts paid or payable for audit services are set out below.

The Board of Directors has considered the position and is satisfied that the planned provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement APES 110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2020	***2019***
	$	***$***
Audit services		
JTP Assurance:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	28,000	27,000
Total remuneration for audit services	*28,000*	*27,000*
Other advisory services associated with the audit firm		
Jeffrey Thomas & Partners		
Advice on taxation and other matters and review and lodgement of corporate tax returns	5,800	4,000
Total remuneration	**33,800**	**31,000**

No officers were previously partners of the audit firm JTP Assurance.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

Options issued

On 18 September 2019 the Company issued 2,000,000, options for corporate advisory and general corporate services.

Details of options currently on issue are:

	Options Issued	*Exercise Price*	*Expiry*
Broker Options - issued 24 November 2017	2,000,000	20 cents	24/11/20
Options – issued 18 September 2019	2,000,000	20 cents	24/11/20

Further details in respect of these options are included in Note 15(b).

Meetings of directors

The number of meetings of the Company's Directors held during the year ended 30 June 2020 and the numbers of meetings attended by each Director were:

Director	*Held and Eligible to Attend*	*Attended*
Donald Brumley	11	10
Richard Jagger	11	11
Robert Klupacs	11	10
Peter May	11	11
Kevin Rumble	11	11

DIRECTORS' REPORT

Information on directors and key management personnel in office during or since the end of the financial year and to the date of this report

Name and Position	Qualifications and Experience	Particulars of interests in shares and options of Bio-Gene Technology Limited		
		Shares	LSP Shares (Vested)*	LSP Shares (Not Vested)*
Non-Executive Chairman Donald Brumley FCA, MAICD	Don has 30 years' experience as a senior partner of Ernst & Young, Oceania, has extensive experience in IPO's, transactions and audit. Don has advised and worked with Boards of organisations, ranging from some of the largest in Australia to fast growing entrepreneurial and medium sized organisations. Don was the Oceania IPO Leader at Ernst & Young and worked with clients listing on the Australian, US, UK and key Asian stock exchanges. He held positions as Biotech Markets Leader, National Leader of Strategic Growth Markets and on the Board of Partners of Ernst & Young. Don is a Fellow of Chartered Accountants Australia & New Zealand, a member of the Australian Institute of Company Directors and a former Director of Murray River Organics Group Limited. Director of Bio-Gene Technology Limited since 26 April 2017. Other Directorships of listed companies over the past three years: Murray River Organics Group Limited from September 2016 to November 2017.	543,548	1,000,000	-
Managing Director and Chief Executive Officer Richard Jagger B.Sc.(Hons), Masters of International Business, GAICD	Richard has over 20 years' experience in the Agricultural sector, working for Fortune 500 companies around the world. He managed the introduction of Australia's first agricultural biotech products into the cotton sector. Having worked as a senior executive manager for Monsanto's Roundup business within Australia and New Zealand, he has extensive knowledge of the local business and distribution network, as well as the major Crop Protection companies globally. Prior to joining Bio-Gene for five years he co-created the Australian subsidiary of Sinochem – one of the largest Crop Protection companies in China – in the role of Managing Director. He was previously a board member of Crop Life Australia, the peak national industry organisation representing the agricultural chemical and biotechnology (plant science) sector in Australia. Richard is a founding member of Victoria's Cleantech Cluster, designed to support, consolidate and promote clean, sustainable technology for use around the world. Richard has extensive experience in business management, continuous improvement, strategy development, culture evolution, technology and innovation implementation. With the opportunity to work with different cultures and business styles across the globe, he has a solid understanding of what is required to make a success of cross cultural, or cross geographic businesses. Director of Bio-Gene Technology Limited since 26 April 2017. Other Directorships of listed companies over the past three years: None.	426,493	625,000	4,475,528

DIRECTORS' REPORT

Name and Position	Qualifications and Experience	Particulars of interests in shares and options of Bio-Gene Technology Limited: Shares	LSP Shares (Vested)*	LSP Shares (Not Vested)*
Non-Executive Director Robert Klupacs BSc (Hons) Grad Dip IP Law, Australian Registered Patent and Trademark Attorney	Robert is a highly experienced professional, uniquely experienced in translating and commercialising early stage intellectual property from a variety of technology areas into commercial product or investable corporate vehicles. He is an Australian registered patent attorney who has had a wide and successful career to date within both private and publicly traded companies as well as the academic arena. He has over 30 year's corporate experience in the international technology development arena. He has focused primarily on biotechnology and biotechnology corporate development, particularly healthcare related, but has also been involved in the commercialisation of software, scientific instrumentation, food technologies and enabling agricultural technology. He has deep expertise and experience in all facets of corporate development and technology transfer including: IP licensing, patenting, intellectual property strategy and management, joint venture creation and management, fund-raising (private and public markets), corporate and scientific due diligence, technology and corporate acquisitions, corporate compliance and corporate governance and academic liaison. He is the Founder of 26 companies in Australia and Singapore. He is a highly experienced professional Director having been an Executive or Non-Executive Chairman/Director on over 24 different corporate entities. He was previously a member of the Pharmaceutical Industry Group and a past member of the Victorian Biotechnology Advisory Committee. Director of Bio-Gene Technology Limited since 29 May 2015. Other Directorships of listed companies over the past three years: None.	239,032	3,320,000	-
Non-Executive Director Kevin Rumble AFAIA	Kevin is a founding director of Bio-Gene. Kevin has had an extensive career in the fields of Advertising and Marketing having run his own Advertising Agency for more than 20 years. He has more than 20 years' experience in new plant propagation, farming, and processing and live plant transport techniques. Kevin was instrumental in securing the contract with the University of Western Australia to grow Boronia megastigma and producing essential oil that was regarded as the best of its type in the world and was highly valued. He also secured the contract in Western Australia for exclusive access to that State's native flora. He has been involved in the development of Qcide™ from the outset and has a vast knowledge of the plant husbandry and the extraction methods used to produce natural Qcide™. Kevin was also involved in development of the synthesis of flavesone as a first step in the commercialisation of Flavocide™. Director of Bio-Gene Technology Limited since 16 June 2004. Other Directorships of listed companies over the past three years: None.	5,479,373	3,192,000	-

Name and Position	Qualifications and Experience	Particulars of interests in shares and options of Bio-Gene Technology Limited: Shares	LSP Shares (Vested)*	LSP Shares (Not Vested)*
Executive Director – Research & Development Peter May B.App.Sc (Rural Technology) (Hons), MBA, GAICD, AFAIM	Peter's career has included over 20 years of experience in the Australian and international crop protection market with companies Orica and Crop Care Australasia (now part of Nufarm). His various roles included management of non-crop and specialty pesticide products, export sales & toll formulation operations. During this period Peter developed extensive experience in international crop protection markets. In 2001, he founded Xavca Pty Ltd, providing marketing & consultancy services to companies such as Syngenta, Sorex (now part of BASF), Babolna Bioenvironmental (Hungary) and Proplan Plant Protection (Spain). In 2008 Peter joined BioProspect Limited (ASX: BPO) as Chief Executive Officer and subsequently was appointed Non-Executive Director and then Non-Executive Chairman of that company. In 2012 Peter joined Xenex Associates, a UK-based international consultancy company, as a Senior Associate. working on market development projects in the Asia/Oceania region. Peter is a graduate member of the Australian Institute of Company Directors (AICD) and member of the Australian Environmental Pest Managers Association (AEPMA) and the Mosquito Control Association of Australia (MCAA). Peter holds a Bachelor of Applied Science (Rural Technology) (First Class Honours) from the University of Queensland, and a Masters of Business Administration from the Queensland University of Technology. Director of Bio-Gene Technology Limited since 29 May 2015. Other Directorships of listed companies over the past three years: None.	350,871	596,000	1,400,920
Chief Financial Officer and Company Secretary Roger McPherson B.Bus, CPA, GAICD	Roger has more than 20 years' experience in senior finance roles in a wide variety of industries. His early career included working with a Chartered Accounting practice and two years with the Australian Taxation Office. Before Bio-Gene, Roger was CFO and Company Secretary for a number of SMEs both listed and unlisted including Patrys Limited, TPI Enterprises Ltd and eChoice Home Loans. In these roles he was responsible for all financial affairs and corporate administration as well as assisting in investor relations activities. He has over 15 years of biotechnology and pharmaceutical experience.	165,433	375,000	964,044

*Shares issued under the Loan Share Plan do not vest on issue and are subject to a number of restrictions refer Note 15(c) for details.

No member of Key Management Personnel hold Options in the Company.

REMUNERATION REPORT (Audited)

Introduction
This Remuneration Report for the year ended 30 June 2020 outlines the remuneration arrangements in place for the key management personnel ('KMP') of Bio-Gene Technology Limited which comprises all Directors (executive and non-executive) and those executives who have authority and responsibility for planning, directing and controlling the activities of the Company.

The remuneration report is set out under the following main headings:
A. Key management personnel
B. Remuneration governance
C. Principals used to determine the nature and amount of remuneration
D. Details of remuneration
E. Service Agreements
F. Share-based compensation to Directors and key management personnel
G. Additional disclosures relating to Directors and key management personnel

A) Key management personnel

The following individuals were classified as KMP during the 2020 financial year and unless otherwise indicated were classified as KMP for the entire year.

(a) Directors

(i) Non-executive Chairman

Mr. Donald Brumley

(ii) Managing Director and Chief Executive Officer

Mr. Richard Jagger

(iii) Executive Directors

Mr. Peter May (Executive Director Research & Development)

(iv) Non-executive Directors

Mr. Robert Klupacs
Mr. Kevin Rumble

(b) Executives

The following people were the executives with the greatest authority for the strategic direction and management of the group ("other key management personnel") during the financial period:

Mr. Roger McPherson	Chief Financial Officer and Company Secretary

B) Remuneration governance

Role of Remuneration and Nomination Committee
The Company has adopted various Corporate Governance charters and policies including a Remuneration & Nomination Committee Charter. Under this Charter, the function of the Remuneration and Nomination Committee (the Committee) is undertaken by the non-executive members of the Board (Chaired by Robert Klupacs) given the Company's size and scale of intended operations.

The Remuneration & Nomination Committee Charter includes principles for establishing appropriate remuneration policies and levels including incentive policies for directors and senior executives and ensuring that senior executives are being rewarded commensurate with their responsibilities and the market. Further information on the Committee's role and responsibilities is contained in its Charter which is available on the Company's website at https://bio-gene.com.au.

The Committee is authorised by the Board to obtain outside independent professional advice with relevant experience and expertise. No advice as to specific remuneration levels nor actual remuneration recommendations were provided by independent consultants during the year.

During the 2018 financial year and continuing into the 2019 financial year, the non-executive Chairman and Directors of the Company worked closely with VSOPP Advisory (an independent professional advisory firm specialising in remuneration issues) and in conjunction with the Managing Director developed the Executive Remuneration Strategy and Structure which is outlined below. The Board believes the Remuneration Strategy and Structure to be appropriate and effective in that it needs to create goal congruence between directors, executives and shareholders.

DIRECTORS' REPORT

C) Principals used to determine the nature and amount of remuneration

Executive remuneration strategy and structure
The Company's remuneration strategy is founded on the objective of aligning remuneration with the interests of the Company's shareholders by providing market competitive remuneration arrangements that attract, incentivise and retain quality personnel and which encourage and promote achievement of the Company's short and medium term strategic objectives consistently with the Company's longer term corporate goals.

The remuneration strategy is underpinned by a remuneration structure comprising fixed remuneration, a short-term incentive and long-term incentive as described below:

Fixed Remuneration ("FR")
FR consists of base salary and statutory superannuation contributions in recognition of day-to-day accountabilities. KMP may elect to have specific benefits provided out of fixed remuneration on a total employment cost basis, that is, the cost of the benefit along with any costs of providing the benefit such as fringe benefits tax are deducted from pre-tax salary.

Short-Term Incentive ('STI')
The STI is a cash and equity based plan that involves linking the achievement of specific financial and non-financial stretch targets using a balanced scorecard approach with the opportunity to earn an annual incentive up to a maximum set percentage of total remuneration.

Long-Term Incentive ('LTI')
The LTI plan is an equity based plan which is intended to provide the opportunity to earn incentives over the medium and longer term based on the achievement of the Company's strategic goals and the creation of shareholder value measured in terms of share price growth.

Total Remuneration refers to the aggregate of the above remuneration components. Remuneration mix refers to the proportion of Total Remuneration that each remuneration component makes up. The mix of remuneration components within the Company's remuneration structure is as follows:

Component	*Fixed remuneration*	*Short-term incentive*	*Long-term incentive*
CEO	50%	25%	25%
Executive Team	70%	15%	15%
Senior Managers	85%	15%	N/A

Executive remuneration components
Fixed Remuneration ("FR")
Fixed pay is set with reference to the assessment of the external market for comparable roles having regard to relevant industries and the relative stage of an organisation's business life-cycle taking into consideration the size and complexity of the executive's role and the skills and experience of the executive.

Short-Term Incentive ('STI')
Under the STI, executives are awarded cash and shares under the Company's loan-funded share plan (LSP) having regard to the short-term incentive proportion of the executive's total remuneration (the STI value) and the extent to which performance has been achieved against stretch targets over the financial year.

Performance is determined by assessing actual performance against targets across a number of financial and non-financial dimensions as described in the table below. The executives are measured as a group using these criteria as it is considered key to encouraging team approach to achieving the Company's objectives.

Component	
Customers and partners	30%
Intellectual property and technology enabling	20%
Corporate overarching (including funding)	50%
	100%

The STI Value is determined by applying the executive team's performance out of 100% to the executive team's maximum potential STI amount. 50% of the STI Value (subsequent to assessment and approval) is delivered immediately in cash. The remaining 50% of the STI value is delivered in the form of shares under the Company's loan-funded share scheme (LSP). The shares are issued at a nominal value. The number of shares awarded is based on the weighted average closing prices over the five trading days up to and including 30 June 2020. When the shares vest they can only be dealt with by the executive having regard to the Company's securities trading policy.

Awards of shares under the Executive Remuneration Strategy and Structure to directors were approved for a 3 year period at the 2018 Annual General Meeting which was held on 20 November 2018.

Long-Term Incentive ('LTI')
Under the LTI, executives are awarded shares under the Company's loan-funded share plan (LSP) having regard to the long-term incentive proportion of the executive's total remuneration (the LTI value). The LTI value is satisfied with the annual issue of shares, under two different programs, and these shares are then tested against specific performance conditions in future years to determine whether the shares vest.

LTI Type 1
50% of the LTI Value is delivered as shares issued at the share price based on the weighted average closing prices over the five trading days up to and including 30 June 2020 with a three year performance condition. The performance condition is focussed on the successful execution of commercial agreements approved by the Board. The number of shares awarded is based on a valuation of this instrument using an appropriate valuation methodology.

The Company will provide an interest-free loan to the executives to fund the acquisition of these shares. The proceeds from the sale of shares that vest must first be applied to extinguishing the loan prior to remittance to executives.

LTI Type 2
50% of the LTI Value is delivered as shares issued at a nominal value with a three year progressive performance condition. One third of the allocation vests each year provided a 15% compound share price growth target is achieved. If the performance condition is not met at either (or both) of the first two testing points the shares may be carried forward and retested the following year. Shares that have not vested at the third testing point will be forfeited. The number of shares awarded is based on the weighted average closing prices over the five trading days up to and including 30 June 2020.

Unvested shares are subject to forfeiture in the event of any executive resigning or where the executive acts fraudulently or dishonestly or is in breach of his or her obligations to the Company. Once vested, the shares are subject to a disposal restriction being the earliest time after vesting when the executive can deal in the shares having regard to the Company's securities trading policy.

Awards of shares under the Executive Remuneration Strategy and Structure to directors were approved for a 3 year period at the 2018 Annual General Meeting which was held on 20 November 2018.

The Board believes the LTI to be appropriate and effective in that it creates goal congruence between directors, executives and shareholders with the dual focus on the successful execution of commercial deals and share price growth.

Performance outcomes
The tables below provide a summary of the STI key balanced scorecard objectives and outcomes for the year ended 30 June 2020. The objectives are agreed with the Board at the beginning of each financial year and are designed to focus executives on delivering against agreed priorities.

The Non-executive Directors conduct an assessment of performance of objectives to determine outcomes based on the measures previously set by the Board

Component	*Percentage of Scorecard*	*Outcomes*
Customers and partners	30%	24.0%
Intellectual property and technology enabling	20%	2.8%
Corporate overarching (including funding)	50%	32.5%
	100%	**59.3%**

Both components of the LTI were tested at 30 June 2020. As the Company had not entered into any commercial agreements at that date the LTI Type 1 shares issued in respect of the 2018 and 2019 financial years were carried forward to be tested again at 30 June 2021.

The Company's share price on the ASX at the end of the financial year was 13 cents. As the price target for 30 June 2020 was 24.72 cents the first two-thirds of the LTI Type 2 shares issued in respect of the 2018 financial year and one-third of the LTI Type 2 shares issued in respect of the 2019 financial year were carried forward to be tested again at 30 June 2021.

Remuneration outcomes
The key foci of the STI's for the year ended June 30 2020 included expanding the funding base from a range of sources, entry into collaborative research agreements, the advancement of the manufacturing of Flavocide and improvement to the Qcide oil extraction process and the advancement of other research projects to enhance the data packages for both Flavocide and Qcide. During the year the Company raised $2.8 million from a Share Placement and Securities Purchase Plan, secured two evaluation agreements and a number of additional material transfer agreements. While the manufacturing projects advanced and the other data was generated a number of the actual targets set in this area were not met. Accordingly, the impact of these items is reflected in the STI outcome. The table below summarises the remuneration outcomes for executives under the Company's STI program having regard to the performance outcomes outlined above.

2020	STI		STI Outcomes		STI Delivery		
Name	Maximum STI % of TR	Actual STI % of TR	Max STI Value	Actual STI Value	Cash	Shares	Total
	%	%	$	$	$	$	$
Richard Jagger	25	14.82	130,972	77,666	38,833	38,833	77,666
Peter May	15	8.90	43,413	25,744	12,872	12,872	25,744
Roger McPherson	15	8.90	28,944	17,164	8,582	8,582	17,164
Total			**203,329**	**120,574**	**60,287**	**60,287**	**120,574**

There are no remuneration outcomes under the Company's LTI program as the relevant performance targets had not been met (refer above).

Non-executive director remuneration
The Company's remuneration strategy regarding non-executive directors is that remuneration for non-executive directors should be sufficiently competitive to attract and retain individuals of calibre that have the skills and experience to contribute towards a Board that will drive the Company towards achievement of shareholder aligned objectives whilst fulfilling its governance role of prudential oversight.

Given the Company's size and scale of intended operations and the distribution of membership by each of the directors to relevant Board sub-committees, the Board has adopted a non-executive director fee structure during the financial year which comprises solely of board fees.

At the 2017 Annual General Meeting a Non-Executive Directors' Fee Pool of $450,000 was approved by shareholders.

D) Details of remuneration

Year ended 30 June 2020

Details of the remuneration of each Director of Bio-Gene and the key management personnel (KMP) of the Company are set out in the following table for the year ended 30 June 2020. As indicated above incentives are dependent upon the attainment of agreed corporate and individual milestones and all incentives related to the year have been expensed in full over the vesting period.

2020	Short-term employee benefits		Post employment benefits		Equity-based payments		
Name	Cash salary & fees	Cash STI[5]	Non-monetary benefits	Super-annuation	STI[1]	LTI[2]	Total
	$	$	$	$	$	$	$
Executive Directors							
Richard Jagger	239,219	38,833	-	22,726	24,610	141,019	466,407
Peter May	185,018	12,872	-	17,577	13,348	38,261	267,076
Subtotal Executive Directors	*424,237*	*51,705*	-	*40,303*	*37,958*	*179,280*	*733,483*
Non-Executive Directors							
Donald Brumley	73,059	-	-	6,941	-	-	80,000
Robert Klupacs	50,000	-	-	-	-	-	50,000
Kevin Rumble	41,096	-	-	3,904	-	-	45,000
Subtotal Non-Executive Directors	*164,155*	-	-	*10,845*	-	-	*175,000*
Total Directors	*588,392*	*51,705*	-	*51,148*	*37,958*	*179,280*	*908,483*
Other KMP							
Roger McPherson	123,353	8,582	-	11,719	6,020	29,413	179,087
Total Other KMP	*123,353*	*8,582*	-	*11,719*	*6,020*	*29,413*	*179,087*
Total	**711,745**	**60,287**	**-**	**62,867**	**43,978**	**208,693**	**1,087,570**

1. The STI recorded for the executives is the amount payable in respect of the year ending 30 June 2020, less adjustments to the valuation at issue date (1 November 2019) of the STI for the year ending 30 June 2019.
2. The LTI is recognised based on the expected period to vesting of the equity at the date of issue. At this stage none of the LTI Shares have vested.

DIRECTORS' REPORT

Details of the remuneration of each Director of Bio-Gene and the key management personnel (KMP) of the Company are set out in the following table for the year ended 30 June 2019. As indicated above incentives are dependent upon the attainment of agreed corporate and individual milestones and all incentives related to the year have been expensed in full over the vesting period.

2019	Short-term employee benefits		Post employment benefits		Equity-based payments		
Name	Cash salary & fees	Cash STI[5]	Non-monetary benefits	Super-annuation	STI[1]	LTI[2]	Total
	$	$	$	$	$	$	$
Executive Directors							
Richard Jagger	246,154	28,302	-	23,385	21,937	22,952	342,730
Peter May	180,822	8,910	-	17,178	7,229	6,063	220,202
Subtotal Executive Directors	*426,976*	*37,212*	*-*	*40,563*	*29,166*	*29,015*	*562,932*
Non-Executive Directors							
Donald Brumley	73,059	-	-	6,941	-	-	80,000
Robert Klupacs	50,000	-	-	-	-	-	50,000
Kevin Rumble	41,096	-	-	3,904	-	-	45,000
Subtotal Non-Executive Directors	*164,155*	*-*	*-*	*10,845*	*-*	*-*	*175,000*
Total Directors	*591,131*	*37,212*	*-*	*51,408*	*29,166*	*29,015*	*737,932*
Other KMP							
Roger McPherson	117,727	5,940	-	14,273	4,539	6,449	148,928
Total Other KMP	*117,727*	*5,940*	*-*	*14,273*	*4,539*	*6,449*	*148,928*
Total	**708,858**	**43,152**	**-**	**65,681**	**33,705**	**35,464**	**886,860**

1. The STI recorded for the executives is the amount payable in respect of the year ending 30 June 2019, less adjustments to the valuation at issue date (6 December 2018) of the STI for the year ending 30 June 2018.
2. The LTI is recognised based on the expected period to vesting of the equity at the date of issue. At this stage none of the LTI Shares have vested.

DIRECTORS' REPORT

E) Service agreements

The terms of employment for the Non-Executive Chairman, Managing Director and Chief Executive Officer, Non-Executive Directors and other key management personnel are formalised in service agreements. These agreements may provide for the provision of performance related cash bonuses and the award of equity in the Company.

Donald Brumley, Non-executive Chairman
- Term of Agreement – Commencing from 26 April 2017. A new agreement became effective 1 January 2018.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – The Chairman shall be entitled to participate in the Loan Share Plan of the Company.

Richard Jagger, Managing Director and Chief Executive Officer
- Term of Agreement – Commencing from 1 January 2018 and ongoing unless terminated in accordance with its terms.
- Base Remuneration – Effective 1 July 2020 $336,192 per annum on a fulltime basis, subject to annual increases at the discretion of the Board of Directors. Currently working on the basis of 80% of a full time equivalent.
- Termination – By four months' notice from either side.
- Incentive – Short Term Incentive of up to $168,096 per annum on a fulltime basis and Long Term Incentive of up to $168,096 on a full time basis subject to achievement of performance targets and at the discretion of the Board of Directors.
- Equity – The Director shall be entitled to participate in the Loan Share Plan of the Company.

Robert Klupacs, Non-executive Director
- Term of Agreement – Commencing from 1 January 2018.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – The Director shall be entitled to participate in the Loan Share Plan of the Company.

Kevin Rumble, Non-executive Director
- Term of Agreement – Commencing from 1 July 2017. A new agreement became effective 1 January 2018.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – The Director shall be entitled to participate in the Loan Share Plan of the Company.

Peter May, Executive Director, Research & Development
- Term of Agreement – Commencing from 1 January 2018 and ongoing unless terminated in accordance with its terms.
- Base Remuneration – Effective 1 July 2020 $231,132 per annum on a fulltime basis, subject to annual increases at the discretion of the Board of Directors. Currently working on the basis of 90% of a full time equivalent.
- Termination – By two months' notice from either side.
- Incentive – Short Term Incentive of up to $49,528 per annum on a fulltime basis and Long Term Incentive of up to $49,528 on a full time basis subject to achievement of performance targets and at the discretion of the Board of Directors.
- Equity – The Director shall be entitled to participate in the Loan Share Plan of the Company.

Roger McPherson, Chief Financial Officer and Company Secretary
- Term of Agreement – Commencing from 1 January 2018 and ongoing unless terminated in accordance with its terms.
- Base Remuneration – Effective 1 July 2020 $231,132 per annum on a fulltime basis, subject to annual increases at the discretion of the Board of Directors. Currently working on the basis of 60% of a full time equivalent.
- Termination – By two months' notice from either side.
- Incentive – Short Term Incentive of up to $49,528 per annum on a fulltime basis and Long Term Incentive of up to $49,528 on a full time basis subject to achievement of performance targets and at the discretion of the Board of Directors.
- Equity – The Executive shall be entitled to participate in the Loan Share Plan of the Company.

F) Share-based compensation to Directors and key management personnel

(i) General overview

The Company issues equity to Directors, employees and key consultants under the Loan Share Plan (LSP). Under the plan, participants are issued with equity to foster an ownership culture to motivate Directors, employees and consultants to achieve performance targets of the Company. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The LSP was approved at the 2017 Annual General Meeting. Only Australian residents are eligible to participate in the plan. The plan allows non-recourse, interest free loans to be provided to eligible participants to acquire shares under the plan. If and when an issue is made involving an interest free-loan, it is treated as an in-substance grant of options and expensed over the vesting period because of the limited recourse nature of the loans.

Generally, except for shares issued as part of the annual short-term incentive arrangements, shares issued under the plan will vest over a three year period. The shares are acquired in the name of the participant and each participant authorises and appoints the Company Secretary to act on their behalf. Any dividends paid on the shares are used to repay the loan. In all other respects the shares issued under the LSP carry the same rights as other ordinary shares on issue.

If the participant leaves the Company, any shares that have not vested will be brought back by the Company and cancelled along with the loan. In respect of shares that have vested the loan balance must generally be paid in full within six months of termination or the shares will be sold and the proceeds applied to settle the loan balance. The issue price of the shares in the Company held under LSP is not included in equity until the loan has been repaid.

In accordance with the rules of the LSP the Board has the ability to vary the terms in respect of issues in circumstances it considers appropriate. The valuations of shares issued under the LSP are determined by using an industry standard pricing model taking into account the terms and conditions upon which the instruments were issued.

Participants are not permitted to enter into transactions which limit the economic risk of participating in the plan other than as described above as the LSP allows participants access to a limited recourse loan to fund the acquisition of any shares issued under the LSP.

The terms and conditions of each issue of equity affecting remuneration of Directors and key management personnel in this or future reporting periods are as follows:

Issue date	No. of shares	Loan expiry date	Vesting date	Issue price $	Fair value per share at issue date $	Date first available to deal with
06/12/2018	696,722	06/12/2025	30/06/2021	0.1420	0.0760	30/06/2021
06/12/2018	105,745	N/A	30/06/2020	Nominal	0.1311	30/06/2020
06/12/2018	105,744	N/A	30/06/2021	Nominal	0.1311	30/06/2021
01/11/2019	483,220	N/A	01/11/2019	Nominal	0.1411	01/11/2019
01/11/2019	2,201,972	01/11/2026	30/06/2022	0.1500	0.0789	30/06/2022
01/11/2019	383,509	N/A	30/06/2020	Nominal	0.1411	30/06/2020
01/11/2019	383,508	N/A	30/06/2021	Nominal	0.1411	30/06/2021
01/11/2019	383,507	N/A	30/06/2022	Nominal	0.1411	30/06/2022
30/07/2020	450,840	N/A	28/08/2020	Nominal	0.1399	28/08/2020
30/07/2020	1,262,930	30/07/2027	30/06/2023	0.1340	0.0843	30/06/2023
30/07/2020	253,424	N/A	30/06/2021	Nominal	0.1399	30/06/2021
30/07/2020	253,424	N/A	30/06/2022	Nominal	0.1399	30/06/2022
30/07/2020	253,422	N/A	30/06/2023	Nominal	0.1399	30/06/2023

(ii) Equity issued to Directors and key management personnel

Details of equity issued in the Company provided as remuneration to each Director the key management personnel of the Company are set out below. When vested, prior to the Director or key management personnel being able to deal with each share, the loan advanced to acquire the share under the LSP must be repaid.

The assessed fair value at the date of issue of the equity instruments is allocated over the period from issue date to vesting date, and this amount is included in the remuneration tables above. Fair values at issue date are determined using a binomial option pricing model that takes into account the amount of loan, the term of the loan, the share price at issue date and expected price volatility of the Bio-Gene shares, the expected dividend yield and the risk-free interest rate for the term of the loan.

Further information on the shares issued under the LSP, including factors and assumptions used in determining fair value is set out in Note 15 to the financial statements.

Details of shares that have been issued and vested in this or the previous year are outlined in the table below. The tables only include transactions whilst a member of the key management personnel.

Name	Shares issued during the year 2020		2019		Shares vested during the year 2020	2019
	Number	Loan per share$	Number	Loan per share$	Number	Number
Directors						
Donald Brumley	-	-	-	-	-	-
Richard Jagger	1,444,194	0.15	469,395	0.142	-	-
	1,071,514	N/A	391,119	N/A	316,927	177,393
Robert Klupacs	-	-	-	-	-	-
Kevin Rumble	-	-	-	-	-	-
Peter May	454,667	0.15	123,997	0.142	-	-
	337,338	N/A	103,320	N/A	99,776	46,861
Other key management personnel						
Roger McPherson	303,111	0.15	103,330	0.142	187,500	187,500
	224,892	N/A	86,099	N/A	66,517	39,050

Refer to Section C of this Remuneration Report for details of the performance criteria that need to be met in relation to the shares issued above. Participants need to be appointed as a Director or employed by the company at the vesting date. Unvested shares are brought back by the Company at the cessation of appointment or employment at the issue price.

G) Additional disclosures related to Directors and key management personnel

(i) Details of remuneration: cash bonuses and shares

Name	Cash bonus Note (vi)		Shares					
	Paid%	Forfeited %	Year issued	Vested%	Forfeited %	Financial years in which shares & options vest	Minimum total value of issue yet to vest $	Maximum total value of issue yet to vest $
Donald Brumley	-	-	2017	100	-	Note (iii)	-	-
Richard Jagger	-	-	2017	100	-	Note (iii)	-	-
	83	17	2018	100	-	Note (v)	-	-
	42	58	2019	20.6	-	Note (vi)	-	17,432
	59.3	40.7	2020	12.6	-	Note (vii)	-	133,373
Robert Klupacs	-	-	2015	100	-	Note (i)	-	-
	-	-	2016	100	-	Note (ii)	-	-
	-	-	2017	100	-	Note (iii)	-	-
Kevin Rumble	-	-	2015	100	-	Note (i)	-	-
	-	-	2016	100	-	Note (ii)	-	-
	-	-	2017	100	-	Note (iii)	-	-
Peter May	-	-	2015	100	-	Note (i)	-	-
	-	-	2016	100	-	Note (ii)	-	-
	-	-	2017	100	-	Note (iii)	-	-
	83	17	2018	100	-	Note (v)	-	-
	42	58	2019	20.6	-	Note (vi)	-	4,605
	59.3	40.7	2020	12.6	-	Note (vii)	-	41,989
Roger McPherson	83	17	2018	100	-	Note (iv,v)	-	-
	42	58	2019	20.6	-	Note (vi)	-	3,837
	59.3	40.7	2020	12.6	-	Note (vii)	-	27,993

Notes:

(i) The financial years in which shares vest are 100% in 2015.

(ii) The financial years in which shares vest are 100% in 2016.

(iii) The financial years in which shares vest are 100% in 2018.

(iv) The financial years in which shares vest are 50% in 2018 and 50% in 2019.

(v) The executive team were eligible to receive an STI which is made up of 50% cash and 50% shares issued at nominal value. These bonuses were not paid in the 2018 financial year but an allowance was made for payment of these in the 2018 financial year.

(vi) The executive team were eligible to receive an STI which is made up of 50% cash and 50% shares issued at nominal value. These bonuses were not paid in the 2019 financial year but an allowance was made for payment of these in the 2019 financial year.

(vii) The executive team are eligible to receive an STI which is made up of 50% cash and 50% shares issued at nominal value. These bonuses were not paid in the 2020 financial year but an allowance has been made for payment of these in respect of the 2020 year which will be settled in the 2021 financial year. The equity based component of the STI and the LTI for the 2019 year were issued in the 2020 year. The equity based component of the STI vested during the 2020 year.

DIRECTORS' REPORT

(ii) Share-based compensation

Further details relating to shares and options are set out below:

Name	A Remuneration consisting of shares and options %	B Value at issue date $	C Value at loan repayment date $	D Value at cancellation date $	E Total of columns B-D $
2020					
Donald Brumley	-	-	-	-	-
Richard Jagger	47	265,137	-	-	265,137
Robert Klupacs	-	-	-	-	-
Kevin Rumble	-	-	-	-	-
Peter May	28	83,472	-	-	83,472
Roger McPherson	28	55,648	-	-	55,648
2019					
Donald Brumley	-	-	-	-	-
Richard Jagger	23	86,977	-	-	86,977
Robert Klupacs	-	-	-	-	-
Kevin Rumble	-	-	-	-	-
Peter May	10	22,976	-	-	22,976
Roger McPherson	12	19,147	-	-	19,147

A = The percentage of the value of remuneration consisting of equity, based on the value at grant date set out in column B.

B = The value at issue date calculated in accordance with AASB 2 "Share-based Payments" of shares and options issued during the year as part of remuneration. These amounts represent the entire value of the equity issued during the year. The amount recognised in remuneration is the proportion of the value attributable to the period from issue date to vesting date for equity issued in the current and prior years.

C = The value at loan repayment date for shares and exercise date of options that were issued as part of remuneration and were repaid or exercised during the year.

D = The value at cancellation/lapse date of equity that was granted as part of remuneration and that was cancelled or lapsed during the year.

The above table does not included any equity awards under the Company's STI or LTI for the year ending 30 June 2020 as these will be issued in the 2021 year.

(iii) Key management personnel equity holdings

Shareholdings

Fully paid ordinary shares and shares under the Loan Share Plan held by key management personnel or their related parties:

2020	Balance at 1 July No.	Issued as compensation under Loan Share Plan No.	Purchased Under SPP No.	Sold on Market No.	Net change other No.	Balance at 30 June No.	Total vested 30 June No.
Donald Brumley	1,350,000	-	193,548	-	193,548	1,543,548	1,543,548
Richard Jagger	1,550,514	2,515,708	16,129	(148,955)	2,382,882	3,933,396	1,051,493
Robert Klupacs	3,430,000	-	129,032	-	129,032	3,559,032	3,559,032
Kevin Rumble	8,671,373	-	-	-	-	8,671,373	8,671,373
Peter May	1,058,317	792,005	16,129	(46,895)	761,239	1,819,556	946,871
Roger McPherson	639,429	528,003	16,129	(31,263)	512,869	1,152,298	540,433
Totals	**16,699,633**	**3,835,716**	**370,967**	**(227,113)**	**3,979,570**	**20,679,203**	**16,312,750**

2019	Balance at 1 July No.	Issued as compensation under Loan Share Plan No.	Purchased on Market No.	Net change other No.	Balance at 30 June No.	Total vested 30 June No.
Donald Brumley	1,200,000	-	150,000	150,000	1,350,000	1,350,000
Richard Jagger	690,000	860,514	-	860,514	1,550,514	867,393
Robert Klupacs	3,385,000	-	45,000	45,000	3,430,000	3,430,000
Kevin Rumble	8,671,373	-	-	-	8,671,373	8,671,373
Peter May	831,000	227,317	-	227,317	1,058,317	877,861
Roger McPherson	450,000	189,429	-	189,429	639,429	489,050
Totals	**15,227,373**	**1,277,260**	**195,000**	**1,472,260**	**16,699,633**	**15,685,677**

Options
Options held by key management personnel:

At 30 June 2020 no Options were held by the key management personnel.

2019	Balance at 1 July No.	Granted as compen-sation No.	Lapsed No.	Net change other No.	Balance at 30 June No.	Total vested 30 June No.	Vested and exercise-able No.	Vested but not exer-ciseable No.
Donald Brumley	240,000	-	(240,000)	(240,000)	-	-	-	-
Richard Jagger	138,000	-	(138,000)	(138,000)	-	-	-	-
Robert Klupacs	677,000	-	(677,000)	(677,000)	-	-	-	-
Kevin Rumble	1,734,275	-	(1,734,275)	(1,734,275)	-	-	-	-
Peter May	166,200	-	(166,200)	(166,200)	-	-	-	-
Roger McPherson	90,000	-	(90,000)	(90,000)	-	-	-	-
Totals	**3,045,475**	**-**	**(3,045,475)**	**(3,045,475)**	**-**	**-**	**-**	**-**

(iv) Voting and comments made at the company's 2019 annual general meeting:

Bio-Gene Technology Limited received more than 86% of "yes" votes on its remuneration report for the 2019 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF REMUNERATION REPORT (Audited)

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2020, other than as disclosed in this report, that has significantly affected or may significantly affect:

- Bio-Gene Technology Limited's operations in future financial years, or
- the results of those operations in future financial years, or
- Bio-Gene Technology Limited's state of affairs in future years.

This report is made in accordance with a resolution of the Directors.

Mr. Donald Brumley
Chairman

Date: 26 August 2020

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

JTP | JTP ASSURANCE

10th Floor, 446 Collins Street
Melbourne, VIC 3000
P.O. Box 627, Collins Street West
VIC 8007

T: +61 3 9602 1494
F: +61 3 9602 3606
E: enquiries@jtpassurance.com.au
www.jtpassurance.com.au

**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 year ended 30 June 2020 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

JTP Assurance

JTP ASSURANCE
Chartered Accountants

SAM CLARINGBOLD
Partner

Signed at Melbourne this 26th day of August 2020

ABN: 13 488 640 554. Liability limited by a scheme approved under Professional Standards Legislation

CORPORATE GOVERNANCE

The Board of Directors of Bio-Gene Technology Limited (Board) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board supports the core corporate governance principles published by the ASX Corporate Governance Council (Council). The Company's corporate governance framework is designed to comply with the Council's principles whilst being relevant, efficient and cost effective for the current stage of the Company's development.

The Corporate Governance Statement contains certain specific information and discloses the extent to which the Company has followed the Council's principles during the 2020 financial year. Bio-Gene's Corporate Governance Statement is structured with reference to the ASX Corporate Governance Principles and Recommendations 4th Edition and can be found on the Bio-Gene website at: http://bio-gene.com.au/investors/governance/.

The Board will continue its ongoing review process to ensure that the model is relevant, efficient and cost effective to the Company and its shareholders.

BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenues from continuing operations	3(a)	122,795	2,899
Other income	3(b)	1,013,814	641,706
Expenses from continuing operations	3(c)		
Research & Development		(1,444,154)	(1,424,718)
Commercialisation Expenses		(306,523)	(314,137)
Management Administration Expenses		(194,440)	(159,584)
Directors Expenses		(189,944)	(189,070)
Professional Services		(378,614)	(263,525)
Intellectual Property		(208,690)	(61,086)
Depreciation & Amortisation		(58,439)	(45,556)
Other Expenses		(288,904)	(242,499)
Loss from continuing operations before tax		(1,933,099)	(2,055,570)
Income tax (expense)	1(p)	-	-
Loss for the year from continuing operations after income tax		**(1,933,099)**	**(2,055,570)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year attributable to members of the Company		**(1,933,099)**	**(2,055,570)**

Earnings per share:			
Basic loss per share - from continuing operations	4	(1.62¢)	(1.75¢)
Diluted loss per share - from continuing operations	4	(1.62¢)	(1.75¢)

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 30 JUNE 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	5	5,521,868	4,499,364
Trade and other receivables	6	483,041	472,767
Other current assets	7	176,756	170,331
Total current assets		**6,181,665**	**5,142,462**
Non-current assets			
Property, plant and equipment	8	24,656	32,712
Right of use assets	9	12,320	-
Intangible assets	10	350,955	387,898
Total non-current assets		**387,931**	**420,610**
Total assets		**6,569,596**	**5,563,072**
Current liabilities			
Trade and other payables	11	188,787	322,487
Lease liabilities	12	11,663	-
Employee benefits	13	211,558	141,124
Total current liabilities		**412,008**	**463,611**
Non-current liabilities			
Employee benefits	13	5,280	-
Financial liabilities	14	150,000	150,000
Total non-current liabilities		**155,280**	**150,000**
Total liabilities		**567,288**	**613,611**
Net assets		**6,002,308**	**4,949,461**
Equity			
Issued capital	15	14,535,664	11,804,199
Reserves	16(a,b)	950,002	695,849
Accumulated losses	16(c)	(9,483,358)	(7,550,587)
Total equity		**6,002,308**	**4,949,461**

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 YEAR ENDED 30 JUNE 2020

		Fully paid ordinary shares	Share option reserve	Share loan plan reserve	Accumulated losses	Total
2020		**$**	**$**	**$**	**$**	**$**
At 1 July 2019		**11,804,199**	**113,600**	**582,249**	**(7,550,587)**	**4,949,461**
Loss for the period		-	-	-	(1,933,099)	(1,933,099)
Other comprehensive income		-	-	-	-	-
Adjustment following the adoption of AASB16	16(c)	-	-	-	328	328
Total comprehensive income/(loss) for the year		-	-	-	(1,932,771)	(1,932,771)
Transactions with owners in their capacity as owners:						
Issued capital		2,828,600	-	-	-	2,828,600
Transaction costs related to shares issued		(168,695)	-	-	-	(168,695)
Re-allocation of value of equity which vested during the period	15(a)	71,560	-	(71,560)	-	-
Cost of share-based payment	16(a,b)	-	86,800	238,913	-	325,713
At 30 June 2020		**14,535,664**	**200,400**	**749,602**	**(9,483,358)**	**6,002,308**
2019		**$**	**$**	**$**	**$**	**$**
At 1 July 2018		**11,768,501**	**113,600**	**520,223**	**(5,495,017)**	**6,907,307**
Loss for the period		-	-	-	(2,055,570)	(2,055,570)
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(loss) for the year		-	-	-	(2,055,570)	(2,055,570)
Transactions with owners in their capacity as owners:						
Issued capital		-	-	-	-	-
Transaction costs related to shares issued		-	-	-	-	-
Exercise of options	15(a)	1,173	-	-	-	1,173
Re-allocation of value of equity which vested during the period	15(a)	34,525		(34,525)	-	-
Cost of share-based payment	16(b)	-	-	96,551	-	96,551
At 30 June 2019		**11,804,199**	**113,600**	**582,249**	**(7,550,587)**	**4,949,461**

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 YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		120,000	-
Payments to suppliers and employees inclusive of GST		(2,771,071)	(2,732,729)
Interest received		65,835	142,191
R&D tax incentive		824,433	386,160
Government grants		114,549	-
Licence fees		2,795	2,899
Interest paid	17(c)	(1,232)	-
Net cash used in operating activities	17(b)	**(1,644,691)**	**(2,201,479)**
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,682)
Payments for intangible assets		-	-
Payments for security deposits		-	(4,200)
Net cash used in investing activities		**-**	**(6,882)**
Cash flows from financing activities			
Proceeds from issue of shares		2,828,600	1,173
Payment for share issue expenses		(147,637)	-
Repayments of lease liabilities	17(c)	(13,768)	-
Net cash provided by financing activities		**2,667,195**	**1,173**
Net increase in cash and cash equivalents		1,022,504	(2,207,188)
Cash and cash equivalent at beginning of year		4,499,364	6,706,552
Cash and cash equivalents at end of year	17(a)	**5,521,868**	**4,499,364**

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

Introduction

The financial report covers Bio-Gene Technology Limited (“Bio-Gene” or “Company”), as an individual entity.

Bio-Gene is a listed public company limited by shares, incorporated and domiciled in Australia. The presentation currency and functional currency of the Company is Australian dollars.

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

The Registered office address of the Company is Quinert Rodda and Associates, Level 6, 400 Collins Street, Melbourne, Victoria 3000.

The financial report was authorised for issue by the Board of Directors of Bio-Gene on the date shown on the Declaration by Directors attached to the Financial Statements.

Note 1: Statement of significant accounting policies

The principal accounting policies which have been adopted in the preparation of these financial statements are set out below.

a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. Bio-Gene is a for-profit entity for the purpose of preparing these financial statements.

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

b) Basis of preparation

The financial report has been prepared on an accruals basis and are based on historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted. All values are rounded to the nearest dollar.

The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

c) Going concern

The financial statements have been prepared on a going concern basis. The financial statements have been prepared in accordance with generally accepted accounting standards, which are based on the Company continuing as a going concern. The Company has incurred operating losses; however the Company is able to continue as a going concern on the basis that the Company has sufficient cash reserves to cover expenditure for at least the next twelve months following the signing date of these financial statements.

d) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year. Shares issued under the Loan Share Plan and options issued under the Employee Share Option Plan are excluded from this calculation. Refer to Note 4 for further details.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Shares issued under the Loan Share Plan and options issued under the Employee Share Option Plan are excluded from this calculation. Refer to Note 4 for further details.

e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company’s accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concerns management's review of finite life intangibles for indicators of impairment. The carrying amount of intangibles at 30 June 2020 is $350,955 (2019: $387,898). Refer to Note 10 for details of the assumptions made on the carrying value of Intangibles.

At each reporting period the Company assesses whether finite life intangibles have suffered any impairment in accordance with the accounting policy stated in Note 1(h).

The Going Concern assumption also requires significant estimates, mainly in relation to expected cash inflows and outflows from various alternatives available to the Company.

Other areas that require significant judgement and key assumptions include share based payments, which are calculated at fair value using industry standard option pricing models, and the estimated useful life of intangibles, which is based understanding of competitive forces, and general familiarity with the market.

There have been no other significant judgments made in applying accounting policies that the Directors consider would have a significant effect on the amounts recognised in the financial statements. There have been no key assumptions made concerning the future, and there are no other key sources of estimation uncertainty at the reporting date, that the Directors consider would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

f) Property, plant and equipment

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Property, plant and equipment is recognised at cost and are depreciated over their estimated useful lives using the straight-line method. The expected useful life for property, plant and equipment is:

- Computer equipment – 2 years; and
- Plant and equipment – 10 years.

Profits and losses on disposal of plant and equipment are taken into account in determining the result for the year.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

g) Intangible assets

Licences
Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method, over the assets estimated useful lives of 20 years.

h) Impairment of non-financial assets

Intangible assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount may not be recoverable.

At each reporting date, the Company reviews the carrying amounts of its finite life tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, held at call with financial institutions, and other short-term deposits with an insignificant risk of change in value.

j) Research and development costs

Research and development expenditure is expensed as incurred except to the extent that its future recoverability can reasonably be regarded as assured, in which case it is deferred and amortised on a straight line basis over the period in which the related benefits are expected to be realised.

The carrying value of development costs that have been capitalised are reviewed for impairment annually when the asset is not yet in use or when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

k) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, and annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits
Liabilities for annual leave and long service leave that are not expected to be settled wholly within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of the corporate bonds.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

l) Share based payments

Equity settled share based payments with employees, key consultants providing similar services and Directors are measured at fair value at the date of issue. Fair value is measured by use of industry standard pricing models. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the issue date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the entity's estimate of shares that will eventually vest.

For cash settled share based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

m) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

n) Income taxes

Income taxes are accounted for using the comprehensive statement of financial position liability method whereby:

- the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset; and
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Unused tax losses for which no deferred tax asset has been recognised are $6,296,327 (2019: $4,555,816) resulting in a potential tax benefit at 27.5% of $1,731,490 (2019: $1,252,849). The unused tax losses were incurred as part of the company's research and development activities. They can be carried forward indefinitely provided that the Company satisfies the "same business" or "continuing ownership" tests.

o) Issued capital

Ordinary shares are classified as equity (Note 15).

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

p) Revenue recognition

Licence revenue
Licence revenue is recognised in accordance with the underlying agreement. Upfront milestone payments are brought to account as revenues at the time of execution of the agreement and subsequent milestones when the relevant milestone has been achieved.

Research collaboration receipts
Research collaboration receipts are recognised in accordance with the underlying agreement. Payments are brought to account as revenues at the time that the relevant milestone has been achieved.

Interest income
Interest income is recognised on a time proportion basis using the effective interest method.
When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

R&D tax incentive
Income from the R&D Tax Incentive is recognised on an accruals basis when AusIndustry accept the claim or there is a reasonable probability that AusIndustry will accept the claim.

Grant income
Grant income is recognised on a receipts basis.

Government stimulus
The government cash boost stimulus in respect of Covid-19 is recognised on an accruals basis when the Company qualifies for the payment.

Sales
Sales are recognised when the goods have been delivered to the purchaser.

q) Comparative figures

Comparatives have been reclassified, where necessary, so as to be consistent with the figures presented in the current year.

r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

s) Foreign currency translation

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Australian dollars, which is Bio-Gene’s functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at reporting date. Foreign exchange gains or losses resulting from the translation of monetary assets and liabilities at year end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

t) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification
On initial recognition, the Company classifies its financial assets into the following category, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Term Deposits

The Company has financial assets in the nature of term deposits which are held to maturity.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime ECLs. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the ECL model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

u) Leases

Leases of property, plant and equipment where the Company bears substantially all the risks and benefits incidental to ownership of the asset, are classified as finance leases.

Finance leases are capitalised, recorded as an asset and a liability equal to the present value of the minimum lease payments, including any residual payments as determined by the lease contract. Leased assets are amortised on a straight line basis over the estimated useful lives where it is likely that the Group will obtain legal ownership of the asset on expiry of the lease. Lease payments are allocated over both the lease interest expense and the lease liability.

For comparative year
Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year
Right-of-use asset
At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability
The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

v) Adoption of new and revised accounting standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 16, Leases

Leases - Adoption of AASB 16
The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catchup) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of Adoption of AASB 16
Company as a lessee
Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

Practical expedients used on transition
AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not reassessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics.

See Notes 9 and 12 for further details.

Note 2: Remuneration of auditors

	2020 *$*	*2019* *$*
Audit services		
JTP Assurance:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	28,000	27,000
Total remuneration for audit services	*28,000*	*27,000*
Other advisory services provided by firms associated with the audit firm		
Jeffrey Thomas & Partners		
Advice on taxation and other matters and review and lodgement of corporate tax returns	5,800	4,000
Total remuneration	**33,800**	**31,000**

Note 3: Revenue. other income and expenses

	2020 *$*	*2019* *$*
(a) Revenue from continuing operations		
Research collaboration receipts	120,000	-
Licence fees	2,795	2,899
Total revenue from continuing operations	**122,795**	**2,899**
(b) Other income		
Interest received	64,480	135,847
R&D tax incentive[1]	784,785	505,859
Government grants	64,549	-
Government stimulus	100,000	-
Total other income	**1,013,814**	**1,013,814**

1. During the year the Company settled its dispute with AusIndustry which resulted in an additional $359,140 for the R&D Incentive.

(c) Expenses

Loss before income tax includes the following specific expenses:

	2020	2019
Employee salary and benefit expenses:		
Salary and employee benefit expenses	758,739	658,455
Defined contribution superannuation expenses	65,494	63,656
Share based payments	238,913	69,989
Total employee salary and benefit expenses	**1,063,146**	**792,100**
Depreciation, amortisation and impairment of non-current assets:		
Plant and equipment	8,056	8,613
Right of use assets	13,440	-
License and registered patents	36,943	36,943
Total depreciation and amortisation expenses	**58,439**	**45,556**
Foreign currency exchange differences:		
Foreign currency exchange losses	3,482	2,424
Operating expenses:		
Operating lease expenses	-	1,600
Interest expense on lease liabilities (under other expenses)	1,232	-

Note 4: Earnings per share

	2020 *$*	*2019* *$*
Net loss used in calculating basic earnings per share:	1,933,099	2,055,570
Net loss used in calculating diluted earnings per share:	1,933,099	2,055,570
	No. of Shares	**No. of Shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	119,372,094	117,749,630
Dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	**119,372,094**	**117,749,630**

Information concerning the classification of securities

Fully paid ordinary shares
Fully paid ordinary shares carry the right to 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. Fully paid ordinary shares are included as ordinary shares in the determination of basic earnings per share.

Loan Share Plan
The Loan Share Plan ("LSP") allows non-recourse, interest free loans to be provided to eligible participants to acquire shares under the plan. When an issue is made it will be treated as an in-substance grant of options and expensed over the vesting period because of the limited recourse nature of the loans.

Shares offered under the LSP may be subject to Vesting Conditions, Forfeiture Conditions and Disposal Restrictions (collectively referred to as "Conditions") as determined by the Board and specified in the Offer documents sent to participants. The Board has discretion to waive or deem Conditions to have been satisfied. Shares under the LSP cannot be dealt with (including traded on the ASX) unless they are not subject to any Conditions and there is no outstanding Loan on the shares.

Generally shares issued under the plan will vest over a 6 or 12 month period. The shares are acquired in the name of the participant and each participant authorises and appoints the Company Secretary to act on their behalf. Any dividends paid on the shares are used to repay the loan. In all other respects the shares issued under the LSP carry the same rights as other ordinary shares on issue. If the participant leaves the Company, any shares that have not vested will be bought back by the Company and cancelled along with the loan. In respect of shares that have vested the loan balance must be paid in full within six months of termination or the shares will be sold and the proceeds applied to settle the loan balance. The issue price of the shares in the Company held under the LSP is not included in equity until the loan has been repaid.

Amounts unpaid on shares held under the LSP are treated as the equivalent of options to acquire ordinary shares and are excluded as potential ordinary shares in the determination of diluted earnings per share and basic earnings per share. Details relating to the LSP are set out in Note 15(c).

The 14,474,452 shares on issue at reporting date that were granted under the LSP are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2020. These shares could potentially dilute basic earnings per share in the future.

Options
Options granted by the Company are considered to be potential ordinary shares and have been excluded in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share because they are anti-dilutive for the year ended 30 June 2020. Details relating to the options are set out in Note 15(b).

Note 5: Cash and cash equivalents

	2020 $	*2019* $
Cash at bank	32,411	22,586
Deposit at call	189,457	176,778
Term deposits	5,300,000	4,300,000
	5,521,868	**4,499,364**

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

Note 6: Trade and other receivables

	2020 $	*2019* $
R&D tax incentive	394,907	434,555
GST refund due	30,985	29,343
Other receivables	57,149	8,869
	483,041	**472,767**

The balance of other receivables of $483,041 (2018: $472,767) is not past due and not considered impaired.

Note 7: Other current assets

	2020 $	*2019* $
Prepayments	102,556	96,131
Security deposits	74,200	74,200
	176,756	**170,331**

Note 8: Property, plant and equipment

	2020 $	2019 $
Plant and equipment		
At cost	49,183	49,183
Accumulated depreciation	(24,527)	(16,471)
Total net plant and equipment	**24,656**	**32,712**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	2020 $	2019 $
Plant and equipment		
Balance at the beginning of year	32,712	38,643
Additions	-	2,682
Disposals	-	-
Depreciation expense, impairment and asset write off	(8,056)	(8,613)
Carrying amount at the end of year	**24,656**	**32,712**

Note 9: Right of use assets

On 1 June 2019 the Company entered into a two year lease for its office at Level 12, 456 Lonsdale Street, Melbourne.

The Company adopted AASB 16 effective from 1 July 2019.

	2020 $	2019 $
Right of use asset		
Leased office	26,880	-
Less: Accumulated depreciation	(14,560)	-
Total net right of use assets	**12,320**	**-**

Movements in the carrying amounts for right of use assets between the beginning and the end of the current financial year

Right of use assets		
Balance at the beginning of year	-	-
Recognised on initial application of AASB16 (previously classified as an operating lease under AASB117)	25,760	-
Disposals	-	-
Depreciation expense, impairment and asset write off	(13,440)	-
Carrying amount at the end of year	**12,320**	**-**

Note 10: Intangible assets

	2020 $	2019 $
Licences - Qcide	557,818	557,818
Less: Accumulated amortisation	(206,863)	(169,920)
Total net intangible assets	**350,955**	**387,898**

Movements in the carrying amounts for intangible assets between the beginning and the end of the current financial year

Carrying amount at the beginning of year	387,898	424,841
Additions – acquisitions	-	-
Amortisation expense (i)	(36,943)	(36,943)
Carrying amount at the end of year (ii)	**350,955**	**387,898**

(i) Intangible assets comprise licences in relation to Qcide, which has a finite useful life and is recorded at cost. Amortisation has been historically calculated using straight line method over the estimated useful life of 20 years.

(ii) Intangible assets are reviewed on a regular basis and where a decision has been made not to pursue a product, the remaining value recorded as an asset is impaired. At balance date, the directors also review the intellectual property portfolio to determine whether there are any indicators of impairment related to intellectual property.

Note 11: Trade and other payables

	2020 $	2019 $
Current		
Trade creditors	133,954	123,238
Other creditors and accruals	54,833	199,249
Total trade and other payables	**188,787**	**322,487**

Note 12: Lease liabilities

On 1 June 2019 the Company entered into a two year lease for its office at Level 12, 456 Lonsdale Street, Melbourne. The Company adopted AASB 16 effective from 1 July 2019.

	2020 $	2019 $
Current		
Lease of office	11,663	-
	11,663	**-**

Note 13: Employee benefits

	2020 $	2019 $
Annual leave	73,092	46,179
Short-term incentive	138,466	94,945
	211,558	**141,124**
Non-current		
Long service leave	5,280	-
	5,280	**-**

Note 14: Financial liabilities

	2020 $	2019 $
Current		
Amount payable for IP licences	-	-
	-	**-**
Non-current		
Amount payable for IP licences	150,000	150,000
	150,000	**150,000**

In December 2016 the company signed a variation agreement to the Intellectual Property Assignment Deed originally signed 16 November 2009. This variation agreed additional fees of $376,000 to be paid to the licensor following the successful completion of an IPO and signing of 2 licencing agreements. Following the successful listing of the Company the payment for $226,000 became due and was paid.

Note 15: 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 issued capital during the year were as follows:

	***2020* No.**	***2019* No.**	***2020* $**	***2019* $**
Issued shares:				
At the beginning of the reporting period	129,007,597	127,724,471	11,804,199	11,768,501
Shares issued at 15.5 cents pursuant to Share Placement	15,487,745	-	2,400,600	-
Shares issued at 15.5 cents pursuant to Share Purchase Plan	2,761,276	-	428,000	-
Shares issued on exercise of options	-	5,866	-	1,173
Transaction costs arising on issue of shares	-	-	(168,695)	-
Shares issued pursuant to the Loan Share Plan (LSP)	3,859,658	1,277,260	330,296	98,935
Re-allocation of value of shares issued under the LSP which vested during the period	-	-	71,560	34,525
Employee share plan loans	-	-	(330,296)	(98,935)
At end of the reporting period	**151,116,276**	**129,007,597**	**14,535,664**	**11,804,199**
Issued shares are comprised as follows:				
Ordinary shares (net of transaction costs)	136,641,824	117,885,641	14,535,664	11,804,199
Restricted shares issued under the LSP	14,474,452	11,121,956	1,143,546	884,810
	151,116,276	129,007,597	15,679,210	12,689,009
Accumulated transaction costs on issue of shares	-	-	1,600,299	1,431,606
Balance at end of the year (ASIC reconciliation)	**151,116,276**	**129,007,597**	**17,279,509**	**14,120,615**

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

	2020* *No.	***2019* *No.***
Balance at beginning of the year	2,000,000	27,056,730
Exercised during the year	-	(5,866)
Expired during the year	-	(25,050,864)
Issued during the period[4]	2,000,000	-
Balance at end of the year	**4,000,000**	**2,000,000**

Terms of options issued	***Options Issued***	***Exercise Price***	***Value$***	***Expiry***
Options issued – 24 November 2017	2,000,000	20 cents	113,600	24/11/20
Options issued – 18 September 2019	2,000,000	20 cents	86,800	24/11/20

1. Share options granted carry no rights to dividends and no voting rights.
2. The Broker Options were issued pursuant to the Prospectus dated 5 October 2017.
3. 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.
4. The Options were issued for corporate advisory and general corporate services.

(c) Loan share plan

The Company issues shares to Bio-Gene directors and key consultants under the Loan Share Plan (LSP). Under the plan, participants are issued with equity to foster an ownership culture within the Company and to motivate them to achieve performance targets Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plans or to receive any guaranteed benefits.

The Company introduced the LSP. The plan allows for shares to be issued for a nominal value or for non-recourse, interest free loans to be provided to eligible participants to acquire shares under the plan. Shares issued under the plan vest in accordance with the Executive Remuneration Strategy and Structure (refer to Remuneration Report for details).

When as issue is made at nominal value it is expensed over the vesting period. If the participant leaves the Company, any shares that have not vested are bought back by the Company and cancelled. When an issue is made, and a loan is provided, it is treated as an in-substance grant of options and expensed over the vesting period because of the limited recourse nature of the loans. Each participant authorises and appoints the Company Secretary to act on their behalf. Any dividends paid on the shares are used to repay the loan. If the participant leaves the Company, any shares that have not vested are bought back by the Company and cancelled along with the loan. In respect of shares that have vested, generally, the loan balance must be paid in full within six months of termination of appointment or the shares are sold and the proceeds applied to settle the loan balance. The issue price of the shares in the Company held under the LSP is not included in equity until the loan has been repaid.

The valuations of shares issued under the LSP are determined by using an industry standard option pricing model taking into account the terms and conditions upon which the instruments were issued.

Shares in existence in the current and past period under the Loan Share Plan:
Following the consolidation of the Company's equity in September 2017, all share numbers are reported on a post consolidation basis.

Loan Share Plan Tranche

	Number	Issue date	Vesting Date	Loan expiry date	Unit Price $	Fair Value at Issue Date $
Tranche 1	5,000,000	29/06/2015	29/06/2015	29/06/2022	0.0340	170,000
Tranche 2	608,000	30/06/2016	30/06/2016	30/06/2023	0.0334	20,307
Tranche 3a	1,562,500	11/05/2017	11/11/2017	11/05/2024	0.0622	97,188
Tranche 3b	1,562,500	11/05/2017	11/05/2018	11/05/2024	0.0622	97,188
Tranche 4a	187,500	26/07/2017	26/01/2018	26/07/2024	0.0922	17,288
Tranche 4b	187,500	26/07/2017	26/07/2018	26/07/2024	0.0894	16,763
Tranche 5a	500,000	04/12/2017	04/06/2018	04/12/2024	0.1314	65,700
Tranche 5b	500,000	04/12/2017	04/12/2018	04/12/2024	0.1275	63,750
Tranche 6[1]	263,304	06/12/2018	01/01/2019	N/A	0.1311	34,519
Tranche 7[3]	696,722	06/12/2018	30/06/2021	06/12/2025	0.0760	52,951
Tranche 8a[3]	105,745	06/12/2018	30/06/2019	N/A	0.1311	13,863
Tranche 8b[3]	105,745	06/12/2018	30/06/2020	N/A	0.1311	13,863
Tranche 8c[3]	105,744	06/12/2018	30/06/2021	N/A	0.1311	13,863
Tranche 9[2]	507,162	01/11/2019	01/11/2019	N/A	0.1411	71,560
Tranche 10[3]	2,201,972	01/11/2019	30/06/2022	01/11/2026	0.0789	173,736
Tranche 11a[3]	383,509	01/11/2019	30/06/2020	N/A	0.1411	54,113
Tranche 11b[3]	383,508	01/11/2019	30/06/2021	N/A	0.1411	54,113
Tranche 11c[3]	383,507	01/11/2019	30/06/2022	N/A	0.1411	54,112
	15,244,918					**1,084,877**
Less Vested Shares[1,2]	(770,466)					
	14,474,452					

1. The Tranche 6 shares were issued in respect of the executives' short-term incentive for the 2018 financial year and vested on 1 January 2019.
2. The Tranche 9 shares were issued in respect of the executives' and employee's short-term incentives for the 2019 financial year and vested on 1 November 2019.
3. The Tranche 7, 8, 10 and 11 shares had not vested at the Reporting Date.

(d) Fair values of share based payments

The fair value of all loan shares granted to Directors, other key management personnel, other employees and consultants have been calculated using an industry standard option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise (including the probability of meeting market conditions attached to the option), and behavioural considerations. The model requires the Company share price volatility to be measured. The share price volatility has been measured with reference to the historical share prices of the Company and other similar Companies.

The fair value of share based payments is calculated on the date of issue less any consideration paid. The values are not revised if there is a subsequent change in terms.

Details in respect of the fair value of equity, on issue/grant date, that was in existence at reporting date are outlined below.
Following the consolidation of the Company's equity in September 2017, all share numbers and prices are reported on a post consolidation basis.

Equity Instrument	Loan /Exercise price $	Share price on issue Date $	Volatility	Maturity date	Time to maturity	Risk free interest rate	Expected dividend yield
Tranche 1	0.05	0.05	74%	29/06/2022	7 years	2.61%	-
Tranche 2	0.05	0.05	74%	30/06/2023	7 years	1.81%	-
Tranche 3	0.092	0.092	74%	11/05/2024	7 years	2.39%	-
Tranche 4	0.14	0.14	74%	26/07/2024	7 years	2.46%	-
Tranche 5	0.20	0.20	74%	04/12/2024	7 years	2.36%	-
Tranche 7	0.142	0.142	74%	06/12/2025	7 years	2.75%	-
Tranche 10	0.15	0.15	77.4%	01/11/2026	7 years	0.98%	-

Share Tranches 6, 8, 9 and 11 were issued for nominal consideration and valued at the 5 day VWAP on the day of issue.

(e) Share based payments

The amount expensed in relation to equity settled share based payments to the statement of profit or loss and other comprehensive income was $325,713 (2019: $96,551).

Note 16: Reserves and accumulated losses

	Note	2020 $	2019 $
Share options reserve	(a)	200,400	113,600
Share loan plan reserve	(b)	749,602	582,249
Total reserves		**950,002**	**695,849**

(a) Share option reserve

	2020 $	2019 $
Opening balance 1 July	113,600	113,600
Value of Broker options issued	86,800	-
Re-allocation of value of options exercised during the period[1]	-	-
Closing balance	**200,400**	**113,600**

(b) Share loan plan reserve

	2020 $	2019 $
Opening balance 1 July	582,249	520,223
Value of shares recognised over vesting period [1]	238,913	96,551
Re-allocation of value of shares issued under the LSP which vested during the period	(71,560)	(34,525)
Closing balance	**749,602**	**582,249**

1. The equity settled reserves arise on issue of equity under the LSP or the issue of options. Amounts are transferred out of the reserves and into issued capital when the loans are repaid, shares issued for nominal value vest or the options are exercised. Amounts are transferred to accumulated losses when the shares or options are cancelled.

(c) Movement in accumulated losses

	2020 $	2019 $
Opening balance 1 July	(7,550,587)	(5,495,017)
Adjustment following the adoption of AASB16[1]	328	-
Net loss for the year	(1,933,099)	(2,055,570)
Closing balance	**(9,483,358)**	**(7,550,587)**

1. AASB 16 related amounts recognised in the statement of changes in equity.

Reversal of lease payment expensed in the prior period	(1,600)	-
Depreciation of right of use asset for the prior period	1,120	-
Interest expense related to lease repayment for the prior period	152	-
	(328)	**-**

Note 17: Cash flow Information

(a) Reconciliation of cash

	2020 $	2019 $
Cash at bank	32,411	22,586
Deposit at call	189,457	176,778
Term deposits	5,300,000	4,300,000
Total cash and cash equivalents	**5,521,868**	**4,499,364**

(b) Reconciliation of cash used in operating activities with loss after income tax

Loss from continuing operations after income tax	(1,933,099)	(2,055,570)
Non cash movements:		
Depreciation and amortisation expense	58,439	45,556
Equity settled share based payment	325,713	96,551
Employee benefits	101,426	72,746
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(10,275)	(104,408)
(Increase)/decrease in other current assets	(6,425)	(37,632)
Increase/(decrease) in trade creditors and accruals	(180,470)	(218,722)
Cash used in operating activities	**(1,644,691)**	**(2,201,479)**

(c) Non cash financing and investing activities

AASB 16 related amounts recognised in the statement of cash flows		
Repayments of principal	13,768	-
Interest paid	1,232	-
	15,000	-

Note 18: Commitments and contingencies

(a) Capital expenditure commitments

Committed but unrecognised expenditure as at reporting date amounted to $Nil (2019: $Nil).

(b) Other contingencies

Research and development incentive
Research and Development grants received may be subject to review by AusIndustry and subsequent claw back of funds should there be a determination of non-conforming claims.

Note 19: Financial instruments

(a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company's overall strategy remains unchanged from the prior financial year.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in Notes 15 and 16 respectively. The Company operates globally, primarily through arrangements with suppliers established in the markets in which the Company trades.

Operating cash flows are used to maintain and expand the Company's assets.

Gearing ratio
The Company's Board reviews the capital structure on a half-yearly basis. As a part of this review the Board considers the cost of capital and the risks associated with each class of capital. The Company has a target gearing of 0% in line with the industry norm that is determined as the proportion of net debt to equity. Based on recommendations of the Board the Company will balance its overall capital structure through new share issues.

The gearing ratio at year end was as follows:

	Note	***2020*** ***$***	***2019*** ***$***
Financial assets at amortised cost			
Debt (i)		-	-
Cash and cash equivalents	5	5,521,868	4,499,364
Net cash/(debt)		**5,521,868**	**4,499,364**
Equity (ii)	15,16	6,002,308	4,949,461
Net debt to equity ratio		-	-

(i) Debt is defined as long-term and short-term borrowings.
(ii) Equity includes all capital and reserves as detailed in Note 15 and 16.

(b) Financial risk management objectives

The Company's CFO monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. There have been no changes to these risks since the previous financial year.

The Board of Directors ensures that the Company maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risk inherent in the Company's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk and foreign currency risk are reviewed by management on a regular basis and are communicated to the Board so that it can evaluate and impose its oversight responsibility. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Company currently does not have a policy regarding foreign exchange risk management. This and other financial risks are managed prudently by the Chief Financial Officer and the Board.

The entity holds the following financial instruments:

	Note	***2020*** ***$***	***2019*** ***$***
Financial assets at amortised cost			
Cash and cash equivalents	5	5,521,868	4,499,364
Trade and other receivables	6	483,041	472,767
Other current assets	7	176,756	170,331
		6,181,665	**5,142,462**
Financial liabilities at amortised cost			
Trade and other payables	11	188,787	322,487
Lease liabilities	12	11,663	-
Financial liabilities	14	150,000	150,000
		350,450	**472,487**

(c) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency rates. The Company undertakes a number of its research activities overseas, as the necessary experience and facilities are not available in Australia, and as such has exposure to foreign currency movements which are predominately in US dollars. The Board and Chief Financial Officer monitor the potential impact of movements in foreign exchange exposure. The Company does not currently have a policy in place in respect of hedging this risk and therefore acquires the foreign currency required to settle any liabilities at the rate available on the day of payment.

(d) Interest rate risk management

The Company's exposure to market interest rates relates primarily to the Company's short term deposits held and deposits at call. The interest income earned from these balances can vary due to interest rate changes.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end on the reporting period. If interest rates had been 100% higher/lower and all other variables were held constant, the Company's loss for the year ended 30 June 2020 would increase/decrease by $64,481 (2019: $135,847).

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay its debts as and when they fall due. The Company has no borrowings at reporting date and the Directors ensure that the cash on hand is sufficient to meet the commitments of the Company at all times during the research and development phase.

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and where necessary unutilised borrowing facilities are maintained.
Financing arrangements
The Company does not have access to any borrowing facilities at the reporting date.

Maturities of financial liabilities
The tables below analyse the Company's financial liabilities.

	0 -12 months	**Maturing 1 to 3 years**	**Total**
30 June 2020			
Financial Liabilities at amortised cost			
Trade and other payables	188,787	-	188,787
Lease liabilities	11,663	-	11,663
Financial liabilities	-	150,000	150,000
	200,450	**150,000**	**350,450**

30 June 2019			
Financial Liabilities at amortised cost			
Trade and other payables	322,487	-	322,487
Lease liabilities	-	-	-
Financial liabilities	-	150,000	150,000
	322,487	**150,000**	**472,487**

All current balances mature within one year; all non-current balances are expected to mature in between one and three years.

(f) Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters. The Company manages the currency risk by monitoring the trend of the US dollar and Pound Sterling.

The entity's foreign currency risk denominated financial assets and financial liabilities at the reporting date are as follows:

	30 June 2020		**30 June 2019**	
	USD	**GBP**	**USD**	**GBP**
Financial Assets at amortised cost				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	-	-
Financial Liabilities at amortised cost				
Trade and other payables	3,975	-	13,550	-

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the statement of financial position date. A 10 percent increase or decrease in the foreign exchange rate is used and represents management's assessment of the possible change in foreign exchange rates and historically is within a range of rate movements. A positive number indicates an increase in result and other equity. A negative number indicates a decrease in result and other equity. At 30 June 2020, if foreign exchange rates had moved, as illustrated in the table below, with all other variables held constant, pre-tax result and equity would have been affected as follows:

	- 10%		**+ 10%**	
	Profit $	**Equity $**	**Profit $**	**Equity $**
30 June 2020				
Financial Assets at amortised cost				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	-	-
	-	-	-	-
Financial Liabilities at amortised cost				
Trade and other payables	(644)	(644)	527	527
Financial liabilities	-	-	-	-
	(644)	**(644)**	**527**	**527**
30 June 2019				
Financial Assets at amortised cost				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	-	-
Financial Liabilities at amortised cost				
Trade and other payables	(2,147)	(2,147)	1,756	1,756
Financial liabilities	-	-	-	-
	(2,147)	**(2,147)**	**1,756**	**1,756**

(g) Price risk

Price risk is the risk that future cashflows derived from financial instruments will be changed as a result of a market price movement, other than foreign currency rates and interest rates. The Company is not exposed to any material commodity price risks, other than those already described above.

Net fair values
The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

- the net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

Note 20: Key management personnel

(a) Details of key management personnel

The Directors and other members of key management personnel of the Company during the year were:

Name	Position
Mr. Donald Brumley	Non-Executive Chairman
Mr. Richard Jagger	Managing Director and Chief Executive Officer
Mr. Robert Klupacs	Non-Executive Director
Mr. Peter May	Executive Director – Research and Development
Mr. Kevin Rumble	Non-Executive Director
Mr. Roger McPherson	Chief Financial Officer and Company Secretary

(b) Key management personnel compensation

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	2020	*2019*
	$	*$*
Short term employee benefits	772,032	752,010
Post-employment benefits	62,867	65,681
Equity based payments	252,671	69,169
	1,087,570	**886,860**

Further disclosures regarding key management personnel compensation are contained within the Remuneration Report.

Note 21: Related party transactions

(a) Receivable from and payable to related parties

The following balances were outstanding at 30 June 2020 in relation to transactions with related parties:

	2020	*2019*
	$	*$*
Current payables		
Trade payables to directors or their related entities	-	-

There were no other loans to or from related parties at the current and previous reporting date. All transactions were made on normal commercial terms and conditions and at market rates.

(b) Transactions with key management personnel

Details of key management personnel compensation are disclosed in Note 20 and the Remuneration Report.

Note 22: Segment information

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 discovery of novel insecticides. 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 23: Leases

Finance leases
The Group does not currently have any finance leases in place.

Operating leases

Lease arrangements
Bio-Gene's office space at 456 Lonsdale Street, Melbourne, Australia, has a lease term extending to 31 May 2021. The Company can terminate the lease with two months notice, prior to every six month anniversary of the agreement which commenced on 1 June 2019. The Company does not have an option to purchase the property covered by the lease. The Company adopted AASB 16 effective from 1 July 2019 in respect of this lease (refer to note 1x).

Non-cancellable operating lease commitments

	2020 *$*	*2019* *$*
Not longer than 1 year	-	14,400
Longer than 1 year and not longer than 5 years	-	11,200
Total	**-**	**25,600**

Note 24: Events occurring after the reporting period

No matter or circumstance has arisen since 30 June 2020, other than as disclosed in this report, that has significantly affected or may significantly affect:

- Bio-Gene Technology Limited's operations in future financial years, or
- the results of those operations in future financial years, or
- Bio-Gene Technology Limited's state of affairs in future years.

DECLARATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2020

The directors of the company declare that:

1. The financial statements and notes, as set out in the following pages, are in accordance with the *Corporations Act 2001*:

a) comply with applicable Accounting Standards and the *Corporations Regulations 2001*; and
b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the board of directors.

Mr. Donald Brumley
Director

Date: 26 August 2020

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10th Floor, 446 Collins Street
Melbourne, VIC 3000
P.O. Box 627, Collins Street West
VIC 8007

T: +61 3 9602 1494
F: +61 3 9602 3606
E: enquiries@jtpassurance.com.au
www.jtpassurance.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bio-Gene Technology Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Bio-Gene Technology Ltd., is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended;

(b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

R&D Tax Incentive (refer to note 3)

Under the research and development (R&D) tax incentive scheme, the Company receives a 43.5% refundable tax offset of eligible expenditure if its turnover is less than $20 million per annum, provided it is not controlled by income tax exempt entities. The Company has recorded $784,785 of income in the financial statements. This includes $394,907 recorded a receivable at year-end, representing an estimated claim for the period 1 July 2019 to 30 June 2020 using the same methodology that was accepted in the 2019 AusIndustry claim less $20,000 which has been removed to present a more conservative accrual. A further $359,140 represents the settlement of the dispute with AusIndustry in respect of the R&D claim for the 3 years ending 30 June 2019.

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We focused on the R&D tax incentive due to the material nature of the receivable and because there is a degree of judgement and interpretation of the R&D tax legislation required in assessing the eligibility of the R&D expenditure under the scheme. There is an inherent level of subjectivity in the R&D incentive in regard to the level of receivable recognised and the recognition of the related income.

How our audit addressed the key audit matter

To evaluate the R&D tax incentive, we performed the following procedures, amongst others:

- Discussion with management to determine an understanding of the R&D environment the business operates in and to understand the process used to estimate the R&D tax incentive.
- Comparing the estimates made in previous years to the amount of cash physically received after year end.
- Testing the mathematical accuracy of the calculation and agreeing inputs to supporting documentation.
- Reviewing the classification of expenses included in the R&D claim to ensure that they meet the criteria of R&D expenditure
- Reviewing the work of experts who assisted the company in completing the claim.
- Assessing the adequacy of the related disclosures within the financial statements and reviewing accounting treatment in line with Australian Accounting Standards.

Share Options and Equity Transactions (refer to note 15)

The Company issued shares to executive directors and senior management under a share-based compensation plan. These arrangements have differing terms and conditions that give rise to different accounting outcomes.

Share based payment arrangements require judgemental assumptions including volatility rate and expected life in determining the fair value of the arrangements and the expensing of that fair value over the estimated service period.

In recognising these transactions, the Company performed a valuation to calculate the accounting expense. Details of the share based payment arrangements offered to directors, executive management, third parties and shareholders, are disclosed in the Remuneration Report and note 15 to the financial report.

The audit of the share-based payment arrangements and the associated expense is a key audit matter due to the judgements required in determining fair value.

How our audit addressed the key audit matter

To evaluate the share transactions, we performed the following procedures, amongst others:

- In performing our procedures, we assessed the terms of the share based payment arrangements issued during the period including review of documentation issued to shareholders.
- We assessed the methodology used by the Company in valuing the share options.
- We assessed the expense recorded on the statement of comprehensive income.
- We assessed whether the disclosure in note 15 in relation to the arrangements was adequate and whether it complied with Australian Accounting Standards.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 24 of the directors' report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Bio-Gene Technology Ltd., for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

JTP Assurance

JTP ASSURANCE
Chartered Accountants

SAM CLARINGBOLD
Partner

Signed at Melbourne this 26th day of August 2020

SHAREHOLDER INFORMATION

A. Substantial shareholders

The Company's Holders of Relevant Interests as notified by ASX Substantial Shareholders and the number of shares in which they have an interest as disclosed by notices received under Part 6.7 of the Corporations Act 2001 as at 21 August 2020 are:

Name	*Ordinary Shares*
Kevin Nolan Rumble	8,671,373

B. Number of holders of equity securities and voting rights

	Ordinary Shares (i)	*Share Options (ii)*
Number of holdings as at 21 August 2020	1,016	14

The voting rights attaching to each class of equity securities are:

(i) Ordinary shares

On a show of hands, every member present at a meeting, in person or by proxy, shall have one vote and upon a poll each share shall have one vote.

(ii) Options

No voting rights.

C. Distribution of equity securities

Distribution of holders of equity securities as at 21 August 2020:

No. of holders			*Ordinary Shares*	*Options*
1	-	1,000	21	0
1,001	-	5,000	134	0
5,001	-	10,000	126	1
10,001	-	100,000	463	7
100,001 and over			272	6
			1,016	**14**

Number of holders of less than a marketable parcel of shares	92

D. 20 largest holders of quoted securities

The names of the 20 largest shareholders of each class of vested equity security as at 21 August 2020 are listed below:

No.	*Name*	*No. of shares held*	*% of total shares*
1	Rumble Nominees Pty Ltd	6,651,373	4.33
2	Invia Custodian Pty Ltd	3,500,000	2.28
3	Dr Russell Kay Hancock	3,193,548	2.08
4	Dead Knick Pty Ltd	3,000,000	1.95
5	Magdajano Pty Ltd	2,870,000	1.87
6	Altor Capital Management Pty Ltd	2,497,754	1.63
7	JB Toro Pty Ltd	2,190,000	1.43
8	Mr Victor Rosenberg & Miss Jacqueline Rosenberg	2,137,000	1.39
9	Rigi Investments Pty Limited	2,091,936	1.36
10	Kevin Nolan Rumble	2,020,000	1.31
11	Arision Pty Limited	2,000,000	1.30
12	Pyxis Holdings Pty Ltd	1,800,000	1.17
13	Inverness Capital Pty Ltd	1,617,384	1.05
14	SM Investments & Development Pty Ltd	1,572,000	1.02
15	Mr Paul Henri Veron & Mrs Julie Anne Veron	1,500,000	0.98
16	Xeen	1,499,750	0.98
17	Spinite Pty Ltd	1,460,377	0.95
18	Max Kay & Norma Kay	1,392,640	0.91
19	Invia Custodian Pty Limited	1,300,000	0.85
20	Super Hero Squad Pty Ltd	1,250,000	0.81
		45,543,762	**29.65**

SHAREHOLDER INFORMATION

E. Shares subject to restriction arrangements

The total number of shares subject to restriction arrangements is 16,991,533 shares. These shares were all issued under the Loan Share Plan and the escrow period ends on the latter of the date of repayment of the associated loan or as outlined below:

Date shares issued	*Vesting date*	*Number under shares*
29/06/2015	29/06/2015	5,000,000
30/06/2016	30/06/2016	608,000
11/05/2017	11/11/2017	1,562,500
11/05/2017	11/05/2018	1,562,500
26/07/2017	26/01/2018	187,500
26/07/2017	26/07/2018	187,500
04/12/2017	04/06/2018	500,000
04/12/2017	04/12/2018	500,000
06/12/2018[1]	30/06/2021	1,013,956
01/11/2019[1]	30/06/2021	767,017
01/11/2019[1]	30/06/2022	2,585,479
30/07/2020[1]	28/08/2020	493,881
30/07/2020[1]	30/06/2021	253,424
30/07/2020[1]	30/06/2022	253,424
30/07/2020[1]	30/06/2023	1,516,352
		16,991,533

1. These shares have not vested as at the date of this report.

BOARD OF DIRECTORS AND COMPANY PARTICULARS

Directors
- Donald Brumley
- Robert Klupacs
- Richard Jagger
- Peter May
- Kevin Rumble

Secretary
- Roger McPherson

Australian Company Number
071 735 950

Australian Business Number
32 071 735 950

Registered Office
Level 6
400 Collins Street
Melbourne, VIC 3000

Business Address
Level 11
456 Lonsdale Street
Melbourne, VIC 3000

Tel: +61 3 9068 1062
Email: bgt.info@bio-gene.com.au

Website
www.bio-gene.com.au

Auditors
JTP Assurance
Level 10
446 Collins Street
Melbourne, VIC 3000

Lawyers
Quinert Rodda & Associates Pty Ltd
Level 6
400 Collins Street
Melbourne, VIC 3000

Share Registry
Automic Pty Ltd
Level 5
126 Phillip Street
Sydney, NSW 2000

Securities Quoted
Australian Securities Exchange (ASX)

Ordinary Fully Paid Shares (Code: BGT)