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23 February 2021

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

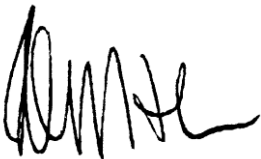
(20 pages by email)

Dear Madam

### **HALF YEAR REPORTS**

In accordance with Listing Rule 4.2A, I attach the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2020. This Interim Financial Report should be read in conjunction with the Company's 30 June 2020 Annual Report.

Yours sincerely



Peter J. Nightingale  
Company Secretary

pjn10707

# Appendix 4D

## Half Year Report

Name of entity

**BIOTRON LIMITED**

ABN or equivalent company  
reference

**60 086 399 144**

Financial year ended ('current period')

**31 DECEMBER 2020**

### Results for announcement to the market

Revenues from ordinary activities	Down	78.35%	to	9,231
Loss from ordinary activities after tax attributable to members	Up	15.74%	to	2,398,551
Net loss for the period attributable to members	Up	15.74%	to	2,398,551
<b>Dividends (distributions)</b>	Amount per security		Franked amount per security	
Final dividend	Nil¢		Nil¢	
Interim dividend	Nil¢		Nil¢	
Previous corresponding period				
Final dividend	Nil¢		Nil¢	
Interim dividend	Nil¢		Nil¢	
Record date for determining entitlements to the dividend.	N/A			
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Refer attached reports.				
NTA backing	Current period		Previous corresponding period	
Net tangible asset backing per ordinary security	0.66 cents		1.19 cents	

**BIOTRON LIMITED**

**A.B.N. 60 086 399 144**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2020**

# BIOTRON LIMITED

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# BIOTRON LIMITED

## DIRECTORS' REPORT

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The directors have pleasure in submitting their report together with the interim financial statements of Biotron Limited ('Biotron' or 'the Company') for the half-year ended 31 December 2020 and the auditor's review report thereon.

### DIRECTORS

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

**Mr Michael J. Hoy**  
***Independent and Non-Executive Chairman***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# BIOTRON LIMITED

## DIRECTORS' REPORT

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

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

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

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

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

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

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

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

**Mr Peter J. Nightingale**  
***Company Secretary***

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

As a director or company secretary Mr Nightingale has, for more than 25 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Argent Minerals Limited, Bolnisi Gold N.L., Cockatoo Coal Limited, Callabonna Uranium Limited, Mogul Mining N.L., Pangea Resources Limited, Perseverance Corporation Limited, Sky Metals Limited (previously Planet Gas Limited) Sumatra Copper & Gold plc, Timberline Minerals, Inc. and Valdora Minerals N.L. Mr Nightingale is currently a director of ASX listed companies Alpha HPA Limited, Nickel Mines Limited and Prospech Limited.

Mr Nightingale has been Company Secretary since 23 February 1999.

# BIOTRON LIMITED

## DIRECTORS' REPORT

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### REVIEW OF OPERATIONS

Biotron has completed several significant milestones during the first half of the 2020-2021 financial year. These include:

- Continued the expanded screening program of Company compounds for activity against SARS-CoV-2, the causative agent of Covid-19, following the reported identification of compounds in Biotron's proprietary library of small molecule drugs with in vitro activity against SARS-CoV-2.
- Continued the design, synthesis and testing of new compounds under its HIV-1 program, with the aim of identifying a next-generation lead anti-HIV-1 drug.
- Publication of a peer-reviewed scientific paper on its lead anti-HIV-1 drug BIT225 in a prestigious international scientific journal.
- Continued the design, synthesis and testing of new compounds under its Hepatitis B program.

### SARS-CoV-2

During the half-year in review, Biotron announced the first round of results from the testing program to screen compounds from its proprietary small molecule compound library for antiviral activity against SARS-CoV-2, the causative agent of the Covid-19 outbreak.

As explained previously, Biotron had a number of compounds in its library that have previously shown good activity against a range of coronaviruses, dating back to studies undertaken at the time of outbreak of severe acute respiratory syndrome (SARS-1), a coronavirus, in 2002–2004 when several of Biotron's compounds showed antiviral activity against SARS-1.

As reported on 7 September 2020, several compounds have been shown in laboratory cell-culture studies to have antiviral activity against SARS-CoV-2. The assays were run under contract by an Australian NATA accredited clinical trial speciality laboratory, 360biolabs, based in Melbourne, Victoria.

Since September 2020 the Company has expanded its screening program to include a new series of recently designed and synthesised compounds. These additional new compounds are progressing through a panel of cell-based screening assays which are designed to identify the most potent, druggable compound(s) in the series. The screening is progressing well and it is anticipated that a subset will soon be identified for progression to an animal model of the Covid-19 disease.

### HIV-1 Program

During the half-year in review, Biotron has continued to undertake cell culture-based assays to further elucidate the mechanism of action of BIT225. This follows on from Biotron's demonstration that BIT225 directly modifies immune responses to HIV-1 infection.

In October 2020, a manuscript containing data from its Phase 2 trial of BIT225 in HIV-1-infected subjects was accepted for publication following peer-review in a prestigious international journal. The paper, entitled "Human immunodeficiency virus type-1 Vpu inhibitor, BIT225, in combination with 3-drug antiretroviral therapy modulates inflammation and immune cell function" has been published in the Journal of Infectious Diseases.

The Company has also continued to design, synthesise and screen new chemical entities with the aim of identifying a follow-on, next-generation lead.

As previously advised to the market on 12 March 2020, the Phase 2 clinical trial demonstrated that BIT225 induced statistically significant changes to key immune cell populations. These changes had not previously been reported for any HIV-1 therapeutics. The results open the possibility that BIT225 may play a key role in restoring immune function, leading to improved health outcomes and elimination of residual virus.

Biotron is finalising the design of the next stage of clinical development of this important new anti-HIV class of compounds in consultation with the Company's Chief Medical Officer and international Scientific Advisory Board. The completion of long-term toxicology studies of BIT225 in 2020 was an important milestone as they support long-term dosing of BIT225 in the next stage of clinical development and beyond.

# BIOTRON LIMITED

## DIRECTORS' REPORT

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The Company is focused on achieving a commercial outcome for its promising antiviral programs whilst continuing to progress its clinical HIV-1 program to prepare for more advanced clinical trials. The current pandemic highlights the importance of novel approaches such as Biotron's viroprolin compounds which have the potential to target a broad range of existing and emerging viruses.

### Hepatitis B Program

Hepatitis B Virus (HBV) is another important early stage program for Biotron. The Company continues to design, synthesise and test new compounds with the aim of identifying a lead candidate.

Like HIV-1, HBV can be treated with drugs that stop the virus replicating, but these do not eradicate the virus. Chronic infection with HBV can lead to complications such as cirrhosis and liver cancer, which cause close to one million deaths worldwide each year.

In pre-clinical studies in cell culture models, Biotron's compounds have demonstrated significant anti-viral activity against HBV, reducing levels of cccDNA (covalently closed circular DNA), as well as other key viral markers. Biotron's compounds have a unique mechanism of action and are expected to generate significant interest from potential partners in Biotron's family of compounds.

Biotron is working with other experienced groups to access key assays to characterise the mechanism of action of its HBV compounds and continues to make good progress in its pathway to identification of a lead compound to progress to safety studies.

### Corporate

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

- Progressing the design and implementation of the next stage of clinical development of BIT225 in consultation with its SAB and relevant industry and regulatory input.
- Ongoing sharing of data and discussions on its antiviral programs including the HIV-1 Phase 2 clinical trial with potential pharmaceutical company partners regarding commercialisation opportunities for the Company's antiviral intellectual property.
- Conclude the current in vitro screening program to identify Biotron compounds with good activity against SARS-CoV-2 and progress to testing in an animal model of Covid-19 disease.
- Undertaking additional in vitro cell-based preclinical testing of compounds for the HBV program, including screening of newly designed and synthesised compounds for potential anti-HBV activity with the aim of identifying a lead compound to progress to clinical development.

### Subsequent Events

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

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

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2020.

This report has been signed in accordance with a resolution of the directors and is dated 23 February 2021:



**Michael J. Hoy**  
Chairman





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

To the Directors of Biotron Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Biotron Limited for the half-year ended 31 December 2020 there have been:

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

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Adam Twemlow', with a horizontal line extending to the right.

Adam Twemlow  
Partner  
Brisbane  
23 February 2020

**BIOTRON LIMITED**

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

	Notes	31 December 2020 \$	31 December 2019 \$
<b>Continuing Operations</b>			
Other income	6	50,000	-
Administration and consultants' expenses		(293,428)	(284,389)
Depreciation		(23,640)	(27,030)
Direct research and development expenses		(1,634,932)	(1,355,826)
Employee and director expenses		(471,353)	(403,473)
Rent and outgoings expenses		(5,526)	(5,729)
Other expenses from ordinary activities		(27,504)	(35,656)
<b>Operating loss before financing income</b>		<b>(2,406,383)</b>	<b>(2,112,103)</b>
Interest income	7	9,231	42,643
Interest expense	7	(1,399)	(2,931)
<b>Net finance income</b>		<b>7,832</b>	<b>39,712</b>
<b>Loss before tax</b>		<b>(2,398,551)</b>	<b>(2,072,391)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(2,398,551)</b>	<b>(2,072,391)</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive loss for the period</b>		<b>(2,398,551)</b>	<b>(2,072,391)</b>
Basic and diluted loss per share	8	(0.34) cents	(0.34) cents

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

**BIOTRON LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	31 December 2020	30 June 2020
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		5,150,354	7,660,903
Other assets		81,092	58,240
<b>Total current assets</b>		<b>5,231,446</b>	<b>7,719,143</b>
<b>Non-current assets</b>			
Property plant and equipment		54,831	73,203
Other financial assets - bond deposit		33,943	33,855
<b>Total non-current assets</b>		<b>88,774</b>	<b>107,058</b>
<b>Total assets</b>		<b>5,320,220</b>	<b>7,826,201</b>
<b>Current liabilities</b>			
Trade and other payables		378,066	556,406
Employee entitlements		267,210	243,640
Lease liability		25,855	40,709
<b>Total current liabilities</b>		<b>671,131</b>	<b>840,755</b>
<b>Non - current liabilities</b>			
Employee entitlements		10,688	9,126
Lease liability		-	3,312
<b>Total non- current liabilities</b>		<b>10,688</b>	<b>12,438</b>
<b>Total liabilities</b>		<b>681,819</b>	<b>853,193</b>
<b>Net assets</b>		<b>4,638,401</b>	<b>6,973,008</b>
<b>Equity</b>			
Issued capital		52,843,994	52,843,994
Reserves		138,025	74,081
Accumulated losses		(48,343,618)	(45,945,067)
<b>Total equity</b>		<b>4,638,401</b>	<b>6,973,008</b>

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

**BIOTRON LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020	31 December 2019
		\$	\$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		50,000	-
Payments for research and development		(1,858,667)	(1,443,711)
Cash payments in the course of operations		(686,279)	(687,718)
Interest received		9,231	42,643
<b>Net cash used in operating activities</b>		<b>(2,485,715)</b>	<b>(2,088,786)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(5,724)	-
<b>Net cash used in investing activities</b>		<b>(5,724)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and options		-	5,311,343
Cost of Issue of shares and options		-	(270,432)
Lease Payments		(19,110)	(18,987)
<b>Net cash provided by/(used in) financing activities</b>		<b>(19,110)</b>	5,021,924
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,510,549)</b>	2,933,138
Cash and cash equivalents at 1 July		7,660,903	5,739,788
Effect of exchange rate adjustments on cash held		-	(1)
<b>Cash and cash equivalents at 31 December</b>		<b>5,150,354</b>	<b>8,672,925</b>

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

**BIOTRON LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**Attributable to equity holders of the Company**

	<b>Issued Capital</b>	<b>Option Premium Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 1 July 2019	47,523,320	284,758	(42,369,108)	5,438,970
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(2,072,391)	(2,072,391)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,072,391)	(2,072,391)
<b>Contribution by and distribution to owners</b>				
Ordinary shares/options issued	5,311,343	-	-	5,311,343
Cost of shares/options issued	(275,427)	-	-	(275,427)
Share based payments	-	632	-	632
Exercise of options	284,758	(284,758)	-	-
Balance at 31 December 2019	<b>52,843,994</b>	<b>632</b>	<b>(44,441,499)</b>	<b>8,403,127</b>
Balance at 1 July 2020	52,843,994	74,081	(45,945,067)	6,973,008
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(2,398,551)	(2,398,551)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(2,398,551)	(2,398,551)
<b>Contribution by and distribution to owners</b>				
Share based payments	-	63,944	-	63,944
Balance at 31 December 2020	<b>52,843,994</b>	<b>138,025</b>	<b>(48,343,618)</b>	<b>4,638,401</b>

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

# BIOTRON LIMITED

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

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### 1. REPORTING ENTITY

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

The annual financial statements of the Company as at and for the year ended 30 June 2020 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at [www.biotron.com.au](http://www.biotron.com.au).

### 2. STATEMENT OF COMPLIANCE

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

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 30 June 2020. The condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

These condensed interim financial statements were authorised for issue by the directors on 23 February 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are the same as those applied in the financial statements as at and for the year ended 30 June 2020.

### 4. ESTIMATES

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2020.

### 5. GOING CONCERN

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

The Company has incurred a trading loss of \$2,398,551 in the half-year ended 31 December 2020 and has accumulated losses of \$48,343,618 as at 31 December 2020. The Company has cash on hand of \$5,150,354 at 31 December 2020 and used net cash of \$2,485,715 in operations for the half-year ended 31 December 2020.

The directors have prepared cash flow projections that support the ability of the Company to continue as a going concern. These cash flow projections assume the Company obtains the research and development ('R&D') rebates from the Australian Government. If the forecast rebates are not received, the Company plans to maintain expenditure in line with available funding.

# BIOTRON LIMITED

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

### 6. OTHER INCOME

During the period ended 31 December 2020, the Company received a cash boost stimulus package from the federal government totalling \$50,000 which has been recognised as other income for the half-year ended 31 December 2020.

### 7. LOSS BEFORE INCOME TAX

	31 December 2020	31 December 2019
	\$	\$
The following items are relevant in explaining the financial performance for the half-year:		
Interest income on cash deposits	9,231	42,643
Interest expense on lease liability	(1,399)	(2,931)
Total	<u>7,832</u>	<u>39,712</u>

Lease liability repayment for the six months ended 31 December 2020 was \$19,110 (2019 - \$18,987) and is recognised as cash outflows from lease repayments.

### 8. LOSS PER SHARE

	31 December 2020	31 December 2019
	\$	\$
Basic and diluted loss per share have been calculated using:		
Net loss for the period	<u>2,398,551</u>	2,072,391
Weighted average number of ordinary shares	<u>701,932,713</u>	606,655,546

As the Company is loss making, none of the potentially dilutive options on issue are currently dilutive in the calculation of total earnings per share.

### 9. RELATED PARTIES

#### Key management personnel and director transactions

During the half-year ended 31 December 2020, Peter J. Nightingale had a controlling interest in an entity, MIS Corporate Pty Limited, which provided full administrative services, including rental accommodation, administrative staff, services and supplies, to the Company. Fees paid to MIS Corporate Pty Limited during the half-year, which were in the ordinary course of business and on normal terms and conditions, amounted to \$72,000 (31 December 2019 - \$72,000). There were no amounts outstanding at 31 December 2020 and 31 December 2019.

### 10. SEGMENT REPORTING

The Company operates solely in the biomedical industry in Australia.

## BIOTRON LIMITED

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

#### 11. SHARE BASED PAYMENTS

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

There were no options issued during the half-year ended 31 December 2020.

The terms and conditions of the options held by key management personnel during the half-year ended 31 December 2020 are as follows:

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

<sup>1</sup> Vesting date is subject to the completion of a commercialisation transaction.

<sup>2</sup> Vesting conditions are based on minimum service periods being achieved.

The terms and conditions of the options held by employees during the half-year ended 31 December 2020 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Fair value of options granted \$	Options on issue Number	Total Exercised Number	Balance at end of the period Number
26 November 2019	31 January 2023	<sup>1</sup> 31 January 2021	\$0.20	102,756	5,000,000	-	5,000,000
				102,756	5,000,000	-	5,000,000

<sup>1</sup> Vesting conditions are based on minimum service periods being achieved.

#### Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the key management become unconditionally entitled to the options. The vesting date for the 5 million options granted to Michelle Miller is subject to the completion of a commercialisation transaction (as determined by the Plan Committee). The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vested during the period.

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

The fair value of options granted on 26 November 2019 to employees was \$102,756. The Black-Scholes formula model inputs were the Company's share price of \$0.064 at the grant date, a volatility factor of 77% based on historic share price performance, a risk-free interest rate of 0.81% based on government bonds and a dividend yield of 0%.

For the half-year ended 31 December 2020 an expense of \$63,944 (2019 - \$632) was recognised.

#### 12. SUBSEQUENT EVENTS

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



# BIOTRON LIMITED

## DIRECTORS' DECLARATION

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

- (a) the condensed interim financial statements and notes, set out on pages 6 to 12, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This report has been signed in accordance with a resolution of the directors and is dated 23 February 2021:



**Michael J. Hoy**  
Chairman



**Michelle Miller**  
Managing Director



# Independent Auditor's Review Report

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To the shareholders of Biotron Limited

## Conclusion

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

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

- giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed interim statement of financial position as at 31 December 2020
- Condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

## Auditor's responsibility for the review of the Interim Financial Report

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

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

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Adam Twemlow  
Partner  
Brisbane  
23 February 2021

**BIOTRON LIMITED**  
**CORPORATE DIRECTORY**

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**Directors:**

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

**Company Secretary:**

Mr Peter J. Nightingale.

**Registered Office:**

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**Share Registrar:**

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Level 4, 60 Carrington Street  
SYDNEY NSW 2000  
Phone: 1300 787 272 Fax: +61 3 9473 2500

**Auditors:**

KPMG  
Level 16, Riparian Plaza  
71 Eagle Street  
BRISBANE QLD 4000

**Home Exchange:**

ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**Solicitors:**

Minter Ellison  
88 Phillip Street  
SYDNEY NSW 2000

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