Biotron Limited
A.B.N. 60 086 399 144

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17 February 2023

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000 (23 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 2022. This Interim Financial Report should be read in conjunction with the Company's 30 June 2022 Annual Report.

Yours sincerely

Peter J. Nightingale
Company Secretary

pjn11552

Appendix 4D

Half Year Report

Name of entity

BIOTRON LIMITED

ABN or equivalent company reference	Financial year ended ('current period')
60 086 399 144	**31 DECEMBER 2022**

Results for announcement to the market

Revenues from ordinary activities	N/A	Nil	to	Nil
Loss from ordinary activities after tax attributable to members	Down	59.07	to	793,589
Net loss for the period attributable to members	Down	59.07%	to	793,589

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend Interim dividend	Nil¢ Nil¢	Nil¢ Nil¢
Previous corresponding period Final dividend Interim dividend	Nil¢ Nil¢	Nil¢ Nil¢

Record date for determining entitlements to the dividend. N/A

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Please refer to note 5 of the Interim Financial Report regarding material uncertainty.

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.66 cents	0.28 cents

BIOTRON LIMITED

A.B.N. 60 086 399 144

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

BIOTRON LIMITED

CONTENTS

BIOTRON LIMITED

DIRECTORS' REPORT

The directors are pleased to submit their report together with the interim financial statements of Biotron Limited ('Biotron' or 'the Company') for the half-year ended 31 December 2022 and the auditor's review report thereon.

DIRECTORS

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

Mr Michael J. Hoy
Independent and Non-Executive Chairman

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr Peter J. Nightingale
Company Secretary

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

As a director or company secretary Mr Nightingale has, for more than 35 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 and the USA including Bolnisi Gold N.L. and Nickel Industries Limited.

Mr Nightingale is currently a director of ASX listed companies Alpha HPA Limited and Prospech Limited.

Mr Nightingale has been Company Secretary since 23 February 1999.

REVIEW OF OPERATIONS

During the half-year to 31 December 2022, Biotron Limited ('Biotron' or 'the Company') achieved key outcomes including:

- Continued dosing and completed recruitment for the BIT225-010 Phase 2 clinical trial of BIT225 for treatment of HIV-1 infection that is underway at sites in Thailand.

- Continued dosing and completed recruitment for the BIT225-011 Phase 2 clinical trial of BIT225 for treatment of HIV-1 infection that is underway at sites in Australia.

- Commenced a human study of BIT225 for treatment of COVID-19 as a sub-study in the BIT225-010 HIV-1 Phase 2 trial that is underway at sites in Thailand.

- Continued the design, synthesis and testing of new compounds under its HIV-1 and Hepatitis B virus (HBV) programs, with the aim of identifying a next-generation lead anti-HIV-1 drug and a lead candidate for HBV.

- Completed a rights issue plus a follow-on placement, raising $6 million before costs, including:

    - One new share and one listed option for every two shares purchased under a pro-rata renounceable rights issue. Under this offer, the Company issued 140,386,543 ordinary shares and 70,193,272 listed options for cash totaling $4,211,596. The listed options are each exercisable at $0.06 to acquire one fully paid ordinary share exercisable at any time up to 25 November 2024.

    - Company issued 59,613,457 ordinary shares and 29,806,846 listed options for cash totaling $1,788,404 under a Share Placement Offer. The listed options are each exercisable at $0.06 to acquire one fully paid ordinary share exercisable at any time up to 25 November 2024.

    - Proceeds will be used to :

        - Undertake a Phase 2 COVID-19 clinical trial.
        - Complete non-clinical assays for the Company's two Phase 2 HIV-1 clinical trials.
        - Develop next generation drugs for HIV-1 and COVID-19 programs.
        - Advance the Hepatitis B virus program.
        - Advance commercialisation activities.
        - Support working capital and costs of the offer.

- Issued 12,000,000 listed options as part consideration to the lead manager and underwriter of the rights issue and follow-on placement under the same terms and conditions as the offer under the renounceable rights issue.

- Received an R&D Tax Incentive rebate of $1,430,725 for the 2021/22 financial year.

HIV-1 Program

During the half-year ended 31 December 2022, Biotron completed recruitment of the two Phase 2 clinical trials of BIT225 for treatment of HIV-1 infection that are underway at sites in Australia and Thailand.

In 2021, 38.4 million people globally were living with HIV, with 1.5 million becoming newly infected with the virus and an estimated 650,000 people dying from AIDS-related illnesses. The global HIV drug market size in 2021 was estimated to be US$30 billion. The increased prevalence of HIV-1 infections, percentage of patients on treatment due to improved disease awareness and the need for treatments to improve quality of life are expected to drive market growth to over US$50 billion by 2030.

One of the fully recruited trials (BIT225-011), in progress at sites in Sydney, Australia including St Vincent's Hospital, Holdsworth House and East Sydney Doctors, will investigate the impact of BIT225 in HIV-infected people who have been taking approved anti-HIV-1 treatment (ART) for an extended period with well-controlled HIV-1 infection but not achieved full immune reconstitution despite long term durably suppressive ART.

This group, estimated to encompass more than one-third of the HIV-treated population, is at an increased risk of clinical progression to AIDS and other morbidities and has higher rates of mortality than HIV-infected patients who have attained full immune reconstitution. BIT225 will be added to this group's ART treatment for a period of three months. The endpoints will include measurements of improved immune function and markers linked to immune reconstitution.

The second fully recruited trial (BIT225-010) is underway at sites in Thailand. This study includes people newly diagnosed as being HIV-1 positive but not yet commenced ART with BIT225 treatment or placebo continuing for 6 months in combination with ART. This extended dosing period allows for a more detailed investigation of immune changes observed in previously completed HIV-1 clinnical studies with BIT225. The endpoints will include measurements of improved immune function and markers linked to immune reconstitution.

People enrolled into the trials have continued to receive either BIT225 or placebo according to clinical trial protocols. Both trials will shortly conclude the clinical phase, marked by final dosing of the last patient, and focus will move to undertaking detailed laboratory analyses of all the samples collected during the trials.

Other HIV-1 clinical-trial supporting activities undertaken during the half-year included preparation of laboratory protocols and finalising the selection of test sites for undertaking post-trial sample analyses. The assays to be run on blood samples collected during the trials are complex, and have required careful consideration of detailed methodologies.

The clinical trial databases, into which all trial data including patient demographics, results of prescreening, screening and ongoing medical tests set out in the clinical trial protocols, as well as the results of all post-trial analyses, have been routinely monitored and checked for errors by external contractors.

Both trials are designed to generate data that extend the positive findings from previous clinical trials conducted by Biotron. The data will be central to demonstrating to potential pharmaceutical partners and regulatory authorities the safety and efficacy of BIT225 in patients with currently unmet medical needs.

Preliminary results from the trials are anticipated to be available in mid-2023.

SARS-CoV-2

During the half-year ended 31 December 2022, the Company identified suitable trial sites and finalised a new clinical trial protocol (BIT225-012) and other necessary documentation for a new standalone Phase 2 trial of BIT225 as a potential treatment of COVID-19 based on guidance received during 2022 from the USA Food and Drug Administration (FDA).

The trial design has taken into consideration the continually changing landscape of COVID-19. The Company has consulted with international clinicians, clinical research organisations and other relevant experts to design a study aimed to recruited quickly and generate meaningful data in a very tight timeframe. Documentation is progressing through relevant ethics and regulatory submissions at identified trial sites, and subject to approvals, the trial is expected to commence shortly.

COVID remains a global issue. While the success of vaccination programs means that there is increased immunity to serious disease, COVID remains a significant problem in various populations. People with weakened immune systems such as those with autoimmune diseases or on chemotherapy, the aged, and people with serious underlying disorders such as diabetes or cardiovascular disease are particularly at risk.

During the half-year, Biotron added a COVID-19 sub-study to one of the Phase 2 HIV-1 clinical trials of BIT225, with any eligible person enrolled in the HIV-1 trial who becomes infected with SARS-CoV-2 will be intensively monitored for SARS-CoV-2 viral load and clinical symptoms over a 28-day period.

While the sub-study is small, and end points are exploratory, the sub-study provided an efficient, cost-effective and timely opportunity to study BIT225 for this indication in an at-risk population.

As discussed above, the HIV-1 clinical trials are in progress, with data for both HIV-1 trials as well as the COVID-19 sub-study expected in mid-2023.

BIT225 has an established human safety profile and has the potential to be an important first in class drug for COVID-19 treatment.

Hepatitis B Program

While the Company's main focus during the quarter has been its clinical programs for HIV-1 and COVID-19, the Hepatitis B virus (HBV) program continues to be an important preclinical program.

Biotron is working with other experienced groups to access key antiviral HBV assays and continues to make good progress.The aim is to identify a lead series to progress to preliminary safety studies and assessment in animal models of HBV infection.

During the first quarter of 2023 focus will return to progressing the HBV preclinical program as well as advancing the identification of next-generation compounds for both HIV and SARS-CoV-2. Detailed work plans have been set up and studies initiated for each of these activities.

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

Corporate

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

- Completing the clinical phase of the two Phase 2 HIV-1 trials, and undertaking detailed laboratory and statistical analyses of samples collected during the trials. Preliminary data is anticipated in mid-2023.
- Initiate and complete a Phase 2 COVID-19 clinical trial (BIT225-012) (subject to receipt of necessary human ethics and regulatory approvals, which are currently in progress). Preliminary data is anticipated in mid-2023.
- 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.
- Progressing chemistry, *in vitro* and *in vivo* safety studies to advance selection of next-generation lead compounds for the HIV-1 and SARS-CoV-2 programs.
- Ongoing sharing of data and discussions on its antiviral programs including the HIV-1 Phase 2 clinical trial and the SARS-CoV-2 program with potential pharmaceutical company partners regarding commercialisation opportunities for the Company's antiviral intellectual property.

Subsequent Events

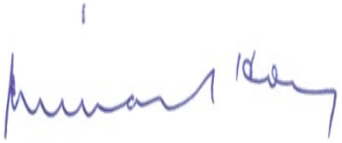
In January 2023, 2,500,000 unlisted options expired unexercised.

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

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

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2022.

This report has been signed in accordance with a resolution of the directors and is dated 17 February 2023:



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 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Adam Twemlow
Partner
Brisbane
17 February 2023

BIOTRON LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022	31 December 2021
		$	$
Continuing Operations			
Other income	6	**1,431,283**	-
Administration and consultants' expenses		**(456,443)**	(277,967)
Depreciation		**(22,516)**	(22,869)
Direct research and development expenses		**(1,214,468)**	(1,147,962)
Employee and director expenses		**(471,124)**	(442,044)
Rent and outgoings expenses		**(5,094)**	(4,587)
Other expenses from ordinary activities		**(79,889)**	(42,499)
Operating loss before financing income		**(818,251)**	(1,937,928)
Interest income	7	**27,283**	1,305
Interest expense	7	**(2,621)**	(2,240)
Net finance (expense)/income		**24,662**	(935)
Loss before tax		**(793,589)**	(1,938,863)
Income tax expense		**-**	-
Loss for the period		**(793,589)**	(1,938,863)
Other comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**(793,589)**	(1,938,863)
Basic and diluted loss per share	8	**(0.11) cents**	(0.28) 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 2022

	Notes	31 December 2022	30 June 2022
		$	$
Current assets			
Cash and cash equivalents		**6,471,841**	1,741,405
Other assets		**80,216**	20,988
Total current assets		**6,552,057**	1,762,393
Non-current assets			
Property plant and equipment		**70,716**	89,683
Other financial assets - bond deposit		**53,985**	53,985
Total non-current assets		**124,701**	143,668
Total assets		**6,676,758**	1,906,061
Current liabilities			
Trade and other payables		**347,406**	389,166
Employee entitlements		**394,625**	327,235
Lease liability		**26,312**	34,247
Total current liabilities		**768,343**	750,648
Non - current liabilities			
Employee entitlements		**-**	19,925
Lease liability		**37,313**	42,992
Total non- current liabilities		**37,313**	62,917
Total liabilities		**805,656**	813,565
Net assets		**5,871,102**	1,092,496
Equity			
Issued capital		**56,889,661**	52,843,994
Reserves		**1,598,530**	85,875
Accumulated losses		**(52,617,089)**	(51,837,373)
Total equity		**5,871,102**	1,092,496

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 2022

	Notes	31 December 2022	31 December 2021
		$	$
Cash flows from operating activities			
Cash receipts in the course of operations		**1,431,283**	-
Payments for research and development		**(1,286,941)**	(1,140,992)
Cash payments in the course of operations		**(993,599)**	(698,987)
Interest received		**27,283**	1,305
Net cash used in operating activities		**(821,974)**	(1,838,674)
Cash flows from investing activities			
Payments for plant and equipment		**-**	-
Net cash used in investing activities		**-**	-
Cash flows from financing activities			
Proceeds from share and option issues		**6,000,000**	-
Transaction costs on share and option issues		**(427,805)**	-
Lease payments		**(19,785)**	(19,110)
Net cash from / used in financing activities		**5,552,410**	(19,110)
Net increase / (decrease) in cash and cash equivalents		**4,730,436**	(1,857,784)
Cash and cash equivalents at 1 July		**1,741,405**	4,210,624
Cash and cash equivalents at 31 December		**6,471,841**	2,352,840

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 2022

Attributable to equity holders of the Company

	Issued Capital	Option Premium Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2021	**52,843,994**	**105,915**	**(49,086,915)**	**3,862,994**
Total comprehensive income for the period				
Loss for the period	**-**	**-**	**(1,938,863)**	**(1,938,863)**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**-**	**(1,938,863)**	**(1,938,863)**
Contribution by and distribution to owners				
Transfer from reserves to expired options	**-**	**(30,625)**	**30,625**	**-**
Share based payments	**-**	**10,585**	**-**	**10,585**
Balance at 31 December 2021	**52,843,994**	**85,875**	**(50,995,153)**	**1,934,716**
Balance at 1 July 2022	**52,843,994**	**85,875**	**(51,837,373)**	**1,092,496**
Total comprehensive income for the period				
Loss for the period	**-**	**-**	**(793,589)**	**(793,589)**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**-**	**(793,589)**	**(793,589)**
Contribution by and distribution to owners				
Ordinary shares and options issued	**4,700,000**	**1,300,000**	**-**	**6,000,000**
Transaction costs on issue of shares and options	**(654,333)**	**-**	**-**	**(654,333)**
Transfer from reserves to expired options	**-**	**(13,873)**	**13,873**	**-**
Share based payments	**-**	**226,528**	**-**	**226,528**
Balance at 31 December 2022	**56,889,661**	**1,598,530**	**(52,617,089)**	**5,871,102**

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.

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 2022 are available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.biotron.com.au.

2. STATEMENT OF COMPLIANCE

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

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 30 June 2022. 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 2022 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 17 February 2023.

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 2022.

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 described in the following notes:

- Share based payment (Note12)
- Going Concern (Note 5)

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 $793,589 in the half-year ended 31 December 2022 and has accumulated losses of $52,617,089 as at 31 December 2022. The Company has cash on hand of $6,471,841 at 31 December 2022 and used net cash of $821,974 in operations for the half-year ended 31 December 2022. As at 31 December 2022, the Company had net assets of $5,871,102. During the half-year ended 31 December 2022, the Company raised $6,000,000 before costs for the issue of shares and options. The ongoing operations of the Company is dependent on the Company managing expenditure in line with available funding.

The directors have prepared cash flow projections that support the ability of the Company to continue as a going concern for the period 1 January 2023 to 31 March 2024. These cash flow projections include significant ongoing expenditure on research and development activities and assume the Company obtains the research and development ('R&D') rebates from the Australian Government and maintains expenditure in line with available funding.

	31 December 2022	31 December 2021
	$	$
6. OTHER INCOME		
Research and development rebate	**1,430,725**	-
Other income	**558**	-
	1,431,283	-

7. LOSS BEFORE INCOME TAX

The following items are relevant in explaining the financial performance for the half-year:		
Interest income on cash deposits	**27,283**	1,305
Interest expense on lease liability	**(2,621)**	(2,240)
Total	**24,662**	(935)

Lease liability repayment for the six months ended 31 December 2022 was $19,785 (2021 - $19,110) and is recognised as cash outflows from lease repayments.

8. LOSS PER SHARE

Basic and diluted loss per share have been calculated using:		
Net loss for the period	**793,589**	1,938,863

	31 December 2022 Number	31 December 2021 Number
Weighted average number of ordinary shares	**741,063,148**	701,932,713

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 2022, 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 2021 - $72,000). There were no amounts outstanding at 31 December 2022 and 31 December 2021.

10. SEGMENT REPORTING

The Company operates solely in the biomedical industry in Australia.

11. ISSUE CAPITAL

	31 December 2022		30 June 2022	
	Number	**$**	Number	$
Ordinary shares, fully paid at 1 July	**701,932,713**	**52,843,994**	701,932,713	52,843,994
Movement in Ordinary Shares:				
Issued ordinary shares 25 November 2022 for $0.03 [1]	**200,000,000**	**4,700,000**	-	-
Less cost of issue	**-**	**(654,333)**	-	-
	901,932,713	**56,889,661**	701,932,713	52,843,994

[1] In October 2022, the Company offered eligible shareholders to purchase one new share and one listed option for every two shares purchased under a pro-rata renounceable rights issue. Under this offer, the Company issued 140,386,543 ordinary shares and 70,193,272 listed options for cash totaling $4,211,596. The listed options are each exercisable at $0.06 to acquire one fully paid ordinary share exercisable at any time up to 25 November 2024.

[1] In November 2022, the Company issued 59,613,457 ordinary shares and 29,806,846 listed options for cash totaling $1,788,404 under a Share Placement Offer. The listed options are each exercisable at $0.06 to acquire one fully paid ordinary share exercisable at any time up to 25 November 2024.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

12. SHARE OPTIONS

In October 2022, the Company granted 12,000,000 options (2021 - nil) to the lead manager of the rights issue and share placement offers. The terms and conditions of the options on issue to the lead manager are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Fair value of options granted $	Options on issue Number	Total Exercised Number	Total Number Expired	Balance at end of the period Number
26 October 2022	25 November 2024	25 November 2022	$0.06	226,528	12,000,000	-	-	12,000,000

The Company granted listed options as part of the rights issue and share placement offers. The terms and conditions of the listed options on issued are as follows:

Issue Date	Expiry date	Vesting date	Exercise price	Fair value of options granted $	Options on issue Number	Total Exercised Number	Total Number Expired	Balance at end of the period Number
25 November 2022	25 November 2024	25 November 2022	$0.06	1,300,000	100,000,118	-	-	100,000,118

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

There were no options issued as share base payments to key management personnel during the half-year ended 31 December 2022. The terms and conditions of the options held by key management personnel during the half-year ended 31 December 2022 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Fair value of options granted $	Options on issue Number	Total Exercised Number	Total Number Expired	Balance at end of the period Number
26 November 2019	29 November 2022	[1] 26 November 2020	$0.20	14,215	1,000,000	-	(1,000,000)	-
26 November 2019	29 November 2023	[2] 26 November 2021	$0.20	19,502	1,000,000	-	-	1,000,000
				33,717	2,000,000	-	(1,000,000)	1,000,000

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

The terms and conditions of the options held by employees during the half-year ended 31 December 2022 are as follows:

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

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

Fair value of options

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

On 26 November 2019, 7,000,000 options were granted to Key Management Personnel with a fair value of $64,342. On 29 November 2021, 5,000,000 options expired unexercised with a fair value of $30,625. On 29 November 2022, 1,000,000 options expired unexercised with a fair value of $14,215. 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%.

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

The fair value of options granted on 26 October 2022 to the lead manager of the rights issue and share placement offers was $226,528. The Black-Scholes formula model inputs were the Company's share price of $0.045 at the grant date, a volatility factor of 88.39% based on historic share price performance, a risk-free interest rate of 3.37% based on government bonds and a dividend yield of 0%.

The fair value of options issued on 24 November 2022 to subcribers of the rights issue and placement offers was $1,300,000. The Black-Scholes formula model inputs were the Company's share price of $0.037 at the grant date, a volatility factor of 88.39% based on historic share price performance, a risk-free interest rate of 3.37% based on government bonds and a dividend yield of 0%.

For the half-year ended 31 December 2022 an expense of $nil (2021 - $10,585) was recognised.

The following listed options were on issue at 31 December 2022

Opening Balance 1 July 2022	Exercise Price	Granted during the year	Exercised/Expired during the year	Closing Balance 31 December 2022
Number	$	Number	Number	Number
-	0.06	112,000,118	-	112,000,118

In November 2022, the Company issued 12,000,000 listed options as part consideration to the lead manager and underwriter under the same terms and conditions as the offer under the renounceable rights issue.

13. SUBSEQUENT EVENTS

In January 2023, 2,500,000 unlisted options expired unexercised.

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

BIOTRON LIMITED

DIRECTORS' DECLARATION

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

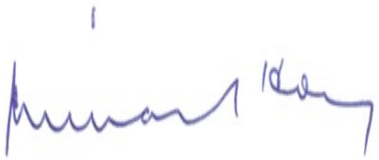
(a) the condensed interim financial statements and notes, set out on pages 7 to 15, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2022 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 17 February 2023:



Michael J. Hoy
Chairman

Michelle Miller
Managing Director

Independent Auditor's Review Report

To the shareholders of Biotron Limited

Conclusion

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

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

- Giving a true and fair view of the Company's financial position as at 31 December 2022 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 2022;
- 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 13 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

Basis for Conclusion

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

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

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

KPMG

Adam Twemlow
Partner
Brisbane
17 February 2023

BIOTRON LIMITED

CORPORATE DIRECTORY

Directors:

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

Company Secretary:

Mr Peter J. Nightingale.

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SYDNEY NSW 2000

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