

Annual Report 2023



BIO-GENE
TECHNOLOGY
LTD

WHO WE ARE

Bio-Gene is an Australian agtech development company enabling the next generation of novel insecticides, addressing the global challenges of food security and public health, whilst dealing with the increasing concerns over insecticide resistance and toxicity. Its novel platform technology is based on naturally occurring beta-triketones, a type of chemistry that offers new solutions for insect management in crop protection (including grain storage), public health, consumer applications and animal health.

Insecticide resistance is a growing problem. Almost 600 insect types (as well as other arthropod pests such as ticks and mites) are resistant to more than one insecticide class¹. In terms of public health, over 60 countries have reported mosquito resistance to at least one insecticide class². 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. The global insecticide market is valued at in excess of US\$31 billion per annum. Our research to date indicates that Bio-Gene has a significant opportunity to disrupt the current paradigm by developing an insect control solution that is targeted, safer, has low environmental impact and is cost effective to use.

Flavocide[®] and Qcide[®] are our lead beta-triketone insecticide products identified in extracts of specific Australian native flora that have been shown to have insecticidal activity. Flavocide is a chemically synthesised, nature-identical compound. Our research has determined 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. Qcide is a natural oil extract from a cultivar of *Eucalyptus cloeziana* containing high levels of tasmanone and is suitable for situations where a 100% natural product is preferred.

Our strategic objective is to generate multiple revenue streams from technology licensing fees, milestone payments and royalties by securing and owning active ingredient product registrations, developing proprietary manufacturing and production knowhow, and working with strong commercial partners on product development and marketing and distribution.



¹ Sparks & Nauan, 2015: "IRAC: Mode of action classification and insecticide resistance management"

² World Health Organisation, 2016: "WHO welcomes new initiative to combat insecticide resistance"

CHAIRMAN AND CEO'S REPORT

Dear Shareholder,

On behalf of the Bio-Gene Technology Ltd Board and management team, we are pleased to present our 2023 Annual Report.

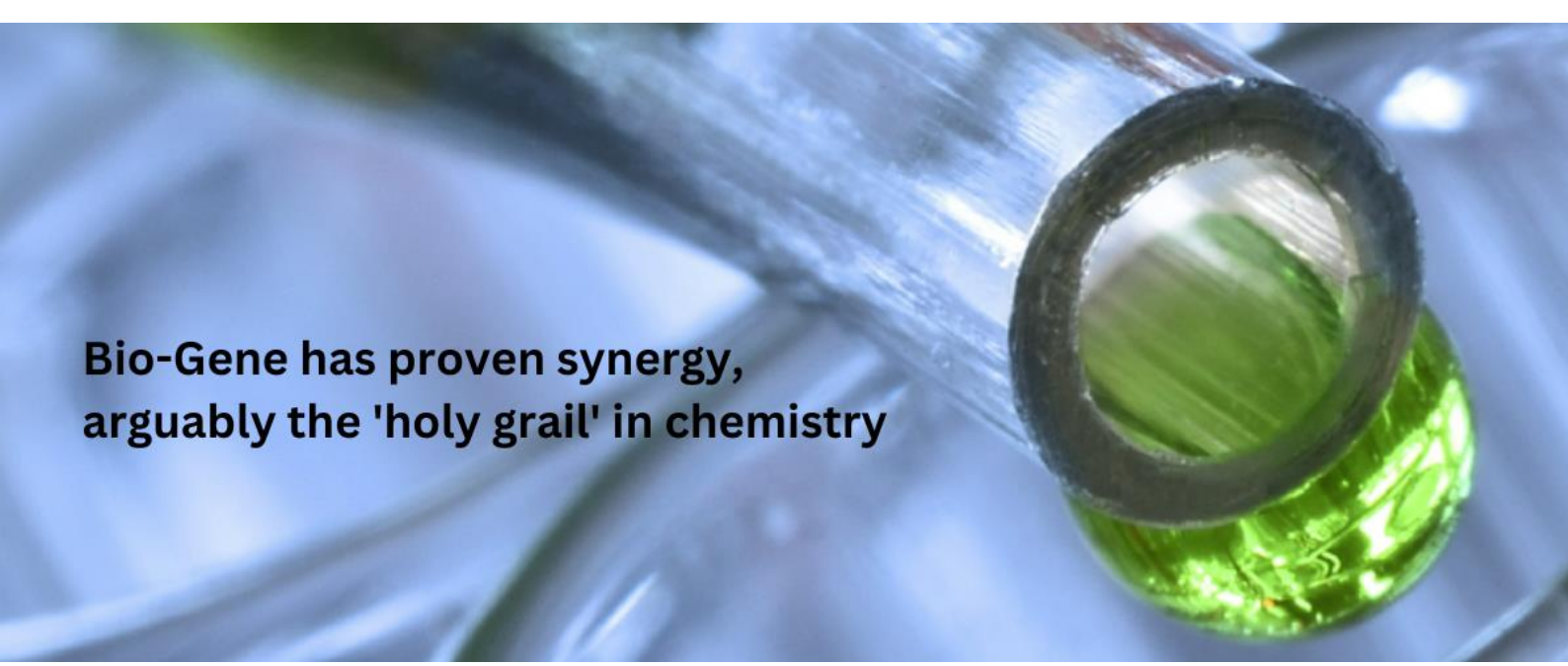
Financial year 2023 has been a significant and productive year for Bio-Gene as we collaborated with prominent global partners, demonstrated the efficacy of our unique technology through research, strengthened our patent portfolio and expanded our commercial partnerships. Together, these developments pave a clear path towards commercialising our flagship products, Qcide® and Flavocide®, enabling Bio-Gene to capitalise on the US\$31.1 billion global insecticide addressable market across crop protection, public and animal health, and consumer applications.

The establishment and execution of our Agreement with STK was a pivotal development. STK's significant financial commitment enables us to expedite the registration process of Qcide in key markets worldwide. The agreement not only secures the necessary investment for Qcide registration but also grants us remarkable flexibility in our key markets, allowing us to pursue commercial deals that drive revenue growth for Bio-Gene. Via this partnership, Bio-Gene has retained exclusive rights to operate within our key markets for this molecule of consumer, public health and animal health, while have the flexibility to develop Qcide with our partners in the crop protection space.

Our partnership with Clarke has catalysed our expansion in North America, a market plagued by escalating insecticide resistance and public apprehension towards chemical-based mosquito control. We welcomed the extension of our Agreement with Clarke to cover an additional mosquito market segment in the United States and Cayman Islands increasing the market opportunity with Clarke by 150% to US\$250 million. Clarke's research further validates the potential of Flavocide to manage mosquito populations.

Another key development was the confirmation from the Grains Research and Development Corporation (GRDC) of its in principle support to develop, register, and commercialise Flavocide as a stored grain protectant in Australia. A key target market for our molecules, the crop protection segment represents a US\$16 billion global market, including grain storage valued at US\$1 billion globally. Leveraging GRDC's expertise, industry relationships, and regulatory knowledge will be key to helping Bio-Gene develop and commercialise Flavocide in the grain storage market.

Overall, these Agreement achievements throughout financial year 2023 exemplify our strategic approach to growth and innovation. The transformative nature of the STK agreement, the expansion by Clarke in the US market, and the endorsement from GRDC each play a significant role in advancing our growth strategy. Bio-Gene gains the necessary resources, flexibility, research and regulatory support to drive commercial success and pave the way for revenue diversification, in key markets across the globe.



**Bio-Gene has proven synergy,
arguably the 'holy grail' in chemistry**

Another highlight of the past year has been results of extensive research programs with our contract research partners that further validate the commercial viability of both Qcide and Flavocide. Independent studies confirmed significant synergy results for both Flavocide and Qcide. Positive synergy results offer vast commercial prospects, allowing us to broaden our products' scope for more effective pest control solutions when used in combination with other commercially important insecticides. Combining our technology with existing products could address resistance issues, reduce cost and dosage requirements, and improve environmental safety. The synergy we've demonstrated positions us favourably, with a number of successful chemistry groups that realise US\$2-3 billion in sales annually. These early-stage results have already drawn interest from global companies with the recent signing of a new Material Transfer Agreement.

We are pleased to report Bio-Gene has strengthened its patent portfolio, with two new patents granted and two Notice of Allowances issued during the financial year. The African Regional Intellectual Property Organisation (ARIPO) Patent Office granted two new patents focusing on Flavocide in combination with other chemistries, and control of resistant pests. These patents will expire in 2038. The US Patent Office (USPTO) has issued two separate Notice of Allowances. The first relates to the use of flavesone and related molecules to control pesticide-resistant pest, extending patent to 2038. The second relates to Bio-Gene's molecules to control highly damaging aphid pests in crops and extends patent protection for Bio-Gene's technology to 2040. As we advance our products in both crop and non-crop markets, patent protection plays a vital role in commercialising our technology. These new patents and Notice of Allowances reinforce our commitment to delivering cutting-edge solutions in crop protection and solidifies our position as innovators in the field.

To support Bio-Gene through the next phase of development focused on executing our pathway to commercialisation, we welcome several new appointments to the Board and Management. Recently, we welcomed the appointment of Alex Ding and Christopher Ramsey to the Board and Chief Financial Officer Rod Valencia to our senior management team. Post financial year end, we were also delighted to welcome Tim Grogan as Bio-Gene's new Managing Director and Chief Executive Officer. The skill set we have obtained across all appointments, align with our mission and growing needs as we strengthen our commercial capability and execute on a crucial development and growth stage supporting future commercialisation.

On behalf of the Board, we thank the Bio-Gene team for their hard work, passion and commitment to opening new markets for our technology, advancing molecule development, promoting Bio-Gene as an industry-leader in solving the global problem of insecticide resistance and importantly setting us on a pathway to the commercialisation of our unique technology. And lastly, we would like to thank our loyal shareholders for their ongoing support and investment in Bio-Gene. We know we have an exciting 12 month ahead, and we look forward to continuing to update our shareholders on the Company's progress.

Qcide® and Flavocide® are registered trademarks of Bio-Gene Technology Limited.



Robert Klupacs
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 2023.

Directors

The following persons were directors of the Company during the financial year:

Mr. Robert Klupacs (Chairman)
Mr. Richard Jagger (Managing Director and CEO)
Dr. Peter Beetham (Non-executive Director) – Resigned 22 April 2023
Mr. James Joughin (Non-executive Director) – Resigned 22 April 2023
Mr. Andrew Guthrie (Non-executive Director)
Mr. Peter May (Executive Director, Research and Development).
Mr. Alex Ding (Non-executive Director) – Appointed 12 May 2023
Mr. Christopher Ramsey (Non-executive Director) – Appointed 12 May 2023

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

Company Secretary:

Mr. Rod Valencia

Principal activities

The principal activity of the Company is to pursue the development and 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 plant-derived oil with high levels of tasmanone. Research to date indicates insecticidal activity of these products via a novel mode of action with the potential to overcome existing insecticide resistance in pest populations.

Bio-Gene is seeking to commercialise these products via partners as insecticide formulations for use in a range of target markets. We aim to generate multiple revenue streams from technology licensing fees, milestone payments and royalties by securing and owning active ingredient product registrations, developing proprietary manufacturing and production knowhow, and working with strong commercial partners on product development, marketing and distribution.

Review of operations

There were a number of significant achievements and advancements made by Bio-Gene throughout the 2023 financial year, delivering progress on the development and registration of Flavocide and Qcide, and securing new and expanded commercial agreements to position the group for commercial success.

Commercial Agreements

Signed binding term sheet with STK Bio-ag Technologies (STK) for collaboration to develop, register and commercialise Qcide for crop protection applications

On 19 January, Bio-Gene entered a new partnership via signing a binding term sheet with STK, an Israel-based bio-ag technology company specialising in the development and commercialisation of natural crop protection solutions for growers worldwide. The agreement is for a global collaboration to develop, register and commercialise Qcide for crop protection applications.

Key terms of the agreement include:

- Bio-Gene grants STK a world-wide non-exclusive licence to develop Qcide technology for crop protection applications, as well as aquaculture, and professional turf and ornamentals markets;
- STK funds all costs associated with securing registration of the active ingredient Qcide;
- Bio-Gene retains exclusive rights to the public health, animal health and consumer markets for Qcide globally;
- Bio-gene has full access to Qcide registration to support other commercial opportunities (crop and non-crop).

Outside the Agreement, both companies are evaluating the opportunity for Bio-Gene to act as sales agent for STK products in Australia and New Zealand.

Subsequent to the financial year end, on 27 July 2023, Bio-Gene signed Development and Licence Agreement with STK formalising the existing binding term sheet.

Extended Commercial Agreement with Clarke Mosquito Control (Clarke) on Flavocide for an additional mosquito control market segment

On 13 April 2023, Bio-Gene signed an extension of the License and Development Agreement with Clarke in the United States and Cayman Islands. Clarke expanded its rights to explore, develop and commercialise insecticide solutions using Flavocide for a new mosquito control

DIRECTORS' REPORT

segment, in addition to its current access agreement for the public health mosquito control market.

The new segment focuses on residential mosquito control services on private properties, increasing the market opportunity with Clarke by 150%, with the new applications representing market opportunity of US\$150m, bringing the total fields of use market opportunity with Clarke to US\$250m.

Research and Development

Announced research programs results confirming significant synergy results for both Bio-Gene's molecules

In April 2023, Bio-Gene announced the results of a series of independent research programs which confirmed significant synergy results for both Flavocide and Qcide when used in combination with other commercially important insecticides against certain target insect species.

The studies were conducted by globally recognised research organisations including Purdue University, University of Florida, i2L Research, and Cesar Australia. The results from the research program have already attracted interest from global companies with Bio-Gene signing a new Material Transfer Agreement to assess commercial synergy opportunities.

The positive synergy research results demonstrate Bio-Gene's molecules can provide substantial commercial value to the US\$31.1 billion global insecticide industry, including reduced application rates, lower-cost control, increased ability to tackle resistance and extending the use of existing products within and beyond their patent life.

The Grain Research & Development Corporation (GRDC) confirmed support for development, registration, and commercialisation of Flavocide in grain storage

In May 2023, GRDC signed a Letter of Support re-affirming its support for Bio-Gene to achieve registration and commercialisation of Flavocide as a stored grain protectant in Australia.

The confirmation of support followed a collaborative research project between GRDC, Bio-Gene, BASF and QDAF that concluded in mid-2022. GRDC provided financial support to the project which tested the efficacy of Flavocide when used as a protectant insecticide to control grain storage pests, concluding that Flavocide combination treatments can effectively control five key stored grain pests (lesser grain borer, flour beetle, saw-toothed beetle, flat grain beetle and rice weevil) for up to 13 months.

GRDC's expertise, industry relationships, and regulatory knowledge are invaluable and key to helping Bio-Gene identify and develop the commercialisation pathway for Flavocide in key target grain storage market.

Patent and IP Protection

Granting of two patents from the African Regional Intellectual Property Organisation (ARIPO) Patent Office

In December 2022, Bio-Gene received confirmation of the granting of two patents from the ARIPO Patent Office. The patent applications focused on Flavocide in combination with other chemistries, and control of resistant pests.

The claims for the first patent relate to the control of resistant insect pests infesting an agricultural environment, and in particular grain storage pests. The second patent addresses the use of Flavocide in combination with other key insecticidal chemistry and has relevance to mosquito control which is particularly important for Africa. These patents will expire in 2038.

US Patent Office (USPTO) issued Notice of Allowance to grant an additional patent for the use of flavesone and related molecules to control pesticide-resistant pests

In March 2023, the USPTO issued a Notice of Allowance to grant a US patent covering the use of flavesone and related molecules to control pesticide-resistant pests. The patent application focused on Flavocide for control of pesticide-resistant pests. The Notice of Allowance shows the application is complete and meets all requirements for the grant of a patent under US law. The patent will expire in 2038.

Notice of Allowance issued by USPTO to grant additional new patent in major global crop market

In June 2023, in response to Bio-Gene's US patent application (No. 17/045,457), the USPTO issued a Notice of Allowance to grant a patent relating to the use of Bio-Gene's molecules to control highly damaging aphid pests in crops and extends patent protection for Bio-Gene's technology to 2040. Examination of additional patent applications in relation to control of aphid pests is continuing by other patent offices globally.

Other Operating Achievements

Throughout the financial year, Bio-Gene made substantial advancements in the development and refinement of molecule manufacturing.

Flavocide:

Significant work has been conducted with specialist organisations both in Australia and overseas that has enabled the refinement and full documentation of the Standard Operating Procedure for producing Flavocide. This enables:

- Provision of a pathway to produce commercially viable quantities of product;
- Streamlines manufacturing process, making it easier for a toll manufacturer to adapt/implement;
- Improved safety of the process;
- Improved overall cost of manufacture;
- Creation of important data on product specification for regulatory submissions.

DIRECTORS' REPORT

Over the financial year, an extensive search has been undertaken to identify a suitable toll manufacturer partnership and the company is close to finalising the initial manufacturing partner for Flavocide.

Qcide

Bio-Gene continued critical work, in collaboration with James Cook University, to refine the process for oil extraction, aimed at maximising oil extraction. Bio-Gene has been able to achieve incremental and significant improvements in oil yield, while ensuring the oil remains within its target specification.

Bio-Gene have also been extensively involved in phenotyping, ultimately identify tree species for higher oil and active ingredient content. As part of Qcide phenotyping program, Bio-Gene undertook an on-going Plant Breeders Rights program aiming to protect the I.P. surrounding the superior trees. Bio-Gene submitted applications for "plant breeders rights" for several of our unique tree lines, which will aim to provide exclusive commercial rights for Bio-Gene's Qcide oil producing trees. The rights are essentially a form of intellectual property (IP), like patents, trademarks and designs.

As part of the STK Agreement, STK will develop additional production facilities for Qcide. In line with Bio-Gene's objective to expand production facilities, diversifying production to other geographic areas in partnership with STK, mitigates risk associated with production (loss or damage due to fire, flood, drought etc) and the logistics of managing global supply.

Corporate

Bio-Gene received cash refund of \$446,000 cash under the Australian Federal Government R&D Tax Incentive Scheme

In January 2023, under the Australian Federal Government's R&D Tax Incentive Scheme, Bio-Gene received \$446,000 cash refund. The R&D Tax Incentive Scheme is an Australian Government program under which companies cash refunds for eligible expenditure on research and development.

The cash refund will be used for working capital purposes to accelerate Bio-Gene's commercialisation and development programs.

Board and Executive management changes

Appointments

- Appointment of Chief Financial Officer and Company Secretary, Rod Valencia, commencing 26 April 2023.
- Appointment of Non-Executive Directors Mr Alex Ding and Mr Christopher Ramsey to the Board, effective 12 May 2023
- Subsequent to financial year end, appointment of Tim Grogan as Managing Director and Chief Executive Officer effective 28 August 2023

Retirement and resignations:

- Resignation of Non-Executive Director James Joughin, effective 24 July 2023. Mr Andrew Guthrie assumed Chairmanship of Company's Audit and Risk committee.
- Resignation of Dr Peter Beetham as Non-Executive Director, effective 24 July 2023. Peter transitioned and joined Bio-Gene's Scientific Advisory Board to guide the company on scientific endeavours.
- Retirement and resignation of Non-Executive Director and Chairman, Mr Robert Klupacs, effective from 31 July 2023.
- Richard Jagger, Managing Director and Chief Executive Officer. Subsequent to financial year end, Richard's resignation was announced aligned with the appointment of new Managing Director and CEO, Tim Grogan, effective 28 August 2023. Richard will transition to a new advisory role focused on stakeholder management of Bio-Gene's existing and future development partnerships.

Operating Update (subsequent to financial year end)

On 27 July 2023, Bio-Gene signed Development and Licence Agreement with STK formalising the existing binding term sheet (refer above)

Bio-Gene technology selected to be included in US CDC funded vector control program

On 7 July 2023, Bio-Gene's technology, Flavocide and Qcide, have been selected to participate in a significant US program to address on-going issues of vector-borne diseases. The program is coordinated by the Midwest Centre of Excellence for Vector Borne Disease (MCE-VBD) and funded by the CDC who will invest US\$10 million over five years. The program involves a number of prominent United States universities, including and importantly Purdue University who have a significant history and knowledge of Bio-Gene's technology.

As part of the overall program, Bio-Gene will work with MCE-VBD researchers to understand how Flavocide and Qcide can be harnessed to control vector-borne disease, including those caused by tick-borne pathogens like *Borrelia burgdorferi* (Lyme disease).

Bio-Gene will have access to the results for discussion with researchers and current and potential commercial collaborators.

DIRECTORS' REPORT

Financial summary

The financial results of the Company for the year ended 30 June 2023 are summarised as follows:

Statement of financial position:

- Cash held of \$2,990,527 (2022: \$6,341,881) at reporting date.
- 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. Therefore, 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 \$3,095,782 (2022: \$2,914,193).
- Total revenue including other income during the period was \$681,290 (2022: \$939,118). This revenue included Licence Fees of \$149,232 (2022: \$385,726), the R&D Tax Incentive of \$445,846 (2022: \$434,050), Research Collaboration receipts of \$Nil (2022: \$60,000), Government grants of \$Nil (2022: \$Nil), interest of \$85,962 (2021: \$52,864), Foreign exchange gains of \$Nil (2022: \$5,698) and Other Income of \$250 (2022: \$780).
- Total operating expenses for the period were \$3,777,072 (2022: \$3,853,311). Research and development costs have been expensed in the year in which they were incurred.
- Basic and diluted net loss per share decreased to 1.85¢ (2022: 1.90¢) due to the increase in the weighted average number of shares on issue.

Statement of cash flows:

- The Company's cash outflow from operations over the period was \$3,276,354 (2022: \$1,992,956).

Capital Raising

No capital raise has taken place during the current financial year.

At 30 June 2023 the Company had 177,145,725 (2022: 179,056,519) shares on issue. Refer to Note 13(a) for further detail of movements in issued capital.

Options issued

No options were issued during the current financial year.

Further details in respect of options issued in previous financial years can be found in Note 13(b).

Earnings per share

	2023	2022
Basic loss per share from continuing operations	(1.85¢)	(1.90¢)
Basic diluted loss per shares from continuing operations	(1.85¢)	(1.90¢)

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 2023.

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.

DIRECTORS' 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.

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.

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.

DIRECTORS' REPORT

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 2023 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:

	2023 \$	2022 \$
Audit services		
JTP Assurance:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	32,000	30,500
<i>Total remuneration for audit services</i>	<u>32,000</u>	<u>30,500</u>
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	5,000	4,500
Total remuneration	<u>37,000</u>	<u>35,000</u>

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

Meetings of directors

The number of meetings of the Company's Directors (including committee meetings of Directors) held during the year ended 30 June 2023 and the numbers of meetings attended by each Director were:

Director	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Committee ¹	
	Held and Eligible to Attend	Attended	Held and Eligible to Attend	Attended	Held and Eligible to Attend	Attended
Robert Klupacs	15	15	2	2	3	3
Richard Jagger ¹	15	15	0	0	0	0
Peter Beetham	11	9	2	2	0	0
James Joughin	11	10	1	1	3	3
Andrew Guthrie	15	15	2	2	3	3
Peter May ¹	15	15	0	0	0	0
Alex Ding	2	2	0	0	0	0
Christopher Ramsey	2	0	0	0	0	0

1. While Richard Jagger and Peter May are not members of the Audit & Risk Committee, they are invited to attend these meetings when relevant.

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)*
<p>Non-Executive Chairman</p> <p>Robert Klupacs</p>	<p>Robert 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.</p>	636,244	3,320,000	-
<p>BSc (Hons) Grad Dip IP Law, Australian Registered Patent and Trademark Attorney</p> <p>Chair of Remuneration & Nomination Committee</p> <p>Member of Audit & Risk Committee</p>	<p>His corporate development experience encompasses, healthcare, software, scientific instrumentation, food technologies and enabling agricultural technology. He has deep expertise and experience in all facets of corporate development 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 28 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.</p> <p>Director of Bio-Gene Technology Limited since 29 May 2015.</p> <p>Other Directorships of listed companies over the past three years: None.</p>			
<p>Managing Director and Chief Executive Officer</p> <p>Richard Jagger</p>	<p>Richard has over 25 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 he has extensive knowledge of the local ag industry, as well as the major Crop Protection companies globally.</p>	743,221	2,882,696	489,720
<p>B.Sc.(Hons), Masters of International Business, GAICD</p>	<p>Prior to joining Bio-Gene he co-created the Australian subsidiary of Sinochem – one of the largest Crop Protection companies in China – in the role of Managing Director.</p> <p>He was previously a board member of Crop Life Australia, and is a founding member of Victoria's Cleantech Cluster, designed to support, consolidate and promote clean, sustainable technology for use around the world. Richard is also a director of Agriculture Victoria Services (AVS), which provides expert IP management, commercialisation, R&D collaboration and technology investment services to maximise the adoption and impact of the research capabilities and IP assets of AVR.</p> <p>Director of Bio-Gene Technology Limited since 26 April 2017.</p> <p>Other Directorships of listed companies over the past three years: None.</p>			

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) [*]
<p>Non-Executive Director</p> <p>Peter Beetham</p> <p>BSc (Hons), PhD</p> <p>Member of Remuneration & Nomination Committee</p>	<p>Peter has over 30 years of experience in the bio-agriculture community, with a passion for moving technology to commercial application. He is currently the President and CEO of Cibus Global, LLC. As co-founder of Cibus, he has taken a lead role in developing the core gene editing technologies associated with the proprietary Rapid Trait Development System (RTDS™).</p> <p>Peter has spent more than three decades in agricultural research, with direct experience in areas including plant biotechnology, precision gene-editing and the applications of novel breeding technologies. Early in his career he was also involved in the introduction of improved root crops to many countries in Southeast Asia and the South Pacific.</p> <p>Prior to joining Cibus, he was Research Director of the Plant and Industrial Products Division at ValiGen, formerly Kimeragen, Inc. At Cibus he has led the scientific and regulatory endeavours that have led to the launching of Cibus' first products in USA. More recently he was tasked with taking Cibus to the next level of growth as a growth stage commercial company leading the way for licensing of gene edited traits to leading global seed companies.</p> <p>Peter received his Ph.D. in Plant Molecular Virology from QUT in Brisbane, Australia and is a BSc (Hons) graduate of Monash University, Melbourne, Australia. Dr Beetham has authored many scientific publications including the pioneering publications for gene-editing starting in 1999. He has also been a leading author on over 100 patents and patent applications.</p> <p>Director of Bio-Gene Technology Limited from 21 December 2020 until 22 April 2023.</p> <p>Other Directorships of listed companies over the past three years: None.</p>	60,000	-	-
<p>Non-Executive Director</p> <p>James Joughin</p> <p>B.Bus, CPA, GAICD</p> <p>Chair of Audit & Risk Committee</p> <p>Member of Remuneration & Nomination Committee</p>	<p>James is a highly experienced ASX listed and private company Director. He is currently the Non-Executive Chairman at Spirit Technology Solutions Ltd (ASX:ST1) and a Non-Executive Director at Mydeal.com.au Ltd (ASX:MYD), Viridian Financial Group Ltd (an unlisted public company) and Melbourne Institute of Technology Pty Ltd.</p> <p>Past directorships have included companies in healthcare, engineering, and veterinary products. Many had direct R&D activities, ranging from start-ups, listed and not for profit companies.</p> <p>Prior to his career as a non-executive director James was a Partner in a Big 4 accounting professional services firm and specialised and led the Melbourne office in its corporate finance section in the areas of mergers & acquisitions, IPO's, debt and equity raisings and private equity. He advised many smaller cap listed companies and has wide experience across a number of industries.</p> <p>Director of Bio-Gene Technology Limited from 1 March 2021 until 22 April 2023.</p> <p>Other Directorships of listed companies over the past three years: Spirit Technology Solutions Ltd (from June 2016 ongoing) and Mydeal.com.au Ltd (from August 2020 ongoing).</p>	436,500	-	-

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) [*]
<p>Non-Executive Director</p> <p>Andrew Guthrie</p> <p>B. AgSci (Hons), GAICD</p> <p>Chair of Audit & Risk Committee</p> <p>Member of Remuneration & Nomination</p>	<p>Andrew has dedicated his career to agriculture and worked for 32 years with one of the world's leading agriculture companies, Syngenta, and predecessor companies around the world. After building his early career in sales, marketing and supply chain roles in Australian agriculture, Andrew spent 20 years working internationally with assignments in the United Kingdom, Switzerland, Hong Kong, Singapore, Thailand, Japan and China. He gained significant experience in diverse cultural environments that require broad leadership skills. Andrew spent most of his senior leadership years with Syngenta in Asia, as Regional Director for Asia Pacific, before he was promoted to lead Syngenta's multi-billion dollar business in Europe, Africa and the Middle East.</p> <p>During his career, Andrew led business growth in developed and emerging markets by creating country operating businesses with the right culture, capability, people and business strategies to access attractive market segments that constituted tens of millions of grower customers in some countries. Andrew has a strong understanding of corporate governance and the risk management required to successfully grow business in emerging markets.</p> <p>Andrew was a member of Syngenta's Global Crop Protection Leadership team that was responsible for business strategy that leveraged Syngenta's extensive research and development capability to invent, gain regulatory approval and launch new products, including insecticides, to agricultural markets globally.</p> <p>In 2019 he retired from executive management roles and now acts as a company director and mentor.</p> <p>Director of Bio-Gene Technology Limited since 26 April 2021.</p> <p>Other Directorships of listed companies over the past three years: None.</p>	147,059	-	-
<p>Non-Executive Director</p> <p>Alex Ding</p> <p>BComm, LLB (UNSW), LLM (USyd)</p>	<p>Alex was a partner at two leading Australian law firms, and is a recognised expert in mergers and acquisitions, capital markets, and general corporate and governance law. He has advised many large ASX, LSE and US listed companies, foreign government controlled entities and substantial private companies and funds on acquisitions, divestments, corporate finance transactions, joint venture arrangements, restructurings, corporate governance and disputes strategy. He has been named on The Best Lawyers in Australia list, and has over 25 years of experience as a corporate lawyer.</p> <p>Director of Bio-Gene Technology Limited since 12 May 2023.</p> <p>Other Directorships of listed companies over the past three years: None.</p>	7,502,000	-	-

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) [*]
<p>Non-Executive Director</p> <p>Christopher Ramsey</p> <p>BRuSc UNE Armidale, GradDip Agribusiness Monash Uni</p>	<p>Christopher has over 30 years experience in the agricultural sector across business start up, development, marketing and broader agronomy. He has held leadership roles in Bayer, BASF and Nufarm among others, operating in both technical and managerial roles. Chris brings with him significant experience across customer engagement and product marketing and has a history of partnership development and sourcing after having spent the earlier years of his career in technical agricultural roles. Chris currently acts as non-executive director of North West Phosphate, a phosphate exploration and production business and principal director of a boutique agribusiness consulting firm. Chris holds a BSc (Honours) in Rural Sciences and a GradDip in Agribusiness.</p> <p>Director of Bio-Gene Technology Limited since 12 May 2023.</p> <p>Other Directorships of listed companies over the past three years: None.</p>	-	-	-
<p>Executive Director – Research & Development</p> <p>Peter May</p> <p>B.App.Sc (Rural Technology) (Hons), MBA, GAICD, AFAIM</p>	<p>Peter's career has included over 20 years of experience in the Australian and international crop protection and pest management markets with companies Orica and Crop Care (now part of Nufarm). In 2001, he founded Xavca Pty Ltd, providing marketing & consultancy services to mainly international clients including Syngenta and Sorex (now part of BASF). 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.</p> <p>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 (First Class Honours) from the University of Queensland, and a MBA from the Queensland University of Technology.</p> <p>Director of Bio-Gene Technology Limited since 29 May 2015.</p> <p>Other Directorships of listed companies over the past three years: None.</p>	461,889	1,320,316	162,326

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)*
Chief Financial Officer and Company Secretary Roger McPherson B.Bus, CPA, GAICD	<p>Roger has more than 25 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.</p> <p>Prior to 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 20 years of biotechnology and pharmaceutical experience.</p> <p>In addition to his role with Bio-Gene, Roger also provides CFO services to other unlisted entities.</p> <p>Roger ended his contract on the 30 June 2023.</p>	258,271	857,889	108,224
Chief Financial Officer, Company Secretary and Investor Relations Officer Rod Valencia B Bus, B Economics, CA, MBA	<p>Rod is an Australian Chartered Accountant and London Business School MBA with more than twenty-years of experience working as a senior professional for multinational companies such as Shell, McDonald's, Ernst & Young and SPC Ardmona (Coca Cola) in South America, Australia, and the Middle East. His career encompasses leading in strategic management, organisational transformations, financial management and information technology, delivering sustainable results, and growing both large and small organisations through delivery of service, excellence, and advice. Additionally, Rod also manages his private early stage investment company Beltramin Investments and has been intimately involved in a range of ASX companies as an investor over the past 10 years. Pleasingly Rod has been an investor in Bio-Gene for several years.</p> <p>Appointed on the 24 April 2023.</p>	214,000	-	-

*Shares issued under the Loan Share Plan do not vest on issue and are subject to a number of restrictions refer Note 13(c) for details. No member of Key Management Personnel hold Options in the Company.

DIRECTORS' REPORT

REMUNERATION REPORT

Introduction

This Remuneration Report for the year ended 30 June 2023 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 2023 financial year and unless otherwise indicated were classified as KMP for the entire year.

(a) Directors

(i) *Non-executive Chairman*

Mr. Robert Klupacs

(ii) *Managing Director and Chief Executive Officer*

Mr. Richard Jagger

(iii) *Executive Directors*

Mr. Peter May (Executive Director Research & Development)

(iv) *Non-executive Directors*

Dr. Peter Beetham
Mr. James Joughin
Mr. Andrew Guthrie
Mr. Alex Ding
Mr. Christopher Ramsey

(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. Rod Valencia (Chief Financial Officer, Company Secretary and Investor Relations Officer)
Mr Roger McPherson (Chief Financial Officer and Company Secretary)

B) Remuneration governance

Role of Remuneration and Nomination Committee (Committee)

The Company has adopted various Corporate Governance charters and policies including a Remuneration & Nomination Committee Charter. The 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 Chaired by Robert Klupacs. The other Non-executive Directors of the Board (Dr. Peter Beetham, Mr James Joughin and Mr. Andrew Guthrie) are all members of the Committee.

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 Madison Partners (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 Committee commenced a review of the remuneration arrangements in the 2023 financial year. 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 and other personnel 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 now a cash 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 was an equity based plan which was 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:

<i>Component</i>	<i>Fixed remuneration</i>	<i>Short-term incentive</i>	<i>Long-term incentive</i>
CEO	50%	25%	25%
Executive Team	70%	15%	15%
Senior Managers	70%	15%	15%

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 role and the skills and experience of the incumbent.

Short-Term Incentive ('STI')

Under the STI, executives and other personnel were awarded cash having regard to the short-term incentive proportion of their 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 team are measured as a group using these criteria as it is considered key to encouraging a team approach to achieving the Company's objectives.

<i>Component</i>	
Customers and partners	40%
Intellectual property and technology enabling	20%
Corporate overarching (including funding)	40%
	<u>100%</u>

The STI Value is determined by applying the team's performance out of 100% to the team's maximum potential STI amount. The STI Value (subsequent to assessment and approval) is then delivered immediately in cash.

Long-Term Incentive ('LTI')

Under the LTI, executives and other personnel will be awarded equity under an equity plan, having regard to the long-term incentive proportion of total remuneration (the LTI value). The LTI value will be satisfied with the issue of equity and this equity will then be tested against specific performance conditions in future years to determine whether the equity vests.

The Company does not currently have an approved Equity Plan in place. The Board is working on a proposal in respect of the 2024 financial year which will incentivise executives and other personnel and ultimately result in an increase in the share price if successful. It is planned to seek shareholder approval for this proposal at the 2023 Annual General Meeting.

DIRECTORS' REPORT

Performance and remuneration 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

<i>Component</i>	<i>Percentage of Scorecard</i>	<i>Outcomes</i>
Customers and partners	40%	40%
Intellectual property and technology enabling	20%	14%
Corporate overarching (including funding)	40%	40%
	100%	94%

Both components of the LTI were tested at 30 June 2023. As the Company entered into two commercial agreements at that date the LTI Type 1 shares issued in respect of the 2020 financial year were vested.

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 and LTI programs having regard to the performance outcomes outlined above.

2023	STI				LTI	
	Maximum STI	Actual STI	Max STI Value	Actual STI Payable in Cash	LTI Type 1 Shares Vested	LTI Type 2 Shares Cancelled
	% of TR	% of TR				
	%	%	\$	\$	No.	No.
Richard Jagger	25	10	177,459	70,984	813,502	-
Peter May	15	6	47,058	18,823	269,650	-
Roger McPherson	15	6	27,886	11,155	179,778	-
Total			252,403	100,962	1,262,930	-

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.

Following on from the establishment of the Remuneration & Nomination and Audit & Risk Committees in the prior year, effective 1 October 2021, additional fees are provided for Chairing a Committee (\$5,000) and membership of a Committee (\$2,500) in addition to board fees.

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

DIRECTORS' REPORT

D) Details of remuneration

Year ended 30 June 2023

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 2023. 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.

2023 Name	Short-term employee benefits		Post employment benefits		Equity-based payments		Total
	Cash salary & fees	Cash STI	Non-monetary benefits	Super-annuation	LTI ²	LTI ³	
	\$	\$	\$	\$	\$	\$	\$
Executive Directors							
Richard Jagger	329,731	61,314	-	25,186	-	31,342	447,573
Peter May	198,737	12,198	-	24,929	-	10,389	246,253
<i>Subtotal Executive Directors</i>	<i>528,468</i>	<i>73,512</i>	<i>-</i>	<i>50,115</i>	<i>-</i>	<i>41,731</i>	<i>693,826</i>
Non-Executive Directors							
Robert Klupacs ⁴	75,374	-	-	-	-	-	75,374
Peter Beetham ¹	45,497	-	-	-	-	-	45,497
James Joughin ⁵	45,076	-	-	4,733	-	-	49,809
Andrew Guthrie	52,140	-	-	5,475	-	-	57,615
Alex Ding ⁶	6,309	-	-	662	-	-	6,971
Christopher Ramsey ⁷	6,309	-	-	662	-	-	6,971
<i>Subtotal Non-Executive Directors</i>	<i>230,705</i>	<i>-</i>	<i>-</i>	<i>11,532</i>	<i>-</i>	<i>-</i>	<i>242,237</i>
<i>Total Directors</i>	<i>759,173</i>	<i>73,512</i>	<i>-</i>	<i>61,647</i>	<i>-</i>	<i>41,731</i>	<i>936,063</i>
Other KMP							
Roger McPherson ⁸	102,636	9,445	-	27,500	-	6,926	146,507
Rod Valencia ⁹	32,532	-	-	3,416	-	-	35,948
<i>Total Other KMP</i>	<i>135,168</i>	<i>9,445</i>	<i>-</i>	<i>30,916</i>	<i>-</i>	<i>6,926</i>	<i>182,455</i>
Total	894,341	82,957	-	92,563	-	48,657	1,118,518

1. Mr. Peter Beetham resigned from his role as Non-executive Director on 21st April 2023 and accepted a role as a Scientific Advisor.
2. The loan period for Loan Share Plan shares issued prior to the Company's IPO in November 2017 was extended from 7 to 10 years during the 2022 financial year. The additional value of the effected shares is reflected here.
3. The LTI is recognised based on the expected period to vesting of the equity at the date of issue.
4. Mr. Robert Klupacs was appointed as Non-executive Chairman on 26th November 2020.
5. Mr. James Joughin resigned from his role as Non- executive Director on 22nd April 2023.
6. Mr. Alex Ding was appointed as Non-executive Director on 12 May 2023.
7. Mr Christopher Ramsey was appointed as Non-executive Director on 12 May 2023.
8. Mr. Roger McPherson ended in his role as CFO with the company on 30th June 2023.
9. Mr. Rod Valencia was appointed as CFO of the company on 24th April 2023.

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 2022. 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.

2022 Name	Short-term employee benefits		Post employment benefits		Equity-based payments		Total
	Cash salary & fees	Cash STI and LTI ¹	Non- monetary benefits	Super- annuation	LTI ²	LTI ³	
	\$	\$	\$	\$	\$	\$	\$
Executive Directors							
Richard Jagger	317,511	206,557	-	25,405	13,184	99,297	661,954
Peter May	192,890	54,896	-	20,505	11,484	31,981	311,756
<i>Subtotal Executive Directors</i>	<i>510,401</i>	<i>261,453</i>	<i>-</i>	<i>45,910</i>	<i>24,668</i>	<i>131,278</i>	<i>973,710</i>
Non-Executive Directors							
Robert Klupacs ⁴	70,950	-	-	-	34,458	-	105,408
Peter Beetham	52,125	-	-	-	-	-	52,125
James Joughin	51,027	-	-	4,848	-	-	55,875
Andrew Guthrie	49,315	-	-	4,685	-	-	54,000
<i>Subtotal Non-Executive Directors</i>	<i>223,417</i>	<i>-</i>	<i>-</i>	<i>9,533</i>	<i>34,458</i>	<i>-</i>	<i>267,408</i>
<i>Total Directors</i>	<i>733,818</i>	<i>261,453</i>	<i>-</i>	<i>55,443</i>	<i>59,126</i>	<i>131,278</i>	<i>1,241,118</i>
Other KMP							
Roger McPherson	113,953	37,408	-	27,500	9,299	21,321	209,481
<i>Total Other KMP</i>	<i>113,953</i>	<i>37,408</i>	<i>-</i>	<i>27,500</i>	<i>9,299</i>	<i>21,321</i>	<i>209,481</i>
Total	847,771	298,861	-	82,943	68,425	152,599	1,450,599

1. The 2021 LTI payment was settled in cash in August 2021 as the Company did not have an approved Equity Scheme in place at that time.
2. The loan period for Loan Share Plan shares issued prior to the Company's IPO in November 2017 was extended from 7 to 10 years during the 2022 financial year. The additional value of the effected shares is reflected here.
3. The LTI is recognised based on the expected period to vesting of the equity at the date of issue.
4. Mr. Robert Klupacs was appointed as Non-executive Chairman on 26 November 2020.

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.

Robert Klupacs, Non-executive Chairman

- Term of Agreement – Commencing from 1 January 2018.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – Nil

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 2022 \$354,918 per annum on a fulltime basis, subject to annual increases at the discretion of the Board of Directors.
- Termination – By four months' notice from either side.
- Potential Incentive – Short Term Incentive of up to \$177,459 per annum on a fulltime basis and Long Term Incentive of up to \$177,459 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 any Employee Equity Plans of the Company.

Peter Beetham, Non-executive Director

- Term of Agreement – Commencing from 21 December 2020 and resigned on 22 April 2023.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – Nil.

James Joughin, Non-executive Director

- Term of Agreement – Commencing from 1 March 2021 and resigned on 22 April 2023.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – Nil.

Andrew Guthrie, Non-executive Director

- Term of Agreement – Commencing from 26 April 2021.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – Nil.

Alex Ding, Non-executive Director

- Term of Agreement – Commencing from 12 May 2023.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – Nil.

Christopher Ramsey, Non-executive Director

- Term of Agreement – Commencing from 12 May 2023.
- Termination – No terms have been agreed.
- Incentive – Nil.
- Equity – Nil.

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 2022 \$244,006 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.
- Potential Incentive – Short Term Incentive of up to \$52,286 per annum on a fulltime basis and Long Term Incentive of up to \$52,286 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 any Employee Equity Plans of the Company.

Roger McPherson, Chief Financial Officer and Company Secretary

- Term of Agreement – Commencing from 1 January 2018 and finalised on 30 June 2023.
- Base Remuneration – Effective 1 July 2022 \$244,006 per annum on a fulltime basis, subject to annual increases at the discretion of the Board of Directors. From 1 March 2023 moved from 60% to 40% of a full time equivalent.
- Potential Incentive – Short Term Incentive of up to \$46,477 per annum on a fulltime basis and Long Term Incentive of up to \$46,477 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 any Employee Equity Plans of the Company.

Rod Valencia, Chief Financial Officer, Company Secretary and Investor Relations Officer

- Term of Agreement – Commencing from 24 April 2023.
- Base Remuneration – Effective from 24 April \$175,000 plus superannuation per annum on a fulltime basis, subject to annual increases at the discretion of the Board of Directors.
- Termination – By two months' notice from either side.
- Potential Incentive – Short Term Incentive of up to \$35,000 per annum on a fulltime basis. Long Term Incentive will be based on company's incentive plan once approved by shareholders.
- Equity – The Executive shall be entitled to participate any Employee Equity Plans of the Company.

DIRECTORS' REPORT

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 re-approved at the 2019 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
29/06/2015 ¹	2,500,000	29/06/2025	29/06/2015	0.050	0.0340	29/06/2015
30/06/2016 ¹	416,000	30/06/2026	30/06/2016	0.050	0.0334	30/06/2016
11/05/2017 ¹	812,500	11/05/2027	11/11/2017	0.092	0.0622	11/11/2017
11/05/2017 ¹	812,500	11/05/2027	11/05/2018	0.092	0.0622	11/05/2018
26/07/2017 ¹	187,500	26/07/2027	26/01/2018	0.140	0.0922	26/01/2018
26/07/2017 ¹	187,500	26/07/2027	26/07/2018	0.140	0.0894	26/07/2018
01/11/2019	2,201,972	01/11/2026	30/06/2022	0.150	0.0789	30/06/2022
30/07/2020	1,262,930	30/07/2027	30/06/2023	0.134	0.0843	30/06/2023

1. The loan period for Loan Share Plan shares issued prior to the Company's IPO in November 2017 was extended from 7 to 10 years during the 2022 financial year. The additional value of the effected shares included in the 2022 Financial Report was \$68,425.

(ii) Equity issued to Directors and key management personnel

Details of equity issued in the Company provided as remuneration to each Director and 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 13 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.

DIRECTORS' REPORT

Name	Shares issued during the year				Shares vested during the year	
	2023		2022		2023	2022
	Number	Loan per share\$	Number	Loan per share\$	Number	Number
Directors						
Robert Klupacs	-	-	-	-	-	-
Richard Jagger	-	-	-	-	813,502	-
Peter Beetham	-	-	-	-	-	-
James Joughin	-	-	-	-	-	-
Andrew Guthrie	-	-	-	-	-	-
Donald Brumley	-	-	-	-	-	-
Kevin Rumble	-	-	-	-	-	-
Peter May	-	-	-	-	269,650	-
Alex Ding	-	-	-	-	-	-
Christopher Ramsey	-	-	-	-	-	-
Other key management personnel						
Roger McPherson	-	-	-	-	179,778	-
Rod Valencia	-	-	-	-	-	-

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					
	Year Accrued	Paid [%]	Forfeited [%]	Year issued	Vested [%]	Forfeited	Financial years in which shares vest	Minimum total value of issue yet to vest	Maximum total value of issue yet to vest
								\$	\$
Richard Jagger	2018 ^v	83	17	2017	100	-	Note (iii)	-	-
	2019 ^{v1}	42	58	2019	20.6	79.4	Note (v)	-	-
	2020 ^{v11}	59.3	40.7	2020	70	30	Note (vi)	-	-
	2021 ^{viii}	30	70	2021	18.2	-	Note (vii)	-	137,090
	2022 ^{ix}	94	6	2022	N/A	N/A	Note (viii)	N/A	N/A
	2023	40	60	2023	N/A	N/A	Note (x)	-	-
Robert Klupacs	-	-	-	2015	100	-	Note (i)	-	-
	-	-	-	2016	100	-	Note (ii)	-	-
	-	-	-	2017	100	-	Note (iii)	-	-
Peter May	2018 ^v	83	17	2015	100	-	Note (i)	-	-
	2019 ^{v1}	42	58	2016	100	-	Note (ii)	-	-
	2020 ^{v11}	59.3	40.7	2017	100	-	Note (iii)	-	-
	2021 ^{viii}	30	70	2019	20.6	79.4	Note (v)	-	-
	2022 ^{ix}	94	6	2020	70	30	Note (vi)	-	-
	2023	40	60	2021	18.2	-	Note (vii)	-	45,441
				2022	N/A	N/A	Note (viii)	N/A	N/A
				2023	N/A	N/A	Note (x)	-	-
Roger McPherson	2018 ^v	83	17	2018	100	-	Note (iv)	-	-
	2019 ^{v1}	42	58	2019	20.6	79.4	Note (v)	-	-
	2020 ^{v11}	59.3	40.7	2020	70	30	Note (vi)	-	-

DIRECTORS' REPORT

	2021 ^{viii}	30	70	2021	18.2	-	Note (vii)	-	30,926
	2022 ^{ix}	94	6	2022	N/A	N/A	Note (viii)	N/A	N/A
	2023	40	60	2023	N/A	N/A	Note (x)	-	-

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. They were also eligible to receive an LTI which is made up of 100% shares. These bonuses were not paid in the 2018 financial year but an allowance was made for payment of the STI in the 2018 financial year.. The equity based component of the STI vested during the 2019 year. The LTI shares were all forfeited in the 2022 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. They were also eligible to receive an LTI which is made up of 100% shares, the LTI is made up of 50% shares issued with a non-recourse loan 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 the STI in the 2019 financial year. The equity based component of the STI vested during the 2020 year. LTI shares issued with the loan vested effective 30 June 2022 with the balance forfeited in the 2023 financial year.
- (vii) The executive team were eligible to receive an STI which is made up of 50% cash and 50% shares issued at nominal value. They were also eligible to receive an LTI which is made up of 100% shares, the LTI is made up of 50% shares issued with a non-recourse loan and 50% shares issued at nominal value. These bonuses were not paid in the 2020 financial year but an allowance was made for payment of the STI in the 2020 financial year. The equity based component of the STI vested during the 2021 year. The LTI shares will be tested for vesting at 30 June 2023.
- (viii) The executive team were eligible to receive an STI and LTI for the 2022 financial year payable in cash as the Company does not have an approved Employee Equity Scheme. These bonuses were not paid in the 2022 financial year but an allowance was made for payment of the STI in the 2022 financial year. The STI and LTI payments were made in the 2023 financial year.
- (ix) The executive team were eligible to receive an STI and LTI for the 2022 financial year. The STI is payable in cash. The Company is planning to seek shareholder approval for an Employee Equity Scheme for the LTI at the 2022 Annual General Meeting. The STI payment was not made in the 2022 financial year but an allowance was made for the payment of the STI in the 2023 financial year. This payment will be made in the 2023 financial year.
- (x) The executive team were eligible to receive an STI and LTI for the 2023 financial year payable in cash as the Company does not have an approved Employee Equity Scheme. These bonuses were not paid in the 2023 financial year but an allowance was made for payment of the STI in the 2023 financial year. The STI and LTI payments will be paid in the 2024 financial year.

DIRECTORS' REPORT

(ii) Share-based compensation

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

Name	A	B	C	D	E	F
	Remuneration consisting of shares and options %	Value at issue date \$	Value at loan repayment date \$	Value at cancellation date \$	Total of columns B-D \$	Value of revaluations during the year \$
2023						
Robert Klupacs	-	-	-	-	-	-
Richard Jagger	7	-	-	106,472	(106,472)	-
Peter Beetham	-	-	-	-	-	-
James Joughin	-	-	-	-	-	-
Andrew Guthrie	-	-	-	-	-	-
Alex Ding	-	-	-	-	-	-
Chris Ramsey	-	-	-	-	-	-
Peter May	4	-	-	33,520	(33,520)	-
Roger McPherson	5	-	-	22,347	(22,347)	-
Rod Valencia	-	-	-	-	-	-
2022						
Robert Klupacs	33	-	-	-	-	34,458
Richard Jagger	17	-	-	63,393	(63,393)	13,184
Peter Beetham	-	-	-	-	-	-
James Joughin	-	-	-	-	-	-
Andrew Guthrie	-	-	-	-	-	-
Donald Brumley	-	-	-	-	-	-
Kevin Rumble	-	-	-	-	-	-
Peter May	14	-	-	16,826	(16,826)	11,484
Roger McPherson	15	-	-	14,021	(14,021)	9,299

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.

F = During the year the loan period on shares issued pre the IPO was extended from 7 to 10 years which resulted in a revaluation of the shares which is included in remuneration in the current year

There were no equity awards under the Company's STI or LTI for the year ending 30 June 2023 and year ending 30 June 2022.

(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:

2023	Balance at 1 July	Purchased before appointment	Purchased on Market	Forfeited/Cancelled	Net change other	Balance at 30 June	Total vested
	No.	No.	No.	No.	No.	No.	30 June No.
Robert Klupacs	3,956,244	-	-	-	-	3,956,244	3,956,244
Richard Jagger	4,870,224	-	-	(754,587)	(754,587)	4,115,637	3,625,917
Andrew Guthrie	147,059	-	-	-	-	147,059	147,059
Alex Ding	-	7,502,000	-	-	7,502,000	7,502,000	7,502,000
Chris Ramsey	-	-	-	-	-	-	-

DIRECTORS' REPORT

Peter May	2,182,093	-	-	(237,562)	(237,562)	1,944,531	1,782,205
Roger McPherson	1,382,759	-	-	(158,375)	(158,375)	1,224,384	1,116,160
Rod Valencia	-	214,000	-	-	214,000	214,000	214,000
Totals	12,538,379	7,716,000	-	(1,150,524)	6,351,476	18,889,855	18,343,585

2022	Balance at 1 July	Purchased via Share Placement	Purchased on Market	Forfeited/ Cancelled	Net change other	Balance at 30 June	Total vested
	No.	No.	No.	No.	No.	No.	30 June No.
Robert Klupacs	3,631,244	300,000	25,000	-	325,000	3,956,244	3,956,244
Richard Jagger	5,390,531	148,000	14,814	(683,121)	(520,307)	4,870,224	1,368,221
Peter Beetham	-	60,000	-	-	60,000	60,000	60,000
James Joughin	142,382	294,118	-	-	294,118	436,500	436,500
Andrew Guthrie	-	147,059	-	-	147,059	147,059	147,059
Peter May	2,302,549	60,000	-	(180,456)	(120,456)	2,182,093	1,057,889
Roger McPherson	1,474,314	58,824	-	(150,379)	(91,555)	1,382,759	633,271
Totals	12,941,020	1,068,001	39,814	(1,013,956)	93,859	13,034,879	7,659,184

Options

Options held by key management personnel:

At 30 June 2023 no Options were held by the key management personnel.

(iv) *Voting and comments made at the company's 2022 annual general meeting:*

Bio-Gene Technology Limited received more than 91.51% of "yes" votes for the adoption of the Remuneration Report for the 2022 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

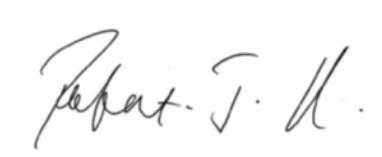
Events since the end of the financial year

On the 27 July 2023 760,270 shares related to the Loan Share Plan (LSP) were forfeited and cancelled. The cancellation is following the "Buy-Back" process as announced on the 7 July 2023.

No other matter or circumstance has arisen since 30 June 2023, 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. Robert Klupacs
Chairman

Date: 31 July 2023

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



Level 5 North Tower
485 LaTrobe Street
Melbourne, VIC 3000
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 2023 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.

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

JTP ASSURANCE
Chartered Accountants

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

WAYNE TARRANT
Partner

Signed at Melbourne this 31st day of July 2023

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 2023 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 2023

	Note	2023 \$	2022 \$
Revenues from continuing operations	3(a)	149,232	445,726
Other income	3(b)	532,058	493,392
		<u>681,290</u>	<u>939,118</u>
Expenses from continuing operations	3(c)		
Research & Development		(1,978,888)	(1,898,669)
Commercialisation Expenses		(306,854)	(423,951)
Management Administration Expenses		(200,198)	(243,554)
Directors Expenses		(277,533)	(270,134)
Professional Services		(204,436)	(288,805)
Intellectual Property		(267,978)	(223,625)
Depreciation & Amortisation		(45,296)	(43,515)
Other Expenses		(495,889)	(461,058)
Loss from continuing operations before tax		<u>(3,095,782)</u>	<u>(2,914,193)</u>
Income tax (expense)	1(o)		-
Loss for the year from continuing operations after income tax		<u>(3,095,782)</u>	<u>(2,914,193)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			-
Total comprehensive loss for the year attributable to members of the Company		<u>(3,095,782)</u>	<u>(2,914,193)</u>
Earnings per share:			
Basic loss per share - from continuing operations	4	(1.85¢)	(1.90¢)
Diluted loss per share - from continuing operations	4	(1.85¢)	(1.90¢)

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

BIO-GENE TECHNOLOGY LIMITED
ABN 32 071 735 950
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	5	2,990,527	6,341,881
Trade and other receivables	6	445,550	438,167
Other current assets	7	144,389	223,044
Total current assets		3,580,466	7,003,092
Non-current assets			
Property, plant and equipment	8	14,639	22,993
Intangible assets	9	240,128	277,070
Total non-current assets		254,767	300,063
Total assets		3,835,233	7,303,155
Current liabilities			
Trade and other payables	10	311,960	520,980
Employee benefits	11	261,913	413,247
Financial liabilities	12	-	75,000
Total current liabilities		573,873	1,009,227
Non-current liabilities			
Employee benefits	11	40,011	25,455
Financial liabilities	12	-	-
Total non-current liabilities		40,011	25,455
Total liabilities		613,884	1,034,682
Net assets		3,221,349	6,268,473
Equity			
Issued capital	13	19,545,553	19,545,553
Reserves	14(a,b)	1,108,114	1,221,795
Accumulated losses	14(c)	(17,432,318)	(14,498,875)
Total equity		3,221,349	6,268,473

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 2023

	Fully paid ordinary shares	Share option reserve	Share loan plan reserve	Accumulated losses	Total
2023	\$	\$	\$	\$	\$
At 1 July 2022	19,545,553	289,663	932,132	(14,498,875)	6,268,473
Loss for the period	-	-	-	(3,095,782)	(3,095,783)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	(3,095,782)	(3,095,783)
<i>Transactions with owners in their capacity as owners:</i>					
Issued capital	-	-	-	-	-
Transaction costs related to shares issued	-	-	-	-	-
Re-allocation of value of equity on forfeiture of loans on shares	-	-	(162,339)	162,339	-
Cost of share-based payment	14(a,b)	-	48,658	-	48,658
At 30 June 2023	19,545,553	289,663	818,451	(17,432,318)	3,221,349
2022	\$	\$	\$	\$	\$
At 1 July 2021	15,062,071	57,681	805,648	(11,679,222)	4,246,178
Loss for the period	-	-	-	(2,914,193)	(2,914,193)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	(2,914,193)	(2,914,193)
<i>Transactions with owners in their capacity as owners:</i>					
Issued capital	4,719,310	-	-	-	4,719,310
Transaction costs related to shares issued	(235,828)	-	-	-	(235,828)
Re-allocation of value of equity on forfeiture of loans on shares	-	-	(94,540)	94,540	-
Cost of share-based payment	14(a,b)	231,982	221,024	-	453,006
At 30 June 2022	19,545,553	289,663	932,132	(14,498,875)	6,268,473

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 2023

	2023	2022
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	149,232	465,726
Payments to suppliers and employees inclusive of GST	(3,957,023)	(3,026,532)
Interest received	85,341	53,019
R&D tax incentive	445,846	514,050
Government grants	-	-
Other income	250	781
Interest paid	15(c) -	-
Net cash used in operating activities	15(b) (3,276,354)	(1,992,956)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(6,840)
Payments for intangible assets	-	-
Payments for security deposits	-	-
Net cash used in investing activities	-	(6,840)
Cash flows from financing activities		
Proceeds from issue of shares	-	4,719,310
Payment for share issue expenses	-	(235,828)
Repayment of financial liabilities	12 (75,000)	(75,000)
Repayments of lease liabilities	15(c) -	-
Net cash provided by financing activities	(75,000)	4,408,482
Net increase in cash and cash equivalents	(3,351,354)	2,408,686
Cash and cash equivalent at beginning of year	6,341,881	3,933,195
Cash and cash equivalents at end of year	15(a) 2,990,527	6,341,881

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

BIO-GENE TECHNOLOGY LIMITED

ABN 32 071 735 950

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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

During the financial period ended 30 June 2023 the Company incurred an operating loss of \$3,095,782 (2022: \$2,914,193) and a negative cash outflow from operating activities of \$3,276,354 (2022: \$1,992,956).

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on securing additional funding through new or existing investors to fund its operational and marketing activities. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that the Company will continue as going concern. As a result, the financial statements have been prepared on a going concern basis. However, should the future fundraising be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of assets and liabilities that might be necessary should the Company not continue as going concern.

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

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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 2023 is \$240,128 (2022: \$277,070). Refer to Note 9 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.

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j) Trade and other receivables

Trade receivables and other receivables represent the principal amounts due at reporting date less, where applicable, any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts which are known to be uncollectable are written off. All trade receivables and other receivables are recognised at the amounts receivable as they are due for settlement within 90 days.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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 \$12,261,941 (2022: \$9,665,698) resulting in a potential tax benefit at 25.0% of \$3,065,485 (2022: \$2,416,425), current financial year tax lodgement is in progress. 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 "continuity of ownership" tests.

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p) Issued capital

Ordinary shares are classified as equity (Note 13).

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.

q) Revenue recognition

Licence and option fee revenue

Licence and option fee revenue is recognised in accordance with the underlying agreement. Licence and options fees are recognised in accordance with AASB15 Revenue from Contracts with Customers. The core principle of AASB15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange of those goods and services.

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.

Sales

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

r) Comparative figures

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

s) 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.

t) 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.

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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.

u) 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.

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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.

v) 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.

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.

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.

w) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company is not affected by these Standards.

Note 2: Remuneration of auditors

	2023 \$	2022 \$
Audit services		
JTP Assurance:		
Audit and review of financial reports and other audit work under the Corporations Act 2001	32,000	30,500
<i>Total remuneration for audit services</i>	<u>32,000</u>	<u>30,500</u>
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	5,000	4,500
Total remuneration	<u><u>37,000</u></u>	<u><u>35,000</u></u>

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Note 3: Revenue, other income and expenses	2023	2022
	\$	\$
(a) Revenue from continuing operations		
Research collaboration receipts	-	60,000
Option fees	-	99,867
Licence fees	149,232	285,859
Total revenue from continuing operations	149,232	445,726
(b) Other income		
Interest received	85,962	52,864
R&D tax incentive	445,846	434,050
Other income	250	6,478
Total other income	532,058	493,392

(c) Expenses

Loss before income tax includes the following specific expenses:

Employee salary and benefit expenses:

Salary and employee benefit expenses	1,086,717	1,160,151
Defined contribution superannuation expenses	113,689	91,794
Share based payments	48,658	186,565
Total employee salary and benefit expenses	1,249,064	1,438,510

Depreciation, amortisation and impairment of non-current assets:

Plant and equipment	8,354	6,572
Right of use assets	-	-
License and registered patents	36,942	36,943
Total depreciation and amortisation expenses	45,296	43,515

Foreign currency exchange differences:

Foreign currency exchange losses	14,520	-
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Operating expenses:

Interest expense on lease liabilities (under other expenses)	-	-
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Note 4: Earnings per share	2023	2022
	\$	\$
Net loss used in calculating basic earnings per share:	3,095,782	2,914,193
Net loss used in calculating diluted earnings per share:	3,095,782	2,914,193
	No. of Shares	No. of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	167,768,283	153,337,656
Dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	167,768,283	153,337,656

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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 13(c).

The 8,117,972 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 2023. 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 2023. Details relating to the options are set out in Note 13(b).

Note 5: Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	44,552	35,805
Deposit at call	2,945,975	6,306,076
Term deposits	-	-
	2,990,527	6,341,881

Funds placed on term deposit are invested for a maximum of 90 days and therefore considered to be cash equivalents. During and at the end of the Reporting Period, interest rates on deposits at call were more favourable than interest rates on term deposits.

Note 6: Trade and other receivables

	2023	2022
	\$	\$
Trade debtors	-	-
R&D tax incentive	400,660	400,000
GST refund due	44,890	38,128
Other receivables	-	39
	445,550	438,167

The balance of Trade and other receivables of \$445,550 (2022: \$438,167) is not past due and not considered impaired.

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Note 7: Other current assets	2023	2022
	\$	\$
Prepayments	70,189	148,844
Security deposits	74,200	74,200
	144,389	223,044

Note 8: Property, plant and equipment	2023	2022
	\$	\$
<i>Plant and equipment</i>		
At cost	50,541	50,541
Accumulated depreciation	(35,902)	(27,548)
Total net plant and equipment	14,639	22,993

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

	2023	2022
	\$	\$
<i>Plant and equipment</i>		
Balance at the beginning of year	22,993	22,725
Additions	-	6,840
Disposals	-	-
Depreciation expense, impairment and asset write off	(8,354)	(6,572)
Carrying amount at the end of year	14,639	22,993

Note 9: Intangible assets	2023	2022
	\$	\$
Licences - Qcide	557,818	557,818
Less: Accumulated amortisation	(317,690)	(280,748)
Total net intangible assets	240,128	277,070

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	277,070	314,013
Additions – acquisitions	-	-
Amortisation expense (i)	(36,942)	(36,943)
Carrying amount at the end of year (ii)	240,128	277,070

- (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.

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Note 10: Trade and other payables	2023	2022
	\$	\$
<i>Current</i>		
Trade creditors	118,708	219,006
Other creditors and accruals	193,252	301,974
Total trade and other payables	311,960	520,980

Note 11: Employee benefits	2023	2022
	\$	\$
<i>Current</i>		
Annual leave	120,104	127,882
Short-term incentive	141,809	285,365
	261,913	413,247
<i>Non-current</i>		
Long service leave	40,011	25,455
	40,011	25,455

Note 12: Financial liabilities	2023	2022
	\$	\$
<i>Current</i>		
Amount payable for IP licences	-	75,000
	-	75,000
<i>Non-current</i>		
Amount payable for IP licences	-	-
	-	-

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. During the 2022 financial year following the receipt of the licence fees from Evergreen, the Company made the first licence fee payment of \$75,000. The balance of \$75,000 was paid at the end of the 2023 financial year on the receipt of the licence fee payment from Clarke.

Note 13: 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:

	2023	2022	2023	2022
	No.	No.	\$	\$
<i>Issued shares:</i>				
At the beginning of the reporting period	179,056,519	153,633,357	19,545,553	15,062,071
Shares issued at 17 cents pursuant to Share Placement		18,937,118		3,219,310

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Shares issued at 20 cents pursuant to Share Placement		7,500,000		1,500,000
Repayment of Loans on LSP Shares		-		-
Transaction costs arising on issue of shares		-		(235,828)
Shares issued pursuant to the Loan Share Plan (LSP)		-		-
Shares forfeited pursuant to the LSP	(1,150,524)	(1,013,956)		-
Re-allocation of value of shares issued under the LSP which vested or were repaid during the period		-		-
Employee share plan loans		-		-
At end of the reporting period		177,905,995	179,056,519	19,545,553
			19,545,553	
<i>Issued shares are comprised as follows:</i>				
Ordinary shares (net of transaction costs)	169,027,754	167,764,824	19,545,553	19,545,553
Restricted shares issued under the LSP	8,878,241	11,291,695	687,435	687,435
Re-allocation of value of shares issued under the LSP which vested or were repaid	-	-	-	-
	177,905,995	179,056,519	20,232,988	20,232,988
Accumulated transaction costs on issue of shares	-	-	1,836,129	1,836,129
Balance at end of the year (ASIC reconciliation)	177,905,995	179,056,519	22,069,117	22,069,117

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

	2023	2022
	No.	No.
Balance at beginning of the year	5,000,000	2,500,000
Exercised during the year	-	-
Expired during the year	-	-
Issued during the period ³	-	2,500,000
Balance at end of the year	5,000,000	5,000,000

<i>Terms of options issued</i>	Options Issued	Exercise Price	Value\$	Expiry
Options issued – 6 May 2021	2,500,000	25 cents	94,715	6/05/2024
Options issued – 1 December 2021	2,500,000	25 cents	194,948	1/12/2024

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

(c) Loan share plan

The Company issues shares to Bio-Gene directors, executives 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 plan 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).

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When an 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.

	Number	Issue date	Loan Share Plan Tranche		Unit Price	Fair Value at Issue Date
			Vesting Date	Loan expiry date		
					\$	\$
Tranche 1a ⁷	2,500,000	29/06/2015	29/06/2015	29/06/2025	0.034	85,000
Tranche 1b ¹	2,500,000	29/06/2015	29/06/2015	29/06/2022	0.034	85,000
Tranche 2a ⁷	416,000	30/06/2016	30/06/2016	30/06/2026	0.0334	13,894
Tranche 2b ¹	192,000	30/06/2016	30/06/2016	30/06/2023	0.0334	6,413
Tranche 3a ⁷	812,500	11/05/2017	11/11/2017	11/05/2027	0.0622	50,538
Tranche 3b ¹	750,000	11/05/2017	11/11/2017	11/05/2024	0.0622	46,650
Tranche 3c ⁷	812,500	11/05/2017	11/05/2018	11/05/2027	0.0622	50,538
Tranche 3d ¹	750,000	11/05/2017	11/05/2018	11/05/2024	0.0622	46,650
Tranche 4a ⁷	187,500	26/07/2017	26/01/2018	26/07/2027	0.0922	17,288
Tranche 4b ⁷	187,500	26/07/2017	26/07/2018	26/07/2027	0.0894	16,763
Tranche 5a	500,000	4/12/2017	4/06/2018	4/12/2024	0.1314	65,700
Tranche 5b	500,000	4/12/2017	4/12/2018	4/12/2024	0.1275	63,750
Tranche 6 ²	263,304	6/12/2018	1/01/2019	N/A	0.1311	34,519
Tranche 7 ⁵	696,722	6/12/2018	30/06/2021	6/12/2025	0.076	52,951
Tranche 8a ⁵	105,745	6/12/2018	30/06/2019	N/A	0.1311	13,863
Tranche 8b ⁵	105,745	6/12/2018	30/06/2020	N/A	0.1311	13,863
Tranche 8c ⁵	105,744	6/12/2018	30/06/2021	N/A	0.1311	13,863
Tranche 9 ³	507,162	1/11/2019	1/11/2019	N/A	0.1411	71,560
Tranche 10 ⁶	2,201,972	1/11/2019	30/06/2022	1/11/2026	0.0789	173,736
Tranche 11a ⁸	383,509	1/11/2019	30/06/2020	N/A	0.1411	54,113
Tranche 11b ⁸	383,508	1/11/2019	30/06/2021	N/A	0.1411	54,113
Tranche 11c ⁸	383,507	1/11/2019	30/06/2022	N/A	0.1411	54,112
Tranche 12 ⁴	493,881	30/07/2020	28/08/2020	N/A	0.1399	69,094
Tranche 13 ⁶	1,262,930	30/07/2020	30/06/2023	30/07/2027	0.0789	106,465
Tranche 14a ⁹	253,424	30/07/2020	30/06/2021	N/A	0.1399	35,454
Tranche 14b ⁹	253,424	30/07/2020	30/06/2022	N/A	0.1399	35,454
Tranche 14c ⁹	253,422	30/07/2020	30/06/2023	N/A	0.1399	35,454
	<u>17,761,999</u>					<u>1,366,798</u>
Revaluation of pre IPO Shares ⁷	-					68,418
Less Unexpensed portion of valuation	-					-
Less Shares Cancelled during previous year ⁵	(1,013,956)					(94,540)

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Less Shares Cancelled during the year ⁸	(1,150,524)	(162,339)
Less Unrestricted Shares ^{1,2,3,4}	(5,456,347)	(359,886)
	10,141,172	818,451

- The Loans outstanding on the Tranche 1b, 2b, 3b and 3d shares were repaid during the prior year.
- 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.
- 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.
- The Tranche 12 shares were issued in respect of the executives' and employee's short-term incentives for the 2020 financial year and vested on 28 August 2020.
- The Tranche 7 and 8 shares were forfeited and cancelled on 16 August 2021.
- The Tranche 10 and 13 shares have vested at the Reporting Date.
- The loan period for the Tranche 1a, 2a, 3a, 3c and 4 shares was extended during the year from 7 to 10 years which resulted in a revaluation of the shares
- Tranches 11a, 11b and 11c were forfeited and have been cancelled on 5 August 2022.

(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.

Following the consolidation of the Company's equity in September 2017, all share numbers and prices are reported on a post consolidation basis.

Details in respect of the fair value of equity, on issue/grant date, that was in existence at reporting date are outlined below.

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%	-
Tranche 13	0.134	0.134	91.9%	30/07/2027	7 years	0.65%	-

Share Tranches 6, 8, 9, 11, 12 and 14 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 \$48,658 (2022: \$221,024).

Note 14: Reserves and accumulated losses

	Note	2023 \$	2022 \$
Share options reserve	(a)	289,663	289,663
Share loan plan reserve	(b)	818,451	932,132
Total reserves		1,108,114	1,221,795

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(a) Share option reserve	2023	2022
	\$	\$
Opening balance 1 July	289,663	57,681
Value of options issued ¹	-	231,982
Re-allocation of value of options which lapsed during the period ²	-	-
Closing balance	289,663	289,663

(b) Share loan plan reserve	2023	2022
	\$	\$
Opening balance 1 July	932,132	805,648
Value of shares recognised over vesting period ¹	48,658	221,024
Re-allocation of value of shares issued under the LSP which became unrestricted or cancelled during the period ²	(162,339)	(94,540)
Closing balance	818,451	932,132

- 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	2023	2022
	\$	\$
Opening balance 1 July	(14,498,875)	(11,679,222)
Re-allocation of value of options lapsed during the period	162,339	94,540
Net loss for the year	(3,095,782)	(2,914,193)
Closing balance	(17,432,318)	(14,498,875)

Note 15: Cash flow Information

(a) Reconciliation of cash	2023	2022
	\$	\$
Cash at bank	44,552	35,805
Deposit at call	2,945,975	6,306,076
Term deposits	-	-
Total cash and cash equivalents	2,990,527	6,341,881

(b) Reconciliation of cash used in operating activities with loss after income tax		
Loss from continuing operations after income tax	(3,095,782)	(2,914,193)
<i>Non cash movements:</i>		
Depreciation and amortisation expense	45,296	43,515
Equity settled share based payment	48,658	453,006
Employee benefits	6,778	35,766

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Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables	(7,382)	85,584
(Increase)/decrease in other current assets	78,655	(15,977)
Increase/(decrease) in trade creditors and accruals	(352,577)	319,343
Cash used in operating activities	(3,276,354)	(1,992,956)

Note 16: Commitments and contingencies

(a) Capital expenditure commitments

Committed but unrecognised capital expenditure as at reporting date amounted to \$Nil (2022: \$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.

Research and development commitments

Early during the year the company entered in two agreements to undertake toxicology studies with two overseas companies for a total commitment of USD\$466,800. The initiation of the studies have been delayed and is expected they will take place during the following financial year.

Note 17: 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 13 and 14 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	2023	2022
		\$	\$
<i>Financial assets at amortised cost</i>			
Debt (i)		-	-
Cash and cash equivalents	5	2,990,527	6,341,881
Net cash/(debt)		2,990,527	6,341,881
Equity (ii)	13,14	3,221,349	6,268,473
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 13 and 14.

(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.

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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 hedge foreign exchange exposure however each transaction is assessed on a case by case basis. This and other financial risks are managed prudently by the Chief Financial Officer and the Board.

The entity holds the following financial instruments:

	Note	2023	2022
		\$	\$
<i>Financial assets at amortised cost</i>			
Cash and cash equivalents	5	2,990,527	6,341,881
Trade and other receivables	6	445,550	438,167
Other current assets	7	144,389	223,044
		3,580,466	7,003,092
<i>Financial liabilities at amortised cost</i>			
Trade and other payables	10	311,960	520,980
Financial liabilities	12	-	75,000
		311,960	595,980

(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 currently does not hedge foreign exchange exposure however each transaction is assessed on a case by case basis.

(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 2023 would increase/decrease by \$85,962 (2022: \$52,864) (Note 3(b)).

(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 2023			
<i>Financial Liabilities at amortised cost</i>			
Trade and other payables	311,960	-	311,960
Financial liabilities	-	-	-
	311,960	-	311,960

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30 June 2022

Financial Liabilities at amortised cost

Trade and other payables	520,980	-	520,980
Financial liabilities	75,000	-	75,000
	595,980	-	595,980

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, the Euro and Pound Sterling.

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

	30 June 2023			30 June 2022		
	USD	EUR	GBP	USD	EUR	GBP
<i>Financial Assets at amortised cost</i>						
Cash and cash equivalents	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-
<i>Financial Liabilities at amortised cost</i>						
Trade and other payables	39,357	-	-	144,245	7,339	2,146

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 2023, 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 2023				
<i>Financial Assets at amortised cost</i>				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	-	-
<i>Financial Liabilities at amortised cost</i>				
Trade and other payables	(6,348)	(6,348)	5,194	5,194
Financial liabilities	-	-	-	-
	(6,348)	(6,348)	5,194	5,194
30 June 2022				
<i>Financial Assets at amortised cost</i>				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	-	-	-	-
<i>Financial Liabilities at amortised cost</i>				
Trade and other payables	(24,923)	(24,923)	20,392	20,392
Financial liabilities	-	-	-	-
	(24,923)	(24,923)	20,392	20,392

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(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 18: 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. Robert Klupacs	Non-Executive Chairman
Mr. Richard Jagger	Managing Director and Chief Executive Officer
Dr. Peter Beetham	Non-executive Director
Mr. James Joughin	Non-executive Director
Mr. Andrew Guthrie	Non-executive Director
Mr. Alex Ding	Non-executive Director
Mr. Christopher Ramsey	Non-executive Director
Mr. Peter May	Executive Director – Research and Development
Mr. Roger McPherson	Chief Financial Officer and Company Secretary
Mr. Rod Valencia	Chief Financial Officer, Company Secretary and Investor Relations Officer

(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:

	2023	2022
	\$	\$
Short term employee benefits	977,298	1,146,632
Post-employment benefits	92,563	82,943
Equity based payments	48,657	221,024
	1,118,518	1,450,599

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

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Note 19: Related party transactions

(a) Receivable from and payable to related parties

The following balances were outstanding at 30 June 2023 in relation to transactions with related parties:

	2023	2022
	\$	\$
<i>Current payables</i>		
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 18 and the Remuneration Report.

Note 20: 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 21: Leases

Finance leases

The Company does not currently have any finance leases in place.

Operating leases

Lease arrangements

Bio-Gene's office space at 456 Lonsdale Street, Melbourne, Australia, had a lease term terminated in May 2023.

Non-cancellable operating lease commitments

	2023	2022
	\$	\$
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Total	-	-

Note 22: Events occurring after the reporting period

On the 27 July 2023 760,270 shares related to the Loan Share Plan (LSP) were forfeited and cancelled. The cancellation is following the "Buy-Back" process as announced on the 7 July 2023.

No other matter or circumstance has arisen since 30 June 2023, other than as disclosed in this report, that has significantly affected or may significantly affect:

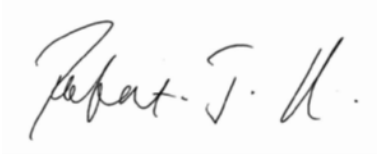
- Bio-Gene Technology Limited's operations in future financial years, or
- the results of those operations in future financial years, or
- Bio-Gene Technology Limited's state of affairs in future years.

DECLARATION BY DIRECTORS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 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.

A handwritten signature in black ink, appearing to read "Robert J. Klupacs". The signature is written in a cursive style with a large initial 'R'.

Mr. Robert Klupacs
Director

Date: 31 July 2023

INDEPENDENT AUDITOR'S REPORT



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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 2023, 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 2023 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.

Material Uncertainty Related to Going Concern

We draw your attention to Note 1(c) (Going Concern) in the financial report, which indicates the Company incurred an operating loss of \$3,095,782 and a negative cash outflow from operating activities of \$3,276,354.

As stated in Note 1(c), this event or condition, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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)

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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 \$445,846 of income in the financial statements. This includes \$400,000 recorded as a receivable at year-end, representing an estimated claim for the period 1 July 2022 to 30 June 2023 using the same methodology that was accepted in the 2022 AusIndustry claim. A further \$45,846 recorded in income which represents an underaccrual from previous year.

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 recorded, 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 recorded as a receivable 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.
- Assessing the adequacy of the related disclosures within the financial statements and reviewing the accounting treatment in line with Australian Accounting Standards.

Share Options and Equity Transactions (refer to note 13)

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 rates 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 13 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:

- 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 the share capital recorded for any loan repayments.

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- We assessed whether the disclosure in note 13 in relation to the arrangements was adequate and whether it complied with Australian Accounting Standards.

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 2023, 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

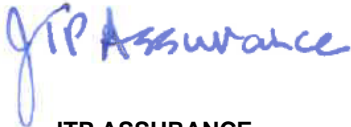
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 28 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Bio-Gene Technology Ltd, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

INDEPENDENT AUDITOR'S REPORT

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

Chartered Accountants

Signed at Melbourne this 31st day of July 2023



WAYNE TARRANT

Partner

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

SHAREHOLDER INFORMATION

A. Substantial shareholders

The Company did not have any Holders of Relevant Interests as notified by ASX Substantial Shareholders under Part 6.7 of the Corporations Act 2001 as at 31 July 2023.

B. Number of holders of equity securities and voting rights

	<i>Ordinary Shares (i)</i>	<i>Share Options (ii)</i>
Number of holdings as at 17 July 2023	1,099	1

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 17 July 2023:

<i>No. of holders</i>	<i>Ordinary Shares</i>	<i>Options</i>
1 - 1,000	33	0
1,001 - 5,000	165	0
5,001 - 10,000	145	0
10,001 - 100,000	476	0
100,001 and over	280	1
	1,099	1

Number of holders of less than a marketable parcel of shares 161

D. 20 largest holders of quoted securities

The names of the 20 largest shareholders of each class of vested equity security as at 17 July 2023 are listed below:

<i>No.</i>	<i>Name</i>	<i>No. of shares held</i>	<i>% of total shares</i>
1	Citicorp Nominees Pty Limited	8,126,464	4.59
2	Dr Choon Huat Lee	7,177,281	4.05
3	Vana Belle Pty Ltd	7,000,000	3.95
4	T & L Ainsworth Investments Pty Ltd	6,683,185	3.77
5	Altor Capital Management Pty Ltd	4,422,317	2.50
6	Invia Custodian Pty Ltd	4,350,000	2.46
7	Maclees Pty Ltd	3,650,000	2.06
8	Richard Andrew Jagger	3,223,329	1.82
9	Magdajano Pty Ltd	2,870,000	1.62
10	Mr JVC & Mrs SL Guest & Mr HNC Guest	2,370,000	1.34
11	SM Investment & Development Pty Ltd	2,190,235	1.24
12	Arision Pty Limited	2,155,265	1.22
13	Mr Anthony William Olding & Mrs Caroline Anne Olding	2,150,000	1.21
14	Mr Mark Douglas Holmes	2,125,000	1.20
15	Pyxis Holdings Pty Ltd	2,000,000	1.13
16	Mr Victor Rosenberg & Miss Jacqueline Rosenberg	1,837,000	1.04
17	BNP Paribas Nominees Pty Ltd	1,674,348	0.95
18	P L Moran Pty Ltd <Moran Super Fund A/C>	1,670,000	0.94
19	P L Moran Pty Ltd <The Moran Family A/C>	1,640,000	0.93
20	Xeen	1,499,750	0.85
		68,814,174	38.85

SHAREHOLDER INFORMATION

E. Shares subject to restriction arrangements

The total number of shares subject to restriction arrangements is 9,380,902 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:

<i>Date shares issued</i>	<i>Vesting date</i>	<i>Number under shares</i>
29/06/2015	29/06/2015	2,500,000
30/06/2016	30/06/2016	416,000
11/05/2017	11/11/2017	812,500
11/05/2017	11/05/2018	812,500
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
01/11/2019	30/06/2022	2,201,972
30/07/2020	30/06/2023	1,262,930
		<hr/> 9,380,902 <hr/>

BOARD OF DIRECTORS AND COMPANY PARTICULARS

Directors

- ❖ Robert Klupacs
- ❖ Richard Jagger
- ❖ Andrew Guthrie
- ❖ Peter May
- ❖ Alex Ding
- ❖ Christopher Ramsey

Secretary

- ❖ Rod Valencia

Australian Company Number
071 735 950

Australian Business Number
32 071 735 950

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Share Registry

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Securities Quoted

Australian Securities Exchange (ASX)

Ordinary Fully Paid Shares (Code: BGT)

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