2021 ANNUAL REPORT

Melbourne, Australia, 29 September 2021: BARD1 Life Sciences Limited (ASX:BD1) (**BARD1** or the **Company**) is pleased to release its Annual Report for the 2021 financial year.

The Company reported a loss for the year of $12.327m when the Appendix 4E and Preliminary Financial Report were released on 31 August 2021. The loss reported in the Annual Report has reduced to $11.110m. The reduction in the loss is primarily due to the recognition of an additional tax credit of $1.236m in the audited 2021 financial statements.

Further details of BARD1's financial results are provided within the Directors' Report, Financial Statements and notes to the financial statements which form part of the Annual Report attached.

Authorised by the Company Secretary, Tony Di Pietro.

- ENDS -

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ABOUT BARD1 LIFE SCIENCES LTD

BARD1 Life Sciences Ltd (ASX:BD1) (**BARD1** or the **Company**) is a leading Australian diagnostics company with an innovative portfolio of diagnostic technologies and products. The Company is focused on developing and commercialising diagnostic solutions for healthcare professionals and patients. BARD1 has commercialised the hTERT test used as an adjunct to urine cytology testing for bladder cancer and the EXO-NET pan-exosome capture tool for research purposes. Our cancer diagnostic pipeline includes tests in development for ovarian and breast cancers, and research-stage projects for prostate and pancreatic cancers. For more information on BARD1, see www.bard1.com and www.exo-net.com.

FORWARD LOOKING STATEMENTS

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'should', 'expect', 'anticipate', 'estimate', 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

BARD1 LIFE SCIENCES LIMITED

ANNUAL REPORT

30 June 2021

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CORPORATE DIRECTORY

ASX Code: BD1

Directors

Dr Geoffrey Cumming	Non-Executive Chairman *(appointed 28 July 2020)*
Mr Robert (Max) Johnston	Non-Executive Director
Mr Philip Powell	Non-Executive Director
Prof. Allan Cripps	Non-Executive Director

Chief Executive Officer
Dr Leearne Hinch

Chief Financial Officer and Company Secretary
Mr Tony Di Pietro (appointed 28 July 2020)

Chief Scientific Officer
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CHAIRMAN AND CEO REPORT

We are pleased to present the Group's Annual Report for the financial year ended 30 June 2021 and provide an update on further strategic and operational progress since year end.

BUSINESS OVERVIEW

BARD1 Life Sciences Ltd (**BD1,** the **Company** or the **Group**) is an innovative healthcare company developing and commercialising diagnostic solutions for early cancer detection to improve patient outcomes. The Group has commercialised the hTERT test as an adjunct to urine cytology testing for bladder cancer, and the EXO-NET® pan-exosome capture tool for research purposes. The cancer diagnostic pipeline includes blood tests in development for ovarian and breast cancers, and research-stage projects for prostate and other cancers.

The Group's ambition is to build a global innovative healthcare company focused on improving patient health outcomes, initially through earlier cancer detection, using our proprietary SubB2M™, EXO-NET®, BARD1 and hTERT technologies.

This year focused on building the foundations for the future of the Company through the:

- integration of the Group's assets following the acquisition of Sienna,
- implementation of our new business plan prioritising the advancement of our fast-to-market SubB2M™ programs towards value-adding development milestones,
- commercialisation of our EXO-NET® technology as a research use only product,
- review of our BARD1 autoantibody programs, and
- strengthening our hTERT business in the USA.

HIGHLIGHTS

This has been a transformational year for the Group as it expanded the foundations for long-term success, advanced its R&D programs towards key milestones and launched its first EXO-NET® product. On 28 July 2020, BD1 completed the acquisition of Sienna Cancer Diagnostics Limited (Sienna). This enabled the Group to implement its new business plan, consolidate its infrastructure, extract operational efficiencies, create a culture of innovation and prioritise fast-to-market technical, developmental and commercial milestones to drive long-term value for our shareholders.

The table below provides a summary of key achievements in financial year 2021.

HIGHLIGHTS FY2021
Commercial
hTERT ICC product
• **US distributor StatLab gained new high-volume customers** under renewed hTERT strategy
• **Achieved hTERT registration in South Korea** and first order of $80,000 from Korean distributor
EXO-NET® pan-exosome capture product
• **EXO-NET Research Use Only (RUO) launched** at the virtual International Society of Extracellular Vesicles (ISEV) Annual Meeting
• **EXO-NET poster presented at ISEV** showing speed, purity, and yield advantages over competitor exosome isolation technologies
Intellectual property
• **Multiple new patents granted** protecting the Company's BARD1, NETs and hTERT technologies and products
• **New provisional patent applications** filed with IP Australia covering expanded uses of its game-changing EXO-NET and SubB2M technologies
Research & Development
SubB2M™ program
• **Awarded Biomedical Translation Bridge (BTB) funding** of $372,654 to develop SubB2M-based liquid biopsy tests to detect and monitor breast cancer
• **Executed collaborative research agreements with Griffith University** to develop SubB2M-based tests for detection and monitoring of ovarian and breast cancers
• **Commenced in-house SubB2M research programs** for detection and monitoring of prostate and pancreatic cancers
• **Outstanding SubB2M ovarian cancer data released** by Griffith University's Institute for Glycomics showing a prototype SubB2M-SPR assay could detect all stages of ovarian cancer with 100% specificity and 100% sensitivity from a blood sample
• **Excellent SubB2M breast cancer data released** by Griffith University's Institute for Glycomics showing a prototype SubB2M-SPR assay could detect all stages of breast cancer with 100% specificity and over 95% sensitivity from a blood sample
• **SubB2M test manuscript submitted** to international peer reviewed journal showing a SubB2M-based test could detect all stages of breast cancer from blood samples with 100% specificity and over 95% sensitivity over healthy controls

- **Preliminary study results demonstrated the feasibility of using SubB2M in an IHC application** for breast cancer tissue
- **Proof Of Concept (POC) achieved for a SubB2M-based ELISA**[1] for ovarian cancer in feasibility studies

EXO-NET program

- **Positive results from EXO-NET® evaluation** showing efficient exosome capture in Minomic GPC-1 pancreatic cancer study
- **Completed development of EXO-NET® product** for capture of exosomes from plasma, saliva, and urine
- **Multiple EXO-NET® evaluations underway** by academic and industry partners in Australia and internationally for potential exosome-based diagnostic and therapeutic applications
- **Promising exosome-based ovarian cancer test data** released by collaborator University of Queensland (UQ) using EXO-NET® for isolation of exosomes (post year-end)

BARD1 autoantibody (AAb) program

- **Completed optimisation of BARD1 Kit** with successful evaluation of the BARD1 autoantibody assay in ovarian cancer samples on the Luminex platform at the University of Geneva
- **Completed transfer of BARD1 autoantibody technology** and biobank to Australia
- **Positive results from independent evaluation of the BARD1 autoantibody assay** for detection of ovarian cancer on the Luminex platform at Griffith University
- **Publication of BARD1 autoantibody test results for early detection of ovarian cancer** in the international peer reviewed journal Genes

Other research projects

- **Signed licence option agreement with the University of Liverpool (UK)** to evaluate and licence novel biomarkers for a potential type 3c diabetes (T3cDM) test

Corporate

- **Acquisition of Sienna Cancer Diagnostics** completed in July 2020, strengthening the business, diagnostic portfolio, and balance sheet
- **Strategic business review completed** focused on realising synergies, advancing the R&D pipeline and increasing revenue
- **Strengthened leadership team** with Board changes and the appointments of a biotech experienced CSO, COO and CFO/Company Secretary to drive our research & development, commercialisation and growth strategies
- **Cost-savings of over $1.1m** realised from operational synergies and restructuring post-merger
- **Share Consolidation** on the basis of 1 BD1 share for every 30 shares held implemented in December 2020
- **Capital raising of $18.4m** under Placement and Share Purchase Plan (SPP) strengthening proforma cash balance to $22m (post year-end)

Finance

- **Cash balance of $5 million** at 30 June 2021
- **Net loss after tax of $11.2 million** for the financial year ended 30 June 2021
- **Research & Development (R&D) Tax Refund of $644k**

HTERT ICC TEST

The Group's hTERT test used in urine cytology testing for bladder cancer achieved revenues of $468,096 post-acquisition (2020: $0). Sales of the hTERT test were negatively impacted by COVID-19 reducing routine laboratory testing during the year. Despite this pandemic challenge, the addition of pre-acquisition sales of $81,052 in July 2020, and another $60,000 received (but not recognised as product had not shipped to the customer before the end of the financial year) from its first South Korean order would bring the full year sales to $609,148 for FY2021, a 29% increase over FY20 revenues of $472,809 reported by Sienna.

The hTERT test is in early commercialisation phase with distributors appointed in the USA, Europe, and Asia. The majority of revenues were contributed by the US segment, where a changed focus to securing larger laboratory users delivered new hTERT customers during the year. The hTERT test achieved product registration in South Korea, triggering a first order of $80,000 by the Korean distributor. The Group is working with its South Korean and European distributors to advance the roll-out of the hTERT test, with multiple laboratory validations underway that are expected to lead to product uptake.

[1] Enzyme Linked Immunosorbent Assay (ELISA)

EXO-NET® RUO PAN-EXOSOME CAPTURE TOOL

The Group launched its new EXO-NET® Research Use Only (RUO) pan-exosome capture tool for use in research applications in late May 2021 at the International Society for Extracellular Vesicles (ISEV) conference. EXO-NET RUO is initially being manufactured at the Company's US facility and is offered for sale online via a dedicated website. EXO-NET samples were provided to key opinion leaders for evaluation during the year, with feedback strongly supporting the speed, purity, and yield advantages over competitor exosome isolation tools. The Company is in discussion with potential commercial partners to manufacture and distribute EXO-NET RUO to expand its international reach and support sales, marketing, and distribution.

SUBB2M™ DIAGNOSTICS PIPELINE

The Group made strong progress on its new SubB2M™ diagnostics pipeline for detection and monitoring of breast, ovarian and other cancers. Feasibility data from the initial SubB2M studies at Griffith University were initially released as conference posters in February 2021 showing that a SubB2M SPR[2]-based assay achieved 100% specificity and over 95% sensitivity for detection of all stages of both ovarian cancer and breast cancer compared to healthy controls. The manuscript describing the test methods and data was later submitted for peer review in June 2021.

During the year, the Group focused on transferring the research-use SPR assay to a commercial-use ELISA platform. Optimal components and conditions for the SubB2M ELISAs were defined for detection of breast and ovarian cancers. Post year-end, on 17 August 2021, BD1 announced that POC had been achieved for its SubB2M/CA125 ELISA based test for ovarian cancer. Achievement of this POC milestone supports the further development of SubB2M ELISA-based tests for ovarian, breast, prostate and other cancers.

EXO-NET® PIPELINE

The Group is also advancing research to evaluate its revolutionary EXO-NET® technology to isolate exosomes for potential diagnostic and therapeutic applications. During the year, several EXO-NET pan-exosome and custom prototypes were built, tested and compared to competitor exosome isolation technologies by the Group's US-based exosome research team. This research is ongoing, with several collaborations being progressed with academic and industry groups, with the aims of in-licensing new intellectual property for development of in-house exosome-based diagnostics, or out-licensing pan-exosome or customised EXO-NET prototypes to partners for use in commercialisation of specific exosome-based diagnostics and therapeutics.

BARD1 AUTOANTIBODY PIPELINE

Progress was made on the Group's BARD1 autoantibody (AAb) technology for early cancer detection. An independent study was conducted by Griffith University and the data analysed by an independent statistician to evaluate the prototype RUO BARD1 kit alone and in combination with CA125 for detection of ovarian cancer. The results showed that two BARD1 peptides in combination with CA125 levels less than 70 Units/ml provided 91% sensitivity and 50% specificity for detection of ovarian cancer, compared to 27% sensitivity using CA125 alone in this sample group. The high level of sensitivity obtained by combining the BARD1 peptides with CA125 is encouraging for the potential use of the BARD1 AAb assay for early detection of ovarian cancer in high-risk women with Hereditary Breast and Ovarian Cancer syndrome (HBOC), where high sensitivity is important.

INTELLECTUAL PROPERTY

The Group owns, or exclusively licenses, a broad intellectual property portfolio covering its BARD1 autoantibody, SubB2M, Molecular NET (NET) and hTERT technologies and products across key jurisdictions worldwide.

OUR PEOPLE

The Group has a strong, talented, and dedicated team of employees and contractors in Australia and the USA, with experience across diagnostic research and development, laboratory operations, quality and business development functions. The Group continues to refocus and strengthen the team across exosome science, clinical development, regulatory and business development/licensing to drive the development, registration and commercialisation of our cancer diagnostic pipeline in global markets.

SIENNA ACQUISITION

On 28 July 2020, BD1 acquired Sienna Cancer Diagnostics Ltd under a Scheme of Arrangement. The merger created a well-capitalised, Australian-based healthcare company with an experienced leadership team and innovative cancer diagnostics portfolio based on its combined SubB2M™, EXO-NET®, BARD1 and hTERT technologies. The Group refocused on the development and commercialisation of fast-to-market diagnostic solutions that improve health outcomes and returns for patients, health care professionals and our investors.

SUCCESSFUL CAPITAL RAISING

Post year-end, the Group completed a successful capital raising of $18.4 million including a $15 million placement to institutional and sophisticated investors, followed by a $3.4 million Share Purchase Plan (SPP) to eligible existing investors. The terms of the Placement and SPP were the same with an Offer Price of $1.55 per share and one free quoted option for every two new shares subscribed for at an exercise price of $2.32 and expiry of 24 August 2023. The Company is now well funded with a proforma cash balance of approximately $22.0 million to advance its diagnostic programs for breast, ovarian and prostate cancer towards key development and commercialisation milestones over the next two years.

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[2] SPR = Surface Plasmon Resonance

FINANCIAL RESULTS

The Group reported a net loss from operating activities (after income tax) for the year of $11,150,880, the first reported financial year results since the merger with Sienna. Product revenues for the hTERT test totalled $468,096 (since the date of the merger). Income from other sources was $1,003,957 including receipt of $643,542 from the Research and Development Tax Incentive Refund for the 2020 financial year. Total operating expenditure was $15,433,693. The Company's results are discussed in more detail below.

The Group ended the financial year with a cash balance of $4,998,564. Following the end of the financial year approximately $18.4 million (before directly related expenses) has been received from a placement to sophisticated, institutional and professional investors and SPP offered to existing shareholders.

OUTLOOK AND PLANS

The Group is committed to building an innovative global healthcare business that develops and commercialises leading products that make a real difference to patients through earlier detection of cancer to help save lives, increase treatment options, and improve patient outcomes.

The Board and management thanks our staff, contractors, partners and shareholders for their dedication and support as we build a healthcare business with a multi-product pipeline for some of the world's most common and deadliest cancers including ovarian, breast, prostate and other cancers.

We look forward to reporting our development, commercial and financial achievements in financial year 2022 as we progress our plans including:

- Feasibility results for SubB2M-ELISA tests,
- Advance clinical testing for SubB2M-based breast and ovarian cancer tests,
- Finalise contract manufacturing agreements for reagents,
- Secure laboratory partner/s for commercialisation of diagnostic pipeline,
- Appoint distribution partner/s for RUO EXO-NET®,
- Expand development and licensing opportunities for EXO-NET® products, and
- Advance other research programs including BARD1.

Dr Geoff Cumming
Chairman

Dr Leearne Hinch
CEO

REVIEW OF OPERATIONS

The Group made strong progress during the year having completed the acquisition of Sienna Cancer Diagnostics, expanded its core technology programs, advanced its diagnostic pipeline towards key technical and development milestones, launched its first EXO-NET® product for research use and raised $18.4 million to strengthen its balance sheet post-year end.

STRATEGIC OBJECTIVES

BD1 is a healthcare company focused on developing and commercialising innovative products for the detection and prevention of cancer to improve patient outcomes. The Group's key objectives are to:

Accelerate development of lead SubB2M tests	Accelerate development of fast-to-market SubB2M tests for detection and monitoring of breast and ovarian cancers as Laboratory Developed Tests (LDTs) in the USA.
Build an exosome liquid biopsy pipeline	Build a next-generation exosome diagnostics pipeline using the Group's EXO-NET technology for early detection of cancer, other serious conditions and companion diagnostic applications.
Expand product indications	Implement a risk-based, stepped approach to gaining regulatory clearance/approvals for in vitro diagnostic (IVD) products based on obtaining clearance for monitoring uses first, before conducting further clinical studies to expand indications to screening uses in high-risk and then average-risk patient populations.
Expand technology applications	Expand applications for the Group's proprietary SubB2M, NETs, BARD1 and hTERT technologies to areas of significant unmet need in the screening, diagnosis, prognosis and monitoring of various cancers to improve patient outcomes and save lives.
Commercialise products through partnering	Commercialise pipeline products through partnering of LDTs with clinical laboratories and IVDs with specialised distributors to expand international reach and support sales, marketing and distribution of the Group's diagnostic tests.
Generate multiple revenue streams	Generate future revenue streams through increased market penetration of the Group's existing hTERT product, sales of the EXO-NET® capture tool for research applications, potential future licensing deals for use of the Group's IP for diagnostic and therapeutic applications and potential future commercialisation of the Group's cancer diagnostics pipeline in key markets.

These initiatives are aimed at growing long-term shareholder value through accelerating the commercialisation of the Group's lead diagnostics, building a multi-product pipeline, diversifying risk across multiple applications and creating a sustainable revenue generating business.

CANCER DIAGNOSTICS MARKET

The global cancer burden is significant with an estimated 50.6 million people living with cancer, 19.3 million new cases and 10.0 million deaths in 2020.[3] The incidence of cancer is expected to rise to 28.4 million new cases by 2040 due to population aging and growth. The most common diagnosed cancers worldwide were breast (11.7% of all new cases), lung (11.4%), colorectal (10.0%), prostate (7.3%) and stomach (5.6%) cancers. Cancer is a leading cause of premature death with the highest burdens in China, Europe and North America. The cancer burden can be reduced by improved prevention, early detection, availability of cancer screening programs and effective treatment to improve patient outcomes and reduce mortality.

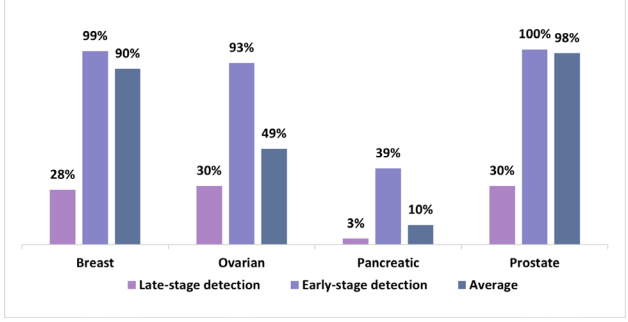
The Group is targeting cancer diagnostic market segments currently valued at over US$11 billion globally for some of the world's most common and deadliest cancers including breast, prostate, ovarian and pancreatic cancer.

UNMET NEED FOR EARLY CANCER DETECTION

Many cancers are detected at late-stage (stages III and IV) after symptoms have appeared resulting in a poor prognosis for patients. Earlier detection of cancer increases treatment options, improves patient outcomes and increases 5-year survival rates.

Existing diagnostic tests can suffer from high false-positives and/or insufficient sensitivity for early-stage cancer (stages 1 and II). Additionally, there is often poor screening participation due to existing tests being invasive, inconvenient, inaccessible, or expensive. There remains a clear unmet need for non-invasive, accurate and reliable screening tests for earlier detection of cancer.

5-year survival rates by stage at diagnosis



[3] Sung H et al. Global Cancer Statistics 2020: GLOBOCAN Estimates of Incidence and Mortality Worldwide for 36 Cancers in 185 Countries. CA Cancer J Clin. 2021. https://doi.org/10.3322/caac.21660

The Group is well positioned to develop and commercialise cancer diagnostic products for early detection and monitoring of multiple cancers based on our proprietary technologies.

PRODUCT PORTFOLIO

The Group's product portfolio includes an adjunctive diagnostic test for use in bladder cancer, a research tool for exosome capture and a broad pipeline of diagnostic tests in development for detection and monitoring of breast, ovarian, prostate and other cancers based on our SubB2M™, EXO-NET®, BARD1 autoantibody and hTERT technologies. The lead diagnostic tests in development are the SubB2M ELISA-based tests for monitoring and detection of breast and ovarian cancers.

PRODUCT	INDICATION	PLATFORM	USE	RESEARCH	ASSAY DEVELOPMENT	CLINICAL VALIDATION	MARKETING AUTHORISATION
hTERT	Bladder Cancer	ICC (Urine)	Adjunct to cytology	→	→	→	In-market
EXO-NET-RUO	Exosome Capture	Molecular NET (Biofluid)	Research tool	→	→	→	In-market
SubB2M-BCM	Breast Cancer	ELISA (Serum)	Monitoring	→	→		2023
SubB2M-OCM	Ovarian Cancer	ELISA (Serum)	Monitoring	→	→		2023
SubB2M-PCS	Prostate Cancer	ELISA (Serum)	Screening	→			**
SubB2M-PaCS	Pancreatic Cancer	ELISA (Serum)	Screening	→			**
BARD1-Ovarian	Ovarian Cancer	ELISA (Serum)	Screening	→	→		**
BARD1-Breast[2]	Breast Cancer	ELISA (Serum)	Screening	→	→		
BARD1-Lung[2]	Lung Cancer	ELISA (Serum)	Screening	→			

** Dates will be released when projects are further advanced; [2] Progression subject to outcome of BARD1-Ovarian results

COMMERCIAL PROGRESS

The Group advanced commercialisation activities for its hTERT ICC test, RUO EXO-NET® tool, and its cancer diagnostics pipeline during the year.

hTERT ICC test

The hTERT test is an immunocytochemistry (ICC) assay that detects human telomerase reverse transcriptase (hTERT), a component of telomerase, which is present in 90% of urothelial carcinomas. The hTERT test is registered as an IVD medical device in the US (Class 1 IVD), Europe (CE-IVD marking), Australia (Class I IVD) and South Korea (Class II IVD) for use as a clinical diagnostic by pathology laboratories for the detection of hTERT in cytopathology samples. It is used by pathologists as an adjunct to urine cytology to help resolve indeterminate cytology results and identify patients with increased risk of bladder cancer.[4] The hTERT test is in early commercialisation phase with distributors appointed in the USA, Europe (Greece, Israel, and Sweden) and Asia (China and South Korea).

HTERT ICC test

Sales of the hTERT test were negatively impacted by COVID-19 during the year with revenues of $468,096 achieved post-acquisition (2020: $0). This hTERT revenue excluded pre-acquisition sales of $81,052 in July 2021, and $60,000 of the $80,000 first order received from South Korea as only part of the order was shipped before balance date. Inclusion of the additional $141,052 would bring the full year sales to $609,148 for FY2021, a 29% increase in sales when compared the revenue reported by Sienna for FY2020, $472,809.

In the United States, BD1 implemented a revised strategy with its distributor, StatLab Medical Products, to focus on securing new high-volume users to increase customer conversion efficiency for the hTERT test. This strategy resulted in StatLab adding larger laboratories as new hTERT customers, however sales growth was hampered by COVID-19. There was some recovery in demand for the hTERT ICC test during the 3 months to June 2021 underpinned by a slow recovery in the "routine" pathology market and successful on-boarding of new laboratories in the US.

In Europe, BD1 is working with its distributors in Greece (Aenorasis), Israel (Zotal) and Sweden (TrioLab) to advance the rollout of the hTERT test with multiple laboratories completing evaluations, before moving towards validation, and then initial product launch in these countries.

In South Korea, Class II IVD registration for hTERT was received from the Ministry of Food and Drug Safety (MFDS) in March 2021. This approval was a critical pre-requisite to commercialisation of hTERT in South Korea and triggered a commitment from the distributor, Mirax Corporation, to place an initial purchase of $80,000. BD1's technical support team is working with Mirax to initiate evaluations at key reference centres in South Korea.

In China, the Company's quality and regulatory team is working with its distributor GaoYuan In-Vitro Reagents to progress the regulatory process with the National Medical Products Administration (NMPA).

[4] Allison et al. Evaluation of Sienna Cancer Diagnostics hTERT Antibody on 500 Consecutive Urinary Tract Specimens. Acta Cytologica 2018. DOI: 10.1159/000489181

EXO-NET® RUO pan-exosome capture tool

EXO-NET® is a next generation exosome isolation and purification technology. EXO-NET® RUO is a pan-exosome capture tool for capture of exosomes from body fluids including plasma, urine, and saliva. The product is offered for RUO and is not registered for use in clinical diagnosis. EXO-NET RUO is supplied in 1mL vials containing EXO-NET covered magnetic beads for up to 50 samples.

EXO-NET® RUO

EXO-NET is initially being commercialised as an exosome isolation tool for use in the rapidly growing research market with the goal of embedding the technology into research applications that may underpin future licensing of EXO-NET for use in the development and commercialisation of exosome-based diagnostic and therapeutic applications.

BARD1 launched its first EXO-NET® RUO pan-exosome research tool at the International Society for Extracellular Vesicles (ISEV) in May 2021. The conference was held as a US-based virtual meeting with over 700 global delegates attending generating multiple product enquiries. The Company exhibited at the conference and presented a poster titled "*EXO-NET, A Novel, Scalable Exosome Isolation Technology*" that provided data supporting the speed, purity, and yield advantages of EXO-NET RUO.

EXO-NET RUO is initially being manufactured at the Company's US facility and is offered for sale online via a dedicated website www.exo-net.com. The Company is in discussion with potential commercial partners to manufacture and distribute EXO-NET RUO to expand its international reach and support sales, marketing, and distribution.

Diagnostics pipeline commercialisation

To support the commercialisation of the Company's diagnostic pipeline, BD1 continues to progress discussions with potential laboratory partners to develop and validate the SubB2M-based assays in-house as laboratory developed tests (LDTs) in the US. The Company also continues to engage with clinical, regulatory and health economic experts to further define and progress its clinical development, regulatory and reimbursement strategies for its multi-product diagnostic pipeline for breast, ovarian, prostate and other cancers. The commercialisation strategy for the Company's diagnostic pipeline is to first launch the tests as LDTs, followed by an FDA[5] In Vitro Diagnostic (IVD) submission and clinical studies to support 510k clearance[6] or PMA[7] depending on the indication for use. These discussions are ongoing as the Company advances its diagnostic development programs towards clinical development and commercialisation.

RESEARCH & DEVELOPMENT PROGRESS

The Company progressed its SubB2M, NETs, BARD1 autoantibody (AAb), and hTERT programs during the year. Our R&D programs target unmet needs for early detection of breast, ovarian, prostate and pancreatic cancers. Our technologies have the potential to deliver significant commercial and clinical benefits to patients, the healthcare system and our shareholders.

SubB2M program

SubB2M is an engineered protein that specifically binds to a sugar, Neu5Gc, found in multiple human cancers tissues, cells and secretions. Aberrant glycosylation (addition of sugars to proteins) is considered a 'hallmark' of cancer, and Neu5Gc is a well published biomarker for numerous cancers. BD1 has an exclusive worldwide license from the University of Adelaide and Griffith University to develop and commercialise the SubB2M technology for diagnostic applications. The Company believes that the SubB2M technology could enable the development and commercialisation of fast-to-market, next generation tests with the potential to revolutionise cancer detection and monitoring for multiple cancers including breast, ovarian, prostate and pancreatic cancers.

In December 2020, BARD1 finalised a 2-year collaborative research agreement with Griffith University (Griffith) to develop SubB2M tests, including the transfer from a research-use SPR[8] to a commercial-use ELISA[9] platform, for the monitoring and detection of breast and ovarian cancers. The breast cancer work is supported by a BTB Grant of $373k from MTP Connect announced in September 2020. Additionally, during the second half of the year, BD1 initiated and progressed its in-house ELISA-based development program to transfer the learnings from its Griffith work to development of potential SubB2M tests for detection of prostate and pancreatic cancers. Further advancement of these studies is linked to the work being performed at Griffith.

The data supporting the Group's decision to license the SubB2M technology were released in February 2021 in poster presentations by Griffith University at the Australia New Zealand Gynaecological Oncology Group Conference 2021 (announced 11 February 2021) and the Lorne Cancer Conference 2021 (announced 15 February 2021) showing that two key studies using a SubB2M SPR-based assay achieved 100% specificity and over 95% sensitivity for detection of all stages of both ovarian cancer and breast cancer compared to healthy controls.

On 25 May 2021, BARD1 announced initial feasibility of a SubB2M-based immunohistochemistry (IHC) test for discrimination of breast cancer from non-cancer in tissue biopsy specimens. This demonstrates that SubB2M can be used in tissue biopsy analysis of tumours as well as in serum testing, expanding the potential use of SubB2M across the discipline of pathology.

[5] Food and Drug Administration (FDA)
[6] PreMarket Notification (510k)
[7] PreMarket Approval (PMA)
[8] SPR = Surface Plasmon Resonance
[9] ELISA = Enzyme-linked immunosorbent assay

On 25 June 2021, BARD1 announced that a SubB2M Breast Cancer Test manuscript had been submitted by researchers at Griffith University and the University of Adelaide to an international peer reviewed journal and was available as a pre-print online at https://doi.org/10.1101/2021.06.21.449179. The study showed that SubB2M can be used to detect all stages of breast cancer from blood samples with 100% specificity and over 95% sensitivity over healthy controls. The manuscript describes the method used for the SubB2M-based surface plasmon resonance (SPR) assays for both breast and ovarian cancer detection (100% sensitivity and specificity for all stages of ovarian cancer), the results for breast cancer and conclusions for the potential widespread commercial use of SubB2M-based blood tests for the early detection and monitoring of breast and ovarian cancers.

During the second half of the financial year, strong progress was made on defining the optimal components and conditions of the SubB2M-based ELISAs for detection of breast and ovarian cancers. Post year-end, on 17 August 2021, BD1 announced that proof-of-concept (POC) had been achieved for its SubB2M/CA125 enzyme-linked immunosorbent assay (ELISA)-based test for ovarian cancer. BARD1's collaborator, the Institute for Glycomics at Griffith University (Griffith), demonstrated that an initial SubB2M/CA125 assay could detect CA125-Neu5Gc in serum from stages I-IV ovarian cancer (OC) patients compared to healthy controls at biologically relevant levels. Importantly, achievement of this POC milestone supports and de-risks further development of SubB2M ELISA-based tests for ovarian, breast, prostate, and other cancers.

BD1 also achieved a successful ethics committee application during the year for the supply of samples from patients with breast, ovarian, prostate and pancreatic cancers from the Victorian Cancer Biobank. These samples are critical for fast-tracking further development and validation of our SubB2M-based tests for breast, ovarian, prostate and pancreatic cancers.

NET's program

EXO-NET® is an exosome capture platform based on the Company's proprietary Molecular NET technology. Exosomes are extracellular vesicles that are released from cells, including cancer cells, into body fluids. Clinical interest in exosomes has grown exponentially due to their commercial potential as both disease biomarkers for diagnostics and novel targets for therapeutics. EXO-NET is a proprietary matrix containing antibodies to exosomal surface markers that is designed to capture exosomes from body fluids rapidly, with high yield and purity.

The EXO-NET matrix can be customised by our expert research team to capture specific subsets of exosomes and be applied to beads or any surface to enable capture, release and scalable isolation of exosomes for potential exosome-based diagnostic and therapeutic applications.

During the year, several EXO-NET pan-exosome and custom prototypes were built, tested and compared to competitor exosome isolation technologies by the Group's US-based exosome research team. These in-house studies demonstrated superior performance of EXO-NET over the competitors, and these data were incorporated into promotional material to support the launch and marketing of the EXO-NET RUO product.

Additionally, the Group initiated and progressed several collaborations with leading research groups and industry parties, in Australia and overseas, to evaluate the EXO-NET® RUO prototypes. Feedback from multiple research groups, including University of Queensland and University of Sydney, strongly supported EXO-NET's speed, purity and yield advantages over existing exosome isolation technologies and is expected to result in future international peer-reviewed publications supporting the utility of EXO-NET in various exosome research applications. Post year-end on 28 July 2021, BARD1 collaborator University of Queensland announced promising data for its potential exosome-based ovarian cancer test that used EXO-NET to capture the exosomes.

"*EXO-NET provides a simple and rapid exosome capture technology, which has been used with our ovarian cancer test developed at UQ and has great potential for clinical applications*," said Assoc Prof Carlos Salomon Gallo from the University of Queensland.

Further in-house studies comparing EXO-NET RUO with competitor technologies have continued to demonstrate superior performance of EXO-NET RUO over competitor products, and this data is being prepared for publication. These publications are expected to generate customer interest in EXO-NET and lead to potential sales in financial year 2022.

A collaboration with Minomic International to evaluate EXO-NET® showed that EXO-NET efficiently isolated exosomes from pancreatic cancer patients and healthy control plasma samples, and Minomic's GPC-1 antibody could specifically bind EXO-NET™ isolated pancreatic cancer exosomes and not bind healthy (non-cancer) exosomes. This pilot study indicated the scientific feasibility of utilising EXO-NET to isolate exosomes for pancreatic cancer detection in conjunction with an anti-GPC-1 antibody.

The Group also initiated and progressed development of customised EXO-NETs for use in the manufacturing of exosomes for therapeutic applications. Discussions were advanced with Australian-based therapeutic exosome groups to supply the modified EXO-NET prototype for initial evaluation in their proprietary therapeutic exosome manufacturing process.

BARD1 program

Splice variants of the BARD1 protein play a potential role in cancer formation, progression and prognosis. Autoantibodies (AAbs) to these BARD1 splice variants have been previously reported across all stages of some cancers, including the early stages (I and II) before symptoms occur. BARD1 AAbs potentially reflect the early immune response to tumour formation, which may enable BARD1 AAb tests to detect cancer earlier across all cancer stages before symptoms appear.

BARD1 AAb tests are being investigated to measure these autoantibodies to BARD1 variants and their ability to predict the presence or absence of a specific cancer using an algorithm. The *BARD1-Ovarian* cancer test is being evaluated for early detection of ovarian cancer.

The Company completed the transfer of its BARD1 AAb research and sample biobank from the University of Geneva (UNIGE) to Australia in December 2020. Further R&D activities are being undertaken at the Company's Melbourne-based facilities or by its contracted research partners.

Griffith University's Mucosal Immunology Research Group (MIRG) was contracted to undertake an independent evaluation of the prototype research use only (RUO) BARD1 kit alone and in combination with CA125 for detection of ovarian cancer in 241 samples on the Luminex platform. The study was completed in March 2021, the data was analysed by an independent statistician and the results announced on 29 April 2021. The results showed that using two BARD1 peptides in combination with CA125 levels less than 70 Units/ml provided a sensitivity of 91% and specificity of 50% for detection of ovarian cancer, compared to 27% sensitivity using CA125 alone in this sample group. The high level of sensitivity obtained by combining the BARD1 peptides with CA125 is encouraging for the potential use of this assay for early detection of ovarian cancer in high-risk women with Hereditary Breast and Ovarian Cancer syndrome (HBOC), where high sensitivity is important. However, these results showed that further analysis of the BARD1 autoantibody test is required to determine the future development path and commercial potential of this test.

A paper titled "*BARD1 Autoantibody Blood Test for Early Detection of Ovarian* Cancer" was published in the international peer-reviewed journal Genes on 25 June 2021.[10] This paper reported data from previously announced studies performed at the University of Geneva in 2018, including a case-control study of the research-stage multivariate index assay (MIA) using 20 BARD1 peptides that showed a predicted accuracy of 0.96 with 86% sensitivity at 95% specificity for detection of ovarian cancer in asymptomatic women compared to healthy controls (OC-CA125 Study announced on 19 June 2018). The authors concluded that "measurement of autoantibody binding to a number of BARD1 epitopes combined with CA125 could distinguish OC from healthy controls with high accuracy. This BARD1-CA125 test was more accurate than measurements of BARD1 autoantibody or CA125 alone for all OC stages and menopausal status." The paper concluded that further data was required to confirm the potential of the test for ovarian cancer screening.

Whilst the BARD1 autoantibody assay for detection of ovarian cancer (or other cancers) has shown promising data in several case-control studies, the Company is undertaking further assessment to determine the future development path and commercial potential of this test as it believes the assay still requires considerable further optimisation and technical validation before advancement towards clinical development of a potential commercial test. The Company is also investigating using BARD1 isoform mRNA analysis in liquid biopsies as an alternative to autoantibodies for early cancer detection.

Other research projects

The Company announced that it had signed a license option agreement with the University of Liverpool on 13 April 2021 for two novel protein markers for the development and commercialisation of a novel type 3c diabetes (T3cDM) blood test based on adiponectin and interleukin-1 receptor antagonist (IL-1Ra). A blood test for T3cDM could be an important diagnostic assay to distinguish T3cDM from (Type 2 diabetes) T2DM in individuals diagnosed with new-onset diabetes, and there would also be a strong clinical case for using it to screen all individuals diagnosed with T3cDM for pancreatic cancer. Individuals that test positive for T3cDM could be placed in an enhanced surveillance program and screened annually for pancreatic cancer using the Company's in-development pancreatic cancer test/s. Importantly, this approach could provide a significant improvement in outcomes for patients with both T3cDM and pancreatic cancer.

INTELLECTUAL PROPERTY PORTFOLIO

The Group owns or exclusively licenses a broad intellectual property (IP) portfolio of granted patents, patent applications, trade secrets and trademarks protecting its core technologies, products, processes and brands. The Group had 34 granted patents, 27 patents pending and 2 new provisional patent applications as at 12 July 2021, covering its SubB2M, Molecular NET, BARD1, and hTERT technologies and products across key jurisdictions including the United States, Europe, Asia, and Australia.

During the year the following patents were issued:

- BARD1 technology: Multiple patents were granted including European Patent (EP) number 2619218 entitled "Kits for detecting breast or ovarian cancer in a body fluid sample and use thereof" with validation in France, Germany, Italy, Spain, Switzerland, and the United Kingdom; US patent 11,022,612 titled "BARD1 isoforms in lung and colorectal cancer and use thereof", and; South Korean Patent 10-2016-7014869 titled "Lung cancer diagnosis".
- Molecular NETs technology: US patent 10,900,962 entitled "Molecular nets and devices for capturing analytes including exosomes".
- hTERT technology: Australian Patent 2015218188 and Chinese Patent number ZL 201580008934.2 entitled "Method of Detecting Cancer".
- New patent filings: The Company filed two new patent applications protecting its SubB2M and EXO-NET technologies announced on 24 May 2021. The EXO-NET patent application is directed at modifying EXO-NET to specifically capture exosomes released from cancers into the bloodstream. This has the potential to revolutionise the use of exosomes in cancer diagnosis.

[10] Pilyugin M, Ratasjka M, Stukan M, Concin N, Zeillinger R, Irminger-Finger I. BARD1 Autoantibody Blood Test for Early Detection of Ovarian Cancer. *Genes*. 2021; 12(7): 969. https://doi.org/10.3390/genes12070969

BARD1 Patent Status Summary				
Patent Family	**Title**	**Granted**	**Pending**	**Expiry**
SubB2M				
PCT/AU2017/051230 (WO 2018/085888)	Subtilase cytotoxin B subunit mutant		AU, BR, CA, CN, EP, IN, JP, KR, US	2037
APPA/2021901444	Methods of analysing a sample			2042
BARD1				
PCT/FR01/02731 (WO/2002/018536)	Truncated BARD1 protein, and its diagnostic and therapeutic uses	JP, US		JP 2021 US 2024
PCT/IB2011/053635 (WO/2012/023112)	BARD1 isoforms in lung and colorectal cancer and use thereof	AU, CA, CN, EP, HK, IL, JP, JP(div), US, US(cont)	BR, SG	2031
PCT/IB2011/054194 (WO/2012/038932)	Kits for detecting breast or ovarian cancer in a body fluid sample and use thereof	EP, US	US (cont)	2031 US(cont) 2032
PCT/EP2014/073834 (WO/2015/067666)	Lung Cancer Diagnosis	AU, IL, JP, SG, KR	CA, CN, EP, HK, US	2034
EP14002398.7	Non-coding RNA as diagnostic marker and treatment target	US	US (cont)	2035
hTERT				
PCT/AU2015/050060 (WO2015/120523)	Method of resolving inconclusive cytology to detect cancer	AU, CN, EP, JP, IL, US	US (cont)	2035
PCT/AU2016/050764 (WO2017/027928)	Method of detecting cancer in morphologically normal cells	JP	AU, CN, EP, IL, US	2036
Molecular NETs				
PCT/US2010/058086 (WO2011/066449)	Devices for detection of analytes	CN, US, US (cont1), US cont2)	US (cont4)	2030 US 2032 US(cont1&2) 2031
PCT/US2013/049779 (WO2014/011673)	Molecular Nets	EP		2033
PCT/US2014/029823 (WO2014/153262)	Molecular nets on solid phases	AU, CN	CA, CN (div)	2034
APPA/2021901358 APPA/2021901359	Methods relating to tumour-derived extracellular vesicles			2042

* Plus any extension of term in the US due to prosecution delay.

QUALITY MANAGEMENT SYSTEM

The Group prepared for its annual ISO 13485:2016 Quality Management System (QMS) audit by BSI during the year, with successful ISO re-certification on 8 July 2021. Additionally, the Group is transitioning its QMS to align with the global medical device regulatory landscape and implementing a cloud-based electronic QMS solution to support global regulatory harmonisation, continuous improvement and efficient quality management.

CORPORATE INITIATIVES

Acquisition of Sienna Cancer Diagnostics

On 28 July 2020, BARD1 acquired Sienna Cancer Diagnostics Limited (Sienna) under a Scheme of Arrangement (Scheme) in which Sienna shareholders received 13 new fully paid ordinary shares in BARD1 for every 5 fully paid ordinary share held in Sienna on 23 July 2020. A total of 1,027,345,358 shares were issued to Sienna shareholders. All fully paid ordinary shares in Sienna were transferred to BARD1, and Sienna became a wholly owned subsidiary of BARD1 and was removed from the official list of ASX Limited. Also under the Scheme, a total of 37,795,332 options in the Company were issued as replacement options to holders of options in Sienna.

The acquisition of Sienna and merger into BARD1 created a well-capitalised, Australian-based healthcare company with a high-calibre Board, experienced leadership team and innovative cancer diagnostics portfolio based on its combined SubB2M, EXO-NET, BARD1 and hTERT technologies. The Group refocused on the development and commercialisation of fast-to-market diagnostic solutions that improve health outcomes and returns for patients, health care professionals and our investors.

Board, Management and Staff Changes

Following the acquisition of Sienna on 28 July 2020, several Board changes were implemented including the appointments of Dr Geoff Cumming as Non-Executive Chairman and Helen Fisher as a Non-Executive Director, and the resignation of Non-Executive Director Mr Peter Gunzburg. The Board thanks Mr Gunzburg for his leadership as the driving force behind the acquisition of the BARD1 technology in 2016 and his support of the acquisition of Sienna in 2020. Subsequent changes during the year included the resignations of Non-Executive Director Helen Fisher on 25 November 2020 and Executive Director Dr Irmgard Irminger-Finger on 11 January 2021.

The Company expanded its executive leadership team with the appointments of experienced biotechnology executives Mr Tony Di Pietro as Chief Financial Officer (CFO)/Company Secretary and Mr Carl Stubbings as Chief Operations Officer (COO) on 28 July 2020, and Dr Peter French as Chief Scientific Officer (CSO) on 17 August 2020.

During the year, the Company transitioned its employee and contractor workforce to realign the Group's capabilities towards its key immuno- and exosome diagnostic programs, with the attrition of four ICC staff, cessation of three Geneva-based contractors, and the appointment of two new R&D employees to focus on SubB2M and exosomes and one finance staff member.

The Company plans to further strengthen its team in early financial year 2022 across key clinical development, regulatory, business development/licensing and technical sales areas to support the advancement of our research, clinical development and commercial programs as we continue to build an innovative healthcare business.

Securities Consolidation

A 30 to 1 consolidation of securities took place in December 2020, following approval of shareholders at the Company's 2020 AGM. As a result of the consolidation the total number of ordinary shares on issue reduced to 79,817,772 from 2,394,530,384. The total number of options on issue reduced from 54,795,332 to 1,826,511 and the number of performance shares reduced from 217,003,236 to 7,233,441.

Capital Raising

Post year-end, the Company completed a successful capital raising of $18.4 million, including a $15 million placement to institutional and sophisticated investors on 23 July 2021, and a $3.4 million Share Purchase Plan (SPP) to eligible existing shareholders on 23 August 2021. Both capital raising initiatives were offered on the same terms with a total of 11,878,205 new shares issued at $1.55 per share including 9,677,420 shares under the Placement and 2,200,785 shares under the SPP. Additionally, one free quoted option was offered for every two shares issued, resulting in 5,909,965 options issued that are exercisable at $2.32 up until the expiry date of 24 August 2023. The funds raised from the placement and SPP will be primarily used to fund development and commercialisation of SubB2M tests for ovarian and breast cancers, commercialisation of EXO-NET products, working capital and costs associated with the Offers.

FINANCIAL RESULTS

The Group reports an audited net loss after tax from operating activities (including other comprehensive income) for the year of $11,110,804 (2020: $3,260,440 loss). It should be noted that the comparative period is based on financial results of the entity prior to the merger with Sienna.

The net loss includes the recognition of a non-cash intangible asset impairment loss of $7,321,047 (2020: $Nil). The Group has undertaken a review of intangible asset values as at the date of acquisition as required by Accounting Standards. This review has attributed values to certain intangible assets acquired in the Sienna transaction. As a result of these valuations an amount of goodwill on acquisition has been determined. The Board has also obtained updated carrying value calculations as at 30 June 2021, as required by AASB 136 – Impairment of Assets. The updated carrying value calculations were based on management's revised forecasts for hTERT and Molecular NETs product revenues, which have been impacted by the COVID-19 pandemic. This resulted in the recognition of a non-cash impairment loss of $4,431,828 for the Molecular Net intangible asset and a further non-cash impairment loss of $2,889,219 against Goodwill. These non-cash impairment losses do not reflect on the Board's positive view of the acquired Sienna business and technology.

Product revenues from hTERT for the 11-month period to 30 June 2021 totalled $468,096 since the date of the merger. Reported hTERT revenue excluded July 2020 pre-acquisition sales of $81,052, and $60,000 of the $80,000 first order received from the South Korean distributor, as only part of the order was received before balance date. If these items were included in reported revenues, full year sales would total approximately $609,148, a 29% increase in sales when compared the revenue reported by Sienna for FY2020 of $472,809.

Income from other sources was $1,003,957 (2020: $633,486) including receipt of $643,542 from the Research and Development Tax Incentive Refund (2020: $464,101) for the 2020 financial year, grant income of $317,533 (2020: $71,000) and interest and miscellaneous income of $42,882 (2020: $98,385).

The Group's reported total operating expenditures, other than impairment of intangible assets and goodwill, were $8,112,645 (2020: $3,887,039). Research and Development expenses were $1,594,056 (2020: $515,339) on the BARD1, SubB2M and NETs programs. Patent expenses of $112,077 (2020: $169,558) were incurred on intellectual property maintenance. Patent prosecution expenditure is recognised as an intangible asset and capitalised on the balance sheet. BARD1 started the financial year with two staff members residing in Australia and three Swiss based overseas contractors. The merger with Sienna and refocus of resources led to BARD1's workforce expanding to 15 employees, including 11 residing in Australia and 4 based in the US by year end. The increased headcount from the merger resulted in a higher employee expense of $3,185,127 (2020: $1,223,252).

Administration costs were $1,197,102 (2020: $1,623,628) with the following significant contributors: Consulting and legal fees $459,987 (2020: $277,208) including fees paid to defend the Supreme Court Writ, expenses related to the Sienna acquisition $219,712 (2020: $996,128), and ASX listing and share registry fees of $204,308 (2020: $38,771), including initial ASX listing fees for new ordinary shares issued to Sienna shareholders as a result of the merger.

Non-cash expenditures recorded during the reporting period included:

- amortisation of intangible assets added $512,400 (2020: $Nil) for the acquired hTERT and Molecular Nets assets as a result of the merger with Sienna and $36,735 related to granted patents;
- depreciation of right-of-use assets (required by accounting standard AASB16 – Leases) $273,486 (2020: $Nil);
- depreciation of building improvements at the Group's new Melbourne head office, $25,580 (2020: $Nil) and depreciation of plant and equipment $61,827 (2020: $Nil);
- share based payments expense of $685,397 (2020: $294,098), including the issue of BD1 options to the CEO Dr Leearne Hinch, options provided to Sienna option holders, and new options issued to a Sienna staff member under the scheme of arrangement;

- intangible asset and goodwill impairment of $7,321,047 (2020: $Nil); and
- lease liability interest expense, as required by AASB16, $99,204 (2020: $Nil).

The loss recorded for the reporting period was reduced by the recognition of a $2,874,805 tax credit as a result of the recognition of the deferred tax asset associated with BARD1's carried forward tax losses.

The Group ended the financial year with a cash balance of $4,998,564 (2020: $7,326,861). This has subsequently been increased following the $18.4 million placement and SPP noted above.

DIRECTORS' REPORT

The directors present their report together with the financial report of BARD1 Life Sciences Limited (**BARD1** or the **Company**) and its controlled entities (collectively referred to as the **Group**) for the financial year ended 30 June 2021 and the independent auditor's report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the research, development, and commercialisation of diagnostic products for the early detection of cancer to improve patient outcomes.

The Group has commercialised the hTERT test as an adjunct to urine cytology testing for bladder cancer, and the EXO-NET® pan-exosome capture tool for research purposes. The cancer diagnostic pipeline includes blood tests in development for ovarian and breast cancers, and research-stage projects for prostate and other cancers.

CORPORATE INFORMATION

BARD1 Life Sciences Limited is a Company limited by shares and is incorporated and domiciled in Australia. It is the ultimate legal parent entity of the BARD1 Life Sciences Group. As at 30 June 2021 it had two wholly owned subsidiaries, Sienna Cancer Diagnostics Ltd (an Australian public company) and BARD1AG SA (a company domiciled in Switzerland). Sienna Cancer Diagnostics Inc (a US entity) forms part of the group, being a 100% owned subsidiary of Sienna Cancer Diagnostics Ltd.

DIRECTORS

The names and details of the directors of the Company in office during the year ended 30 June 2021 and until the date of this report are as follows (Directors were in office for this entire period unless otherwise stated):

Dr Geoffrey Cumming BSc (Hons) BAppSc PhD MBA MAICD | Non-Executive Chairman (appointed 28 July 2020)

Dr Cumming has held senior roles in the global healthcare and biotechnology sector for more than 20 years. As Managing Director, Roche Diagnostic Systems (Oceania), Dr Cumming transformed the loss-making entity the Swiss parent was intending to divest, into the fastest growing and most profitable affiliate in the Roche group. In his role as Managing Director/CEO of Biosceptre International Ltd, Dr Cumming was successful in designing and securing key funding arrangements through a skilful range of capital raising initiatives, including large government grants, partnering and co-development deals. His most recent executive role was as Managing Director / CEO of Anteo Diagnostics Ltd (ASX: ADO). He is currently a Non-executive Director of Anteo Diagnostics Ltd and was previously Chairman of Sienna Cancer Diagnostics Ltd and a Non-executive Director of Medical Australia Ltd (ASX: MLA).

Dr Cumming is the Chair of the Remuneration Committee.
Dr Cumming has not been a director of any listed companies in the last three years other than those listed above.

Mr Robert (Max) Johnston | Non-Executive Director (appointed 17 June 2019)

Mr Johnston held the position of President and Chief Executive Officer of Johnson & Johnson Pacific, a division of the world's largest medical, pharmaceutical and consumer healthcare company for 11 years. Prior to joining Johnson & Johnson, Mr Johnston's career also included senior roles with Diageo and Unilever in Australia, Africa, and Europe. Mr Johnston has also held several prominent industry roles as a past President of ACCORD Australasia Limited, a former Vice Chairman of the Australian Food and Grocery Council and a former member of the board of the Australian Skills Management Institute (ASMI). Mr Johnston has had extensive overseas experience during his career in leading businesses in both Western and Central-Eastern Europe and Africa as well as the Asia-Pacific region. Mr Johnston is currently Non-Executive Chairman of AusCann Group Holdings Ltd (ASX: AC8) and a Non-Executive Director of Medical Developments International Ltd (ASX: MVP). He was a former Non-Executive Director of Enero Group Limited (ASX: EGG) and PolyNovo Ltd (ASX: PNV), and a former Non-Executive Chairman of Probiotec Ltd (ASX: PBP).

Mr Johnston is a member of the Company's Remuneration and Audit & Risk Committees.
Mr Johnston has not been a director of any listed companies in the last three years other than those listed above.

Mr Philip Powell BComm (Hons) ACA MAICD | Non-Executive Director (appointed 17 June 2019)

Mr Powell is a Chartered Accountant with extensive experience in investment banking, specialising in capital raisings, initial public offerings (IPOs), mergers and acquisitions and other successful corporate finance assignments across a diverse range of sectors including pharma, utilities, IT, financial services, food, and agriculture. He spent 10 years in senior financial roles at OAMPS Ltd, a former ASX-listed financial services group, and 10 years in audit with Arthur Andersen & Co in Melbourne, Sydney, and Los Angeles. Mr Powell is currently a Non-Executive Director of Medical Developments International Ltd (ASX: MVP) and RMA Global Ltd (ASX: RMY). He was a former Non- Executive Director of PolyNovo Ltd (ASX: PNV).

Mr Powell is the Chair of the Company's Audit & Risk Committee.
Mr Powell has not been a director of any listed companies in the last three years other than those listed above.

Professor Allan Cripps AO PhD BSc (Hons) FAHSM FASM FAIMS FIBMS FCHSM MAICD | Non-Executive Director (appointed 23 January 2020)

Professor Cripps is a distinguished academic, clinical scientist and health services leader, having made significant contributions in immunology, diagnostics, and health services delivery. From 2005 to 2016, Professor Cripps was the Pro Vice Chancellor (Health) at Griffith University and is currently a research professor at Griffith University, leading the Mucosal Immunology Research Group within the Menzies Health Institute Queensland. Professor Cripps had near 20 years' experience in the health and pharmaceutical industries before becoming a full-time academic focusing his research on mucosal immunology, respiratory tract infections, vaccine development and diagnostics. He has published over 300 peer reviewed scientific papers, presented at numerous international scientific conferences, received over $17 million in Government and industry grant funding and is co-inventor on several international patents in the fields of diagnostics and vaccine protein antigens. He is a fellow of the Australian Academy of Health and Medical Scientists, the Australian Society for Microbiology, the Australian Institute of Medical Scientists, the Institute of Biomedical Scientists (UK) and the Australasian College of Health Service Management. In 2015 he was awarded the Order of Australia (AO) for distinguished service to tertiary education as a senior administrator and to public health as a leading immunologist, academic and researcher in the area of mucosal immunisation. Professor Cripps is a Non-Executive Director of Neurotech International Limited (ASX: NTI). He was previously Non-Executive Director of Research Australia (2005 – 2012) and the Gold Coast Hospital and Health Services Board (2011 – 2017).

Professor Cripps is a member of the Company's Remuneration Committee and Audit & Risk Committee.
Professor Cripps has not been a director of any other listed companies in the last three years.

Mr Peter Gunzburg BComm | Non-Executive Chairman (appointed 24 September 2001 - resigned 28 July 2020)

Mr Gunzburg has over 20 years' experience as a stockbroker. He holds a Commerce Degree from the University of Western Australia and has previously been a director of the Australian Stock Exchange Limited, CIBC World Markets Australia Limited and a number of ASX listed companies. Mr Gunzburg resigned on 28 July 2020. Mr Gunzburg was appointed as a Non-Executive Director and Chairman of Metals X Limited (ASX: MLX) on 10 July 2020.

Mr Gunzburg has not been a director of any other listed companies in the last three years.

Dr Irmgard Irminger-Finger BSc MSc PhD | Executive Director & Founding Scientist (appointed 16 June 2016 - resigned 11 January 2021)

Dr Irminger-Finger studied molecular biology and biochemistry at the University of Zurich, obtained a master's in molecular biology and biochemistry and a PhD in molecular genetics. After several years as researcher at the Harvard University, she returned to Geneva, Switzerland. From 2006-2018 she headed the Molecular Gynaecology and Obstetrics Laboratory at the Geneva University Hospitals with focus on the function of tumour suppressor genes BRCA1 and BARD1.

Dr Irminger-Finger has not been a director of any other listed companies in the last three years.

Ms Helen Fisher BSc, LLB (Hons) LLM MComm | Non-Executive Director (appointed 28 July 2020 - resigned 25 November 2020)

Ms Fisher is CEO and Managing Director of Bio Capital Impact Fund and a director of NovellusDx. Previously, Ms Fisher was a partner of Deloitte and led Deloitte's Life Sciences industry practice in Australia for 5 years. Ms Fisher has a Bachelor degree in Law (with Honours) and Science from the University of Melbourne, a Master's degree in Laws (specialising in International Taxation) from the University of Melbourne and a Master's degree in Commerce from the University of NSW. Ms Fisher is a Chartered Tax Adviser and an affiliate member of Chartered Accountants Australia and New Zealand. Helen is a Non-Executive Director (NED) of ASX listed companies Calic Limited (ASX: CXL) and Paradigm Biopharmaceuticals Ltd (ASX: PAR). Ms Fisher is the Chair of the Victorian branch of AusBiotech and was previously a Non-Executive Director of Sienna Cancer Diagnostics Ltd.

Ms Fisher was a member of the Audit and Risk Committee until her date of resignation.
Ms Fisher has not been a director of any listed companies in the last three years other than those listed above.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of issuing this report, the interests of the current directors in the shares of the Company were:

	Ordinary Shares	Options
Geoff Cumming	144,447	52,000
Max Johnston	404,310	-
Philip Powell	286,631	-
Allan Cripps	-	-

EXECUTIVE MANAGEMENT AND COMPANY SECRETARY

CHIEF EXECUTIVE OFFICER
Dr Leearne Hinch BSc BVMS MBA

Dr Hinch is an experienced biotechnology CEO with a strong track record in strategic planning, general management, fundraising, business development and commercialisation. She has held senior executive, management and consulting positions in ASX-listed biotechnology, multinational and private companies where she led the development and commercialisation of multiple diagnostic, device, therapeutic and animal health products. Dr Hinch has provided strategic and commercialisation consulting services as Director of Ingeneus Solutions to life science companies and previously held senior executive positions as Chief Executive Officer of neurotherapeutics company Pressura Neuro, CEO of immunotherapy company Immuron Ltd (ASX: IMC), Chief Operations Officer of transdermal drug delivery company OBJ Ltd (ASX: OBJ) and General Manager of biomedical company CollTech Australia (ASX: HCT). Dr Hinch holds Bachelor of Science, Bachelor of Veterinary Medicine and Surgery, and Master of Business Administration (Distinction) qualifications.

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY
Mr Tony Di Pietro BComm CA AGIA MAICD (appointed 28 July 2020)

Mr Di Pietro is a Chartered Accountant with significant corporate accounting experience, gained both in Australia and the UK. He holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia and is a member of the Australian Institute of Company Directors. Tony is a finance executive with extensive technical accounting, corporate tax, and company secretarial experience. Mr Di Pietro has held senior roles within the Biotechnology/MedTech industry for the past 15 years including Sienna Cancer Diagnostics Ltd and Acrux Ltd. Tony played a significant role in the ASX listing of both Sienna and Acrux and the merger between Sienna and BARD1. He has also gained valuable experience in other industry sectors, employed by companies such as BHP Ltd, ExxonMobil Ltd, HSBC Ltd and Wilson Group.

CHIEF SCIENTIFIC OFFICER
Dr Peter French BSc MSc PhD MBA FRSNSW (appointed 17 August 2020 - resigned 17 August 2021)

Dr French is a biotechnology executive and respected scientist with extensive CSO, CEO and director experience. He has a strong track record in commercialising medical innovations with over 40 years' scientific expertise in cell and molecular biology and over 40 peer reviewed publications across oncology, immunology, microbiology, and neuroscience. Most recently, Dr French provided strategic and scientific consulting services to a number of biotechnology companies. His previous industry roles included being executive director of AusDiagnostics Pty Ltd, Bioxyne Ltd and BCAL Diagnostics, Managing Director of Benitec Biopharma Ltd, and founder and Non-Executive director of Cryosite Ltd (ASX: CTE). Dr French also had a successful academic career as Principal Scientist at the Centre for Immunology, St Vincent's Hospital and Post-Doctoral Research Scientist at the Children's Medical Research Foundation. He was awarded the Faculty of Science Alumni Achievement Award for Innovation and Entrepreneurship in 2019 from the University of Sydney.

CHIEF SCIENTIFIC OFFICER
Dr Gregory Rice PhD BSc (Hon) MHA Grad Dip Mgt (appointed 20 September 2020)

Dr Greg Rice is an internationally recognised academic and commercial scientist with over 30 years' expertise and experience in oncology, perinatology, exosome-based research, clinical translational research, IVD development and commercialisation. He has held senior academic appointments, co-founded hospital-based clinical research centres in both oncology and perinatology, and co-founded and led diagnostic companies. He is an award-winning scientist with a strong international profile and clinical research networks. He has published more than 280 peer-reviewed scientific publications and is a regular invited speaker at international conferences. He has held numerous academic leadership positions including at the University of Queensland (UQ), Baker Heart and Diabetes Institute, University of Melbourne, and Monash University. As Director of the UQ Centre for Clinical Diagnostics (CCD), he established the Centre, implemented an ISO17025 quality management system, secured NATA accreditation, and established an exosome research facility to evaluate the clinical utility of extracellular vesicles as liquid biopsies, IVDs and therapeutics. Additionally, he was a Founding Director and CSO of diagnostics company HealthLinx Ltd and more recently CEO of Pregnostica SpA. His academic qualifications include a Doctor of Philosophy and Bachelor of Science (First Class Honours) from the University of Western Australia and a Graduate Diploma in Management and Master of Health Administration from RMIT University.

CHIEF OPERATIONS OFFICER
Mr Carl Stubbings BAppSc (appointed 28 July 2020 - resigned 31 August 2021)

Mr Stubbings has considerable experience commercialising diagnostic products, both locally and globally. Based in the US for 13 years, he served as Senior Vice President for Panbio USA Ltd and Vice-President of Sales and Marketing for Focus Diagnostics, a subsidiary of Quest Diagnostics, one of the world's largest pathology laboratories. In July 2012, Carl returned to Australia where he was appointed Chief Business Officer at Benitec Biopharma Limited (ASX: BLT, NASDAQ: BNTC). He was previously a Non-Executive Director of medical device company Analytica Medical Limited (ASX: ALT), and Non-Executive Director and later Managing Director of Sienna Cancer Diagnostics Ltd.

REVIEW OF OPERATIONS

Information on the operations of the Group during the financial year and up to the date of this report is set out separately in the Annual Report under Review of Operations.

LEGAL PROCEEDINGS

On 24 February 2021, the Company announced that Tony Walker and former director and Founding Scientist of the Company, Dr Irminger-Finger (Plaintiffs and, together, the Claim), had commenced legal proceedings against the Company in the Supreme Court of Victoria. BARD1 advised that it would defend the proceedings and file a comprehensive defence.

On 4 June 2021, the Company announced that it had received from the Plaintiffs particulars, and proposed means of calculation, of their alleged loss and damages relating to the Claim and is reviewing it with its legal advisers. Although the calculations derive a potentially very significant amount of claimed loss and damage by the Plaintiffs, any such claim will ultimately turn on the evidence and the outcome of the legal proceedings at trial. The Company continues to dispute the basis of the Claim and has filed with the Supreme Court of Victoria a comprehensive defence.

IMPACT OF COVID-19

The spread of a novel strain of coronavirus, SARS-CoV-2, known as COVID-19, led the World Health Organisation to declare a global pandemic in March 2020. To contain the spread of the virus, governments around the world have implemented various measures to restrict close human contact, including restrictions to reduce the number of employees able to attend the workplace. In certain jurisdictions, such orders have been lifted, although subsequent outbreaks of COVID-19 infections have led to the reinstatement of restrictions in various jurisdictions. Using guidelines provided by the Victorian state government, a COVID safe plan was developed for operations at the Group's head office in Melbourne. Adhering to state government guidelines, employees that can work from home were directed to work from home when required. Employees involved in essential laboratory-based research, technical support and quality assurance activities were provided permits to continue to work from the office. The Group incurred lower travel costs during the reporting period due to reduced national and international travel.

The Company continued to progress its commercial initiatives during the period. However, the COVID-19 pandemic hampered the Company's ability to conduct on-site visits to potential new and existing customers for business development, sales and technical support of the Group's hTERT product and newly launched EXO-NET® product in its key US market, as well as in Europe and Asia. In addition, sales of the hTERT product were negatively impacted by a reduction in routine pathology services in the US and worldwide. The increased numbers of people vaccinated against COVID-19 vaccinated is believed to have supported recent sales of the hTERT product as routine pathology services began to return to normal in the United States and other regions.

The Company continued to advance its R&D programs at its Australian and US locations, as well as with its external collaborators. However, COVID-19 has caused some delays to expected R&D timelines related to interrupted supply of incoming goods and logistics. In addition, external contractor issues have slowed receipt of materials, patient samples, laboratory consumables and equipment which impacted delivery of some contract milestones. Given many of these COVID-19 impacts are ongoing, the Company notes that it is difficult to update our R&D timelines with any certainty at this stage, but BARD1 continues to efficiently and effectively advance its programs to minimise delays.

INHERENT RISKS OF INVESTMENT IN BIOTECHNOLOGY COMPANIES

There are many inherent risks associated with the development and commercialisation of medical devices, including diagnostics, to a marketable stage. The clinical development process is designed to evaluate the safety and effectiveness of a medical device prior to commercialisation and a significant proportion of medical devices fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, obtaining of necessary regulatory authority approvals, and competitive risks associated with the rapid advancements in technology.

Companies such as BD1 are dependent on the success of their research projects and their ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as other trading enterprises and access to capital and funding for the Group and its projects going forward cannot be guaranteed. Investment in companies specialising in research projects, such as BD1, should be regarded as highly speculative. BD1 strongly recommends that professional investment advice be sought prior to individuals making such investments.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report contain forward-looking statements regarding the Company's business and the technical and commercial potential of its technologies and products in development. Any statement describing the Company's goals, expectations, intentions, or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of discovering, developing, and commercialising medical devices that can be proven to be safe and effective for use in humans, and in the endeavour of building a business around such products and services. BARD1 undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Actual results could differ materially from those discussed in this Annual Report. As a result, readers of this report are cautioned not to rely on forward-looking statements.

ROUNDING

No rounding has been applied to the amounts contained in the financial report under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's report) instrument 2016/191. The Company is an entity to which the legislative instrument applies.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The following announcements were made via the ASX announcement platform since the end of the reporting period:

- On 23 July 2021, the Company announced the completion of a $15 million placement and a plan to raise up to a further $2 million under a Share Purchase Plan (SPP) for existing shareholders. Both capital raising initiatives had the same terms. Investors were able to acquire new ordinary shares at an issue price of $1.55 per ordinary share. For every two ordinary shares acquired each investor received one free ASX quoted option (ASX: BD1O) exercisable at $2.32 until 5:00pm (Melbourne time) on the expiry date of 24 August 2023. Proceeds will be used primarily to fund development and commercialisation of the SubB2M tests for ovarian and breast cancer, and EXO-NET® products.
- On 30 July 2021, a total of 9,677,420 new ordinary shares were issued pursuant to the Placement.
- On 23 August 2021, BD1 announced that the Share Purchase Plan (SPP) had closed oversubscribed. The Board exercised its discretion to accept oversubscriptions accepting applications for $3.4 million.
- On 24 August 2021, a total of 2,200,785 new ordinary shares (SPP Shares), 1,071,279 SPP options and 4,838,686 Placement options were issued.
- On 24 August 2021, the Company formally notified the ASX that 7,233,442 Performance Shares had expired.
- On, 20 September 2021, the Company appointed Dr Greg Rice as its Chief Scientific Officer to lead its R&D programs towards key value-generating technical and development milestones.

At the date of this report, other than that outlined above, there have been no matters or circumstances that have arisen since the end of the period which significantly, or may significantly effect:

- The Group's operations in future years;
- The results of those operations in future years; or
- The Group's state of affairs in future years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than those outlined in this report there were no other significant changes in the state of affairs of the Company during the period.

FINANCIAL POSITION

The net assets of the Group at 30 June 2021 totalled $29,056,730 (2020: $6,475,114).

Total assets at 30 June 2021 totalled $33,521,700 (2020: $7,374,236). The Group had cash and cash equivalents of $4,998,564 at 30 June 2021 (2020: $7,326,861).

DIVIDENDS

No dividend has been declared, provided for or paid in respect of the year ended 30 June 2021 or 30 June 2020.

SHARE OPTIONS

Shares issued as a result of the exercise of options

The Company issued 238,943 new ordinary shares from the exercise of options during the financial year. A total of 172,276 of these options were issued under the BARD1 Incentive Option Plan and 66,667 options were exercised by a consultant who was granted options during the 2018 financial year. A total of $286,465 in exercise proceeds was received.

Options issued

On 8 April 2020, BARD1 entered into a merger implementation agreement (MIA) with Sienna Cancer Diagnostics Limited under which BARD1 would acquire 100% of the issued share capital in Sienna under a scheme of arrangement (Scheme). The Scheme was implemented on 28 July 2020. As part of the Scheme a total of 37,795,332 options in the Company were issued as replacement options to holders of options in Sienna. A consolidation of the Company's securities was approved by shareholders at the BARD1's 2020 annual general meeting. The consolidation took place in December 2020, on the basis of 1 security for every 30 securities held. The same consolidation applied to the number of options on issue. Following the consolidation 1,259,844 options represent those issued as part of the Scheme.

A total of 166,667 options were issued to the CEO, Dr Leearne Hinch, during the financial year. These options were issued under the Company's Incentive Option Plan.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has insurance in place to indemnify directors of the Company against liability incurred to a third party (not being the Company or a related party) that may arise from their position as directors or officers of the Company.

In accordance with subsection 300(9) of the Corporations Act 2001, further details have not been disclosed due to confidentiality provisions of the insurance contracts.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During the financial year, no director has had any interest in a contract or proposed contract with the Company being an interest the nature of which has been declared by the director in accordance with Section 300(11)(d) of the *Corporations Act 2001* except for:

- The contracts for the executive and non-executive director services as disclosed in the remuneration report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors held during the year ending 30 June 2021 and the number of meetings attended by each director.

	Directors' Meetings		Audit Committee		Remuneration Committee	
	No. of meetings held while in office	Meetings attended	No. of meetings held while in office	Meetings attended	No. of meetings held while in office	Meetings attended
Geoff Cumming (appointed 28/07/20)	14	14	-	-	2	2
Max Johnston	15	15	1	1	2	2
Phillip Powell	15	15	2	2	-	-
Allan Cripps	15	15	2	2	2	2
Helen Fisher (appointed 28/07/20, resigned 25/11/2020)	5	5	1	1	-	-
Peter Gunzburg (resigned 28/07/20)	2	2	-	-	-	-
Irmgard Irminger-Finger (resigned 11/01/21)	8	8	-	-	-	-

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing, and controlling the major activities of the Group. The remuneration report has been audited as required by section 300A of the *Corporations Act 2001*.

Use of remuneration consultants

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the period ended 30 June 2021.

Remuneration Policy

The Group has designed its compensation policies to ensure significant linkage between rewards and specific achievement that are intended to improve shareholder wealth. In assessing the link between the Group performance and compensation policy, it must be recognised that biotechnology companies generally do not make a profit until a drug or device is licensed or commercialised, either of which takes a number of years. Furthermore, the biotechnology sector as a whole is highly volatile, significantly driven by market sentiment and inherently high risk. Therefore, the direct correlation of compensation policy and traditional financial performance measures is not appropriate. As an alternative, key milestones are a more meaningful measure of performance to correlate levels of compensation. These milestones are discrete achievements and can be used to evaluate the Group's progress towards commercialising its various projects.

The Board recognises that the performance of the Company depends upon the quality of its Directors and Executives and to this end the Company is aware that it must attract, motivate, and retain experienced Directors and Executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in the form of salary and fringe benefits such as motor vehicle benefits.

In accordance with best practice governance, the structure of Non-Executive Directors and senior executive remuneration is separate and distinct. It should be noted that the amount of salary and the grant of options is at the discretion of the board of directors. The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

The Company's Constitution and ASX Listing Rules specify that aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of Shareholders. Approval by Shareholders was granted at a general meeting on 14 November 2019 to pay Non-Executive Directors an aggregate amount of up to $400,000 per annum. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. Each Non-Executive Director may also receive an equity based component where approval has been received from Shareholders in a general meeting.

The Company's Remuneration Committee was established on 25 February 2020 and initially consisted of two members being Mr Max Johnson (Chair) and Mr Allan Cripps. Mr Johnson and Mr Cripps are Non-Executive Directors of the Company. Remuneration for directors and executives are not linked directly to the performance of the economic entity. Dr Cumming was appointed to this Committee on 13 August 2020.

The Company has or had Employment and/or Consultancy Agreements in place with Dr Hinch, Mr Powell, Mr Johnson, Professor Cripps, Dr Cumming, Dr Rice, Mr Di Pietro, Dr Irminger-Finger, Dr French and Mr Stubbings. The major provisions of each of the agreements relating to compensation are set out below.

Dr Cumming (appointed 28 July 2020)
Dr Geoffrey Cumming has a Letter of Appointment with the Company dated 23 July 2020 to perform the role of Non-Executive Chairman for an annual base fee of $75,000 plus superannuation entitlement. Dr Cumming is not entitled to a termination or redundancy benefit.

Dr Hinch
Dr Leearne Hinch has an Executive Employment Agreement with the Company dated 7 November 2016 to perform the role of Chief Executive Officer, under which Dr Hinch is paid a total fixed remuneration of $330,384 per annum plus superannuation payable under the Superannuation Guarantee Act. This arrangement can be terminated by either party by providing 6 months written notice, which based on current remuneration rates would amount to a termination payment of up to $176,976 if the full notice period is not served.

A Short-Term Incentive (STI) bonus of $35,000 was paid during the financial year for the achievement of agreed key performance indicators (KPIs) for the 12 months to 30 June 2020. The KPIs included the (i) acquisition of complementary diagnostic assets, (ii) establishment of the business and staffing in Melbourne, (iii) advance development of BARD1 AAb kit, and (iv) transfer of the BARD1 AAb program to Australia. These KPIs were 100% achieved by the merger with Sienna and hitting development milestones related the BARD1 AAb program. This STI was agreed to be paid in January 2021.

Dr Hinch may also be eligible for a Long-Term Incentive (LTI), being the grant of options. During the financial year the Company issued 166,667 options to Dr Hinch pursuant to the BARD1 Incentive Option Plan.

Mr Johnston and Mr Powell
Mr Max Johnston and Mr Philip Powell have Letters of Agreement with the Company dated 17 June 2019 to perform the role of Non-Executive Director for an annual base fee of $50,000 plus superannuation entitlement. Both Directors are not entitled to a termination or redundancy benefit.

Professor Cripps
Professor Allan Cripps has a Letter of Agreement with the Company dated 23 January 2020 to perform the role of Non-Executive Director for an annual base fee of $50,000 plus superannuation entitlement. Professor Cripps is not entitled to a termination or redundancy benefit.

Mr Stubbings (appointed 28 July 2020, resigned 31 August 2021)
Mr Carl Stubbings had an Employment Agreement with the Company dated 28 July 2020 to perform the role of Chief Operating Officer for an annual base salary of $255,000 per annum plus superannuation entitlement. This arrangement could have been terminated by either party providing 3 months written notice, which would have amounted to a termination payment of up to $63,750 if the full notice period was not served. Mr Stubbings served out the majority of his notice period and no termination payment was made.

Mr Di Pietro (appointed 28 July 2020)
Mr Tony Di Pietro has an Employment Agreement with the Company dated 23 February 2015 to perform the role of Chief Financial Officer and Company Secretary, under which Mr Di Pietro is paid a total fixed remuneration of $255,000 per annum plus superannuation entitlement. This arrangement can be terminated by either party providing 3 months written notice, which based on current remuneration rates would amount to a termination payment of $63,750 if the full notice period is not served.

Dr French (appointed 17 August 2020, resigned 17 August 2021)
Dr Peter French had an Employment Agreement with the Company dated 17 August 2020 to perform the role of Chief Scientific Officer (CSO) of the Group for an annual base salary of $255,000 per annum plus superannuation entitlement. This arrangement was for a fixed 12-month term and could have been terminated by either party providing 1 months written notice within the first 6 months and then the lesser of 3 months written notice or the remaining term, unless renewed, which based on current remuneration rates could have amounted to a termination payment of up to $63,750 if the full notice period was not served. Dr French resigned on 17 August 2021, no termination payment was made, and he subsequently transitioned to the role of Strategic Technology Advisor under a consultancy agreement.

Dr Greg Rice (appointed 20 September 2021)
Dr Greg Rice has an Employment Agreement with the Company dated 20 September 2021 to perform the role of Chief Scientific Officer of the Group for an annual base salary of $250,000 per annum plus superannuation entitlement. This arrangement can be terminated by either party providing 1 months written notice within the first 6 months and then 3 months written notice thereafter, which based on current remuneration rates would amount to a termination payment of up to $62,500 if the full notice period is not served.

The Company does not have any other consultancy or employment agreements in place with KMP.

Remuneration of Key Management Personnel

		Short Term Benefits Salary & Fees	Bonus	Post-Employment Benefits Superann-uation	Long Term Benefits	Share Based Payments[#]	Total
G Cumming [1]	2021	69,327	-	6,586	-	-	75,913
Chairman	2020	-	-	-	-	-	-
P Powell	2021	50,000	-	4,750	-	-	54,750
Non-Exec Director	2020	50,000	-	4,750			54,750
M Johnston	2021	50,000	-	4,750	-	-	54,750
Non-Exec Director	2020	50,000	-	4,750	-	-	54,750
A Cripps	2021	50,000	-	4,750	-	-	54,750
Non-Exec Director	2020	20,833	-	1,979	-	-	22,812
L Hinch	2021	330,384	35,000	24,430	6,405	471,068	867,287
CEO	2020	330,384	61,250	24,519	1,486	294,098	711,737
P French [2]	2021	218,076	-	18,819	447	9,778	247,120
CSO	2020	-	-	-	-	-	-
T Di Pietro [3]	2021	238,654	-	20,025	8,443	22,483	289,605
CFO and Co Sec	2020	-	-	-	-	-	-
C Stubbings [4]	2021	237,113	-	20,238	1,270	125,403	384,024
COO	2020	-	-	-	-	-	-
H Fisher [5]	2021	17,051	-	1,620	-	-	18,671
Non-Exec Director	2020	-	-	-	-	-	275,000
P Gunzburg [6]	2021	6,250	-	594	-	-	6,844
Chairman	2020	75,000	-	7,125	-	-	82,125
I Irminger-Finger [7]	2021	166,932	-	-	-	-	166,932
Executive Director	2020	275,000	-	-	-	-	275,000
Total	**2021**	**1,433,787**	**35,000**	**106,562**	**16,565**	**628,732**	**2,220,646**
Total	**2020**	**801,217**	**61,250**	**43,123**	**1,486**	**294,098**	**1,201,174**

[1] G Cumming appointed 28 July 2020
[2] P French appointed 17 August 2020, resigned 17 August 2021, transitioned to the role of Strategic Technology Advisor under a consultancy agreement
[3] T Di Pietro appointed 28 July 2020
[4] C Stubbings appointed 28 July 2020, resigned 31 August 2021.
[5] H Fisher appointed 28 July 2020, resigned 25 November 2020
[6] P Gunzburg resigned 28 July 2020
[7] I Irminger-Finger resigned 11 January 2021
[#] The amounts reported represent non-cash expense required to be calculated under accounting standard AASB 2 – Share-based Payment

Group Performance

The table below shows the performance of the Group as measured by the Group's closing share price and EPS over the last five years.

	12 months ended 30 June 2017	**12 months ended 30 June 2018**	**12 months ended 30 June 2019**	**12 months ended 30 June 2020**	**12 months ended 30 June 2021[#]**
Closing share price	$0.010	$0.014	$0.020	$0.027	$1.88
Loss after tax ($)	(2,604,171)	(1,817,301)	(1,717,273)	(3,253,553)	(11,150,880)
EPS ($ per share)	(0.004)*	(0.003)*	(0.001)*	(0.0022)	(0.1443)

[#] Data included for this financial year is impacted by a consolidation of securities in December 2020 on the basis of 1 security for every 30 securities held.
**The loss per share calculations for periods prior to 30 June 2019 have been adjusted by a factor of 1.019 to reflect the bonus element of the capital raising completed subsequent to year end.*

SHARE OPTIONS

Shares issued as a result of the exercise of options

No options that were issued as part of a long term incentive to key management personnel were exercised during the period and up to the date of the directors' report.

Options issued during the financial year

During the 2021 financial year, the Company issued and granted 166,667 Options to Dr Leearne Hinch pursuant to the Company's Incentive Option Plan, in consideration for services provided in her role as Chief Executive Officer of the Company, as an incentive for future performance, and to satisfy the Company's requirements in relation to the Long Term Incentives under the CEO's Executive Employment Agreement. The options issued during the financial year were granted on 14 April 2021, vested on issue, are exercisable at $1.13 and expire 30 April 2025.

Per the terms of the Merger Implementation Agreement with Sienna Cancer Diagnostics Ltd, BARD1 issued replacement options to the employees and holders of Sienna Cancer Diagnostics Limited options. Pursuant to this agreement 1,560,000 options (52,000 post consolidation) were issued to Dr Geoffrey Cumming, 7,540,000 options (286,001 post consolidation) issued to Mr Carl Stubbings, 7,280,000 options (242,667 post consolidation) issued to Mr Tony Di Pietro and 1,040,000 options (34,668 post consolidation) issued to Dr Peter French.

For details on the valuation of the options, including models and assumptions used, please refer to Note 21.
Share options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met.

Options that lapsed during the financial year

No options that were issued as part of a long term incentive to key management personnel lapsed during the financial year.

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

At 30 June 2021 the interests of the key management personnel in the ordinary shares in the Company were:

	Balance Ordinary Shares 30 June 2020	Acquired via Scheme of Arrangement	Securities Consolidation – 1 for 30 securities held	Acquired on Market	Balance Ordinary Shares 30 June 2021
Dr Geoffrey Cummng	-	3,472,802	(3,357,042)	9,333	125,093
Max Johnston	5,700,000	4,948,668	(10,293,712)	30,000	384,956
Philip Powell	5,000,000	918,304	(5,721,027)	70,000	267,277
Professor Allan Cripps	-	-	-	-	-
Dr Leearne Hinch	-	-	-	30,000	30,000
Dr Peter French	-	-	-	-	-
Tony Di Pietro	-	-	-	-	-
Carl Stubbings	-	580,528	(561,177)	-	19,351

Note: The ordinary shares held by Dr Irmgard Irminger-Finger and Mr Peter Gunzburg are not included in this table as they were no longer members of Key Management Personnel at 30 June 2021.

KEY MANAGEMENT PERSONNEL OPTIONS

	Balance Options 30 June 2020	Acquired via Scheme of Arrangement	Securities Consolidation – 1 for 30 securities held	Granted as Remuneration*	Exercised	Balance Options 30 June 2021
Dr Geoffrey Cumming	-	1,560,000	(1,508,000)	-	-	52,000
Dr Leearne Hinch	15,000,000	-	(14,500,000)	166,667	-	666,667
Dr Peter French	-	1,040,000	(1,005,332)	-	-	34,668
Tony Di Pietro	-	7,280,000	(7,037,333)	-	(50,075)	192,592
Carl Stubbings	-	7,540,000	(7,253,999)	-	-	286,001

Loans to Key Management Personnel

There have been no loans to KMP's during the financial year.

Other Transactions with KMPs

Former director Ms Helen Fisher received $19,834 for tax consulting (preparation of ATO class ruling and other advice) relating to the scheme of arrangement between BD1 and Sienna. These fees are considered to be reasonable market rates fees for the preparation of complex tax advice required to be undertaken as part of the scheme of arrangement. There have been no other transactions with KMP's during the financial year.

Voting and comments at the Company's 2020 Annual General Meeting

The Company received 94.10% of the vote in favour of its Remuneration Report for the 2020 financial year. The Company did not receive any specific feedback at the AGM on its remuneration policies.

** END OF REMUNERATION REPORT **

NON-AUDIT SERVICES

The Company may decide to employ the external auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Company and the Group are important. The Audit and Risk Committee has considered the position and is satisfied that the provision of the non-audit services did not compromise the auditor for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence.

	2021 $	**2020 $**
Fees to Ernst & Young Australia (auditor for the 2020 financial year) for:		
- Financial due diligence with regards to Scheme of Arrangement with Sienna Cancer Diagnostics Ltd	-	122,705
Fees to Grant Thornton:	-	-

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the twelve months ending 30 June 2021 has been received and can be found on page 25.

Signed in accordance with a resolution of the directors

Dr Geoff Cumming
Non-Executive Chairman
28 September 2021

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Auditor's Independence Declaration

To the Directors of BARD1 Life Sciences Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of BARD1 Life Sciences Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 28 September 2021

	Note	Consolidated Group For the year ended 30 June 2021 $	Consolidated Group For the year ended 30 June 2020 $
REVENUE AND COST OF SALES FROM ORDINARY ACTIVITIES			
Product revenue	3	468,096	-
Cost of sales		(64,045)	-
GROSS PROFIT		**404,051**	**-**
OTHER INCOME			
Research and development tax incentive refund	4	643,542	464,101
Grant income	4	317,533	71,000
Interest and miscellaneous income	4	42,882	98,385
TOTAL OTHER INCOME		**1,003,957**	**633,486**
OPERATING EXPENDITURES			
Impairment of intangibles	10	(7,321,047)	-
Employee benefits expense	5	(3,185,127)	(1,223,252)
Administration costs	5	(1,197,102)	(1,623,628)
Research and development		(1,594,056)	(515,339)
Patent and trademark expenses		(112,077)	(169,558)
Share based payments expense	16	(685,397)	(294,098)
Depreciation and amortisation	5,9,10	(910,029)	-
Insurances		(220,636)	(65,302)
Lease liability interest		(99,204)	-
Foreign exchange (loss)/gain		(109,018)	4,138
TOTAL OPERATING EXPENDITURES		**(15,433,693)**	**(3,887,039)**
LOSS BEFORE INCOME TAX		**(14,025,685)**	**(3,253,553)**
Income tax credit/(expense)	6(a)	2,874,805	-
LOSS AFTER INCOME TAX		**(11,150,880)**	**(3,253,553)**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to operating result			
Foreign currency translation	16	40,076	(6,887)
OTHER COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR, NET OF TAX		**40,076**	**(6,887)**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO THE MEMBERS OF BARD1 LIFE SCIENCES LIMITED		**(11,110,804)**	**(3,260,440)**
LOSS PER SHARE:		**Cents**	**Cents**
Basic loss per share	18	(14.43)	(0.24)
Diluted loss per share	18	(14.43)	(0.24)

The accompanying notes form part of these financial statements.

	Notes	Consolidated Group As at 30 June 2021 $	Consolidated Group As at 30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents	7	4,998,564	7,326,861
Trade and other receivables	8	219,567	21,375
Inventories		47,503	-
Prepayments		382,891	26,000
TOTAL CURRENT ASSETS		**5,648,525**	**7,374,236**
NON-CURRENT ASSETS			
Building improvements, plant, and equipment	9	585,344	-
Intangible assets	10	15,115,462	-
Goodwill	10	11,030,560	-
Right-of-use assets	11	1,141,809	-
TOTAL NON-CURRENT ASSETS		**27,873,175**	**-**
TOTAL ASSETS		**33,521,700**	**7,374,236**
CURRENT LIABILITIES			
Trade and other payables	12	762,142	798,856
Lease liability	13	346,634	-
Provisions	14(a)	350,362	77,075
TOTAL CURRENT LIABILITIES		**1,459,138**	**875,931**
NON-CURRENT LIABILITIES			
Lease liability	13	917,503	-
Provisions	14(b)	29,816	23,191
Deferred tax liability	6(c)	2,058,513	-
TOTAL NON-CURRENT LIABILITIES		**3,005,832**	**23,191**
TOTAL LIABILITIES		**4,464,970**	**899,122**
NET ASSETS		**29,056,730**	**6,475,114**
Issued capital	15(a)	51,832,009	19,286,885
Distribution reserve	16	(309,421)	(309,421)
Share based payment reserve	16	1,511,691	388,734
Foreign exchange translation reserve	16	(22,829)	(62,905)
Accumulated losses	17	(23,954,720)	(12,828,179)
TOTAL EQUITY		**29,056,730**	**6,475,114**

The accompanying notes form part of these financial statements.

For the year ended 30 June 2021

	Issued Capital $	Accumulated losses $	Distribution Reserve $	Foreign Currency Translation reserve $	Share Based Payments Reserve $	Total Equity $
At 30 June 2020	**19,286,885**	**(12,828,179)**	**(309,421)**	**(62,905)**	**388,734**	**6,475,114**
Loss for the year	-	(11,150,880)	-	-	-	(11,150,880)
Other comprehensive income	-	-	-	40,076	-	40,076
Total comprehensive loss for the period	**-**	**(11,150,880)**	**-**	**40,076**	**-**	**(11,110,804)**
Value of options issued to Sienna Option holders	-	-	-	-	461,899	461,899
Share based payments	-	24,339	-	-	661,058	685,397
Issue of ordinary shares on exercise of options	286,479	-	-	-	-	286,479
Issue of shares to Sienna Cancer Diagnostics Ltd shareholders as part of the Scheme of Arrangement	32,258,645	-	-	-	-	32,258,645
At 30 June 2021	**51,832,009**	**(23,954,720)**	**(309,421)**	**(22,829)**	**1,511,691**	**29,056,730**

For the year ended 30 June 2020

	Issued Capital $	Accumulated losses $	Distribution Reserve $	Foreign Currency Translation reserve $	Share Based Payments Reserve $	Total Equity $
At 1 July 2019	**16,980,108**	**(9,574,626)**	**(309,421)**	**(56,018)**	**94,636**	**7,134,679**
Loss for the year	-	(3,253,553)	-	-	-	(3,253,553)
Other comprehensive income	-	-	-	(6,887)	-	(6,887)
Total comprehensive loss for the period	**-**	**(3,253,553)**	**-**	**(6,887)**	**-**	**(3,260,440)**
Share based payment	-	-	-	-	294,098	294,098
Issue of shares net of costs	2,306,777	-	-	-	-	2,306,777
At 30 June 2020	**19,286,885**	**(12,828,179)**	**(309,421)**	**(62,905)**	**388,734**	**6,475,114**

The accompanying notes form part of these financial statements.

	Notes	Consolidated Group For the year ended 30 June 2021 $	Consolidated Group For the year ended 30 June 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from product income		455,026	-
Payment to suppliers and employees		(6,718,026)	(3,170,063)
Interest received		41,323	98,385
Grant and other income		317,758	71,000
Research and development tax incentive		643,542	464,101
Net cash flows used in operating activities	7	**(5,260,377)**	**(2,536,577)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangibles		(363,143)	-
Building improvements		(89,844)	-
Purchase of property, plant, and equipment		(332,845)	-
Net cash acquired from Sienna	29	3,764,434	-
Net cash from investing activities		**2,978,602**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(335,665)	-
Proceeds from issue of shares	15(a)	286,479	2,485,797
Share issue costs		-	(179,020)
Net cash (outflow)/inflow from financing activities		**(49,186)**	**2,306,777**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,330,961)**	**(229,800)**
Cash and cash equivalents at the beginning of the financial period		7,326,861	7,556,661
Effects of exchange rate changes on balance of cash held in foreign currencies		2,664	-
Cash equivalents at the end of the financial period		**4,998,564**	**7,326,861**

The accompanying notes form part of these financial statements.

1. CORPORATE INFORMATION

The financial report of BARD1 Life Sciences Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 28 September 2021.

BARD1 Life Sciences Limited is a Company limited by shares incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The company is a for-profit entity. The principal activities of the Group during the financial year were the research and development of non-invasive diagnostic tests for early detection of cancer.

The Company's registered office changed to 23 Normanby Road, Notting Hill Victoria 3168 in July 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Going Concern

The consolidated financial statements have been prepared under the going concern basis of accounting. The directors believe this basis to be appropriate, taking into account the Group's cash position at 30 June 2021, $4,998,564, and the capital raised via a placement to institutional and sophisticated investors in late July 2021 ($15 million before costs), and subsequent Share Purchase Plan (SPP) in August 2021 ($3.4 million before costs).

(b) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The financial report is prepared in Australian dollars.

(c) Compliance Statement

The Group has adopted all of the new and revised Standards and Interpretations issued by AASB that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2020.

(d) New and amended accounting standards and interpretations issued but not yet effective

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, Configuration or customisation costs in a cloud computing arrangement. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Agenda Decision requires that management capitalise those elements of expenditure that meet the definition of an "Intangible Asset" as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure – either by applying AASB 138 or applying another accounting standard.

The impact of this decision has not had a material impact on the Group's financial statements.

There are no other standards that are not yet effective and would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(e) Statement of Significant Accounting Policies

(i) Basis of Consolidation

The consolidated financial statements comprise the financial statements of BARD1 Life Sciences Limited and its subsidiaries as at 30 June 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

(i) Basis of Consolidation (Continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(ii) Revenue

Revenue is recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Product Revenue

Revenue from the supply of product (hTERT and NETs RUO) is recognised when the product is in the hands of customers which corresponds to the delivery of the Group's performance obligation in accordance with AASB 15.

Other revenue is recognised as received or over the period to which it relates.

(iii) Other income

Interest

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Research and Development Tax Incentive

The federal government's Research and Development Tax Incentive program (R&DTI) offers a tax offset for companies conducting eligible R&D activities. Companies in a tax loss position are able to obtain a refund of the tax offset. When management is able to calculate a reasonable estimate of the R&DTI refund likely to be received for a financial year, that amount is recognised in the financial year to which the refund relates. When a reasonable estimate cannot be determined, income from the R&DTI refund is recognised when it is received.

Government grants

Government grants are recognised where they can be reliably measured, it is certain that the grant will be received, and all attached conditions will be satisfied. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which it is intended to compensate, are expensed. When the grant relates to an asset, it is offset against the capitalised amount and recognised as income in equal amounts over the expected useful life of the related asset (when the asset is depreciated).

Other income is recognised as received or over the period to which it relates.

(iv) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance date in the countries where the Group operates and generates taxable income.

Deferred income tax is provided using the full liability method on temporary differences at the balance date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax asset are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(v) Foreign currency translation

Both the functional and presentation currency of BARD1 Life Sciences Limited is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated financial report are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the original transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The results of the Group's non-A$ reporting subsidiaries are translated into A$ (presentation currency). Income and expenses are translated at the average exchange rates for the financial year. Assets and liabilities are translated at the closing exchange rate for each balance sheet date. Share capital, reserves and accumulated losses are converted at applicable historical rates.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. On consolidation, exchange differences arising from the translation of monetary items considered to be part of the net investment in subsidiaries are taken to the foreign currency translation reserve. If a subsidiary were sold, the proportionate share of the foreign currency translation reserve would be transferred out of equity and recognised in the statement of comprehensive income.

(vi) Goods and services tax

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquiring the asset or as part of an item of 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 a current asset or liability in the statement of financial position.

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

(vii) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(viii) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(ix) Trade and other receivables

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured initially at the transaction price determined under AASB 15. Trade and other receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Following initial recognition, the amortised cost is calculated using the effective interest method.

The Group assesses on a forward-looking basis the expected credit loss associated with its trade receivables carried at amortised cost. The expected credit loss is calculated using the simplified approach which requires the loss allowance to be based on the lifetime expected credit loss. In determining the expected credit loss, the Group assesses the profile of the debtors and compares with historical recoverability trends, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current and forecast conditions as a reporting date.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Impairment of financial assets

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss ("ECL") model to be applied as opposed to an incurred credit loss model under AASB 9. The ECL model requires the Group to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime ECL if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

As at 30 June 2021, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information. An ECL is recognised on the Group's Statement of Financial Position in the form of an allowance for doubtful debts. Sienna Cancer Diagnostics Ltd, a wholly owned subsidiary of BARD1 Life Sciences Ltd, recognised an allowance for doubtful debts following the announcement that Bostwick Laboratories Inc., a debtor, had entered Chapter 11 bankruptcy protection during the financial year ended 30 June 2017. As a result, the full amount owed by the debtor, US$155,378 ($207,180), was recognised as a doubtful debt. This provision for doubtful debts remains in place at 30 June 2021 as the Directors remain unsure as to what amount, if any, will eventually be recovered from this debtor. All remaining receivables are current, and none are past payment terms. No further ECL's were required to be recognised as a result of the assessment.

(x) Building Improvements, Plant and Equipment

Each class of building improvement, plant and equipment is carried at cost, less, where applicable, any accumulated depreciation and impairment.

Building Improvements, Plant & Equipment

The carrying amount of building improvements, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Items of property, plant, and equipment are depreciated over their estimated useful lives.

The depreciation rates for each class of asset are:

Class of Non-Current Asset	**Depreciation Rate**
Office Furniture and Equipment	5.00% - 50.00% straight line
Research Equipment	5.00% - 25.00% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(xi) Intangibles

Patents

Patents are recognised at cost of acquisition or the cost of application and grant. Patents have a finite life and are recognised on the balance sheet at cost less any accumulated amortisation and any impairment losses.

Patents are amortised on a straight-line basis over the term of the patent commencing from the time the patent is registered.

Trademarks

Trademarks are recognised at the cost of application and grant. Trademarks generally have an infinite life and are recognised on the balance sheet net of any impairment.

Purchased Intellectual Property

Purchased intellectual property is recognised at the cost of acquisition or value attributed on business combination. Purchased intellectual property has a finite life and is recognised on the balance sheet at cost less any accumulated amortisation and any impairment losses. An amortisation expense of $512,400 has been recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ending 30 June 2021 (2020: Nil).

Impairment of Purchased Intellectual Property

Purchased intellectual property is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine fair value management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. Assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's recoverable amount exceeds its carrying amount.

The hTERT and Molecular NETs assets are tested individually for impairment at the cash-generating unit level using a royalty in use discounted cash flow model. An impairment of $4,431,828 was recorded for the Molecular NETs asset in the 2021 financial year (2020: Nil).

(xii) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Impairment of Goodwill

Goodwill is generally allocated to those Cash-Generating Units (CGU's) that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill. The Goodwill on Acquisition recorded on the balance sheet relates to the merger with Sienna Cancer Diagnostics Ltd. Management has determined that there is considerable goodwill generated from the merger of BARD1 and Sienna and therefore not reasonable to allocate goodwill across CGU's. As result a companywide value in-use discounted cash flow model was calculated at the end of the financial year. Based upon the same revenue projections and discount rates as the relief from royalty models used for the individual purchased intellectual property assets, this valuation revealed that an impairment charge of $2,889,219 against goodwill on acquisition be recognised for the 2021 financial year (2020: Nil).

(xiii) Investments and other financial assets

Investments and financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics, which arise on specified dates and are solely payments of principal and interest ("SPPI"). For financial assets measured at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

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

As of 30 June 2021, the Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables classified as financial assets and liabilities at amortised costs.

(xiv) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(xv) Employee entitlements

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

Share-based compensation

The Group operates a share-based compensation plan. This consists of an incentive option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

(xvi) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xvii) Leases

AASB 16 applies to annual reporting periods beginning on or after 1 January 2019. AASB 16 introduces a single lease accounting model that eliminates the requirement for leases to be classified as operating or finance leases. Set out below are the accounting policies of the Group upon adoption of AASB 16:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives received or receivable and variable lease payments that depend on an index or a rate. The lease payments also include the renewal option reasonably certain to be exercised by the Group. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses an appropriately considered interest rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(xviii) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

(xix) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of tax, as reduction of the proceeds received.

(xx) Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than dividends on ordinary shares), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and other non-discretionary changes in revenues and expenses that would result from the dilution of potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company adjusted for any bonus issue.

(xxi) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following key estimates and assumptions that have the most significant impact on the critical accounting policies and therefore the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Significant accounting estimates and assumptions

The carrying value of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are outlined below.

Share-based payments

BARD1 operates an Incentive Option Plan. The non-cash expense of issuing these options is calculated using a Binomial option pricing model. This model requires the input of a number of variables including an estimate of future volatility and a risk-free interest rate.

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment indicator exists, the recoverable amount of the asset is determined. For the 2021 financial year an impairment expense of $4,431,828 was recorded for the Molecular NETs intangible asset and $2,889,219 for Goodwill on Acquisition. No impairment expense was recorded for the 2020 financial years. During the financial year ended 30 June 2017 Sienna Cancer Diagnostics Ltd, a wholly owned subsidiary of BARD1 Life Sciences Ltd, recognised an allowance for doubtful debts following the announcement that Bostwick Laboratories Inc., a debtor, had entered Chapter 11 bankruptcy protection. As a result, the full amount owed by the debtor, US$155,378 ($207,180), was recognised as a doubtful debt. This provision for doubtful debts remains in place at 30 June 2021 as the Directors remain unsure as to what amount, if any, will eventually be recovered from this debtor. All remaining receivables are current and none are past payment terms.

Deferred tax assets

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will comply with relevant tax legislation and will generate sufficient taxable profit in future years in order to recognise and utilise those deferred tax assets. Estimates of future taxable profit are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as the operating performance over the life of the assets.

(xxii) Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

(xxiii) Share-based payments

Share-based payments are benefits provided to employees (including directors and executives) and to non-employees in the form of share-based payment transactions. Employees render services in exchange for shares or rights over shares (“equity settled transactions”).

The cost of these equity settled transactions with employees are measured by reference to the fair value at the date at which they are granted. The cost of equity settled transactions with non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of both employee and non-employee equity settled transactions is determined using a Binomial option pricing model.

(xxiii) Share-based payments (Continued)

The cost of employee equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

(xxiv) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3. PRODUCT INCOME

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
Product revenue – at a point in time	468,096	-
	468,096	-

*Product revenue represents sales of vials of the Company's hTERT product from the date of the acquisition of Sienna Cancer Diagnostics, 28 Jul 2020.

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
4. OTHER INCOME		
Research and development incentive tax refund**	643,542	464,101
Grants received*	317,533	71,000
Interest and miscellaneous income	42,882	98,385
	1,003,957	**633,486**

**Grant income comprises $133,400 from the federal government's Cash Flow Boost and Jobkeeper programs, $25,000 in COVID-19 support payments from the Victorian government, $100,000 from the Export Market Development Grant (EMDG) and $59,133 in BTB grant income.*
*** When management is able to calculate a reasonable estimate of the Research and Development Tax Incentive refund likely to be received for a financial year, that amount is recognised in the financial year to which the refund relates. When a reasonable estimate cannot be determined, income from the refund is recognised when it is received.*

5. OPERATING EXPENDITURES		
Employee benefits		
- Staff salaries and wages	2,492,270	915,617
- Directors' fees	242,628	191,667
- Contractor fees	100,559	-
- Superannuation	145,160	68,175
- Other employment expenses	204,510	47,793
Per consolidated Statement of Comprehensive Income	**3,185,127**	**1,223,252**
Administrative Costs		
- Business Combination expenses*	219,712	996,128
- Consulting and legal fees	459,987	277,208
- ASX listing and transaction fees plus share registry fees	204,308	38,771
- Short term lease expenditure	8,722	7,464
- Other administration expenses	304,373	304,057
Per consolidated Statement of Comprehensive Income	**1,197,102**	**1,623,628**
Depreciation and amortisation		
- Amortisation of granted patents	36,735	-
- Amortisation of acquired intangible asset - hTERT	360,206	-
- Amortisation of acquired intangible asset – Molecular Nets	152,194	-
- Depreciation of building improvements	25,580	-
- Depreciation of right-of-use assets – AASB 16 Leases	273,486	-
- Depreciation of plant and equipment	61,827	-
Per consolidated Statement of Comprehensive Income	**910,028**	**-**

** Business combination expenses relates to costs associated to the Sienna transaction as further disclosed in note 29. The transaction is considered as a business combination with BARD1 identified as the accounting acquirer. As a result, all transaction related costs incurred have been expensed in accordance with the Group's accounting policies.*

		30 June 2021 $	30 June 2020 $

6. INCOME TAX

(a) Major components of income tax expense for the periods presented are:

Statement of comprehensive income			
Current income tax charge		-	-
Deferred income tax credit – current year*	6(b) & 6(c)	175,876	-
Deferred income tax credit – carried forward losses*	6(c)	1,462,872	-
Income tax credit - Amortisation of hTERT and Molecular NETs	6(c)	128,100	-
Income tax credit - Impairment of acquired intangible asset – Molecular NETs	6(c)	1,107,957	-
Income tax credit reported in the Statement of Comprehensive Income		**2,874,805**	-

** Relates to the recognition of BARD1 Life Sciences Ltd tax losses for the 2020, 2019, 2018 and 2017 financial years, and an estimated tax loss for the 2021 financial year, to offset the deferred tax liability required to be recognised on the value of the hTERT, Molecular NETS and SubB2M intangible assets acquired in the merger with Sienna ($19,733,269 x 25% tax rate = $4,933,318).*

(b) A reconciliation of income tax expense applicable to accounting loss, before income tax at the statutory income tax rate, to income tax expense at the Group's effective income tax rate for the periods ended 30 June 2021 and 30 June 2020 is as follows:

Accounting loss before tax		(14,025,684)	(3,253,553)
At statutory income tax rate of 26% (2020: 30%)		(3,646,678)	(976,066)
Adjustments due to permanent and timing differences		2,630,703	330,105
Deferred tax assets not brought to account		1,015,975	645,961
Tax asset brought to account	6(a)	175,876	-
Deferred income tax credit – carried forward losses*	6(c)	1,462,872	-
Income tax credit-Amortisation of hTERT and Molecular NETs	6(c)	128,100	-
Income tax credit-Impairment of acquired intangible asset–Molecular NETs	6(c)	1,107,957	-
Income tax credit reported in the Statement of Comprehensive Income		**2,874,805**	**-**

Estimated temporary differences total $160,474 as at 30 June 2021 (2020: $37,407). Estimated total tax losses not brought to account total $4,234,576 at 30 June 2021 (2021: $2,849,141). Total estimated tax losses are the sum of the carried forward tax losses reported in the wholly owned subsidiary Sienna Cancer Diagnostics Ltd and subsidiary corporate tax returns lodged with the Australian Taxation Office for the prior financial year plus the amount calculated for the reporting period. It should be noted that tax losses incurred by foreign subsidiaries BARD1AG S.A. and Sienna Cancer Diagnostics Inc. are not included in estimated tax losses not brought to account. It is not probable that the Group will be in a position to utilise these tax losses in future.

The deferred tax assets have not been brought to account at 30 June 2021 because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. These benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(ii) the Group complies with the conditions for the deductibility imposed by law including the continuity of ownership and/or business tests; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

(c) A reconciliation of deferred income tax liability at the statutory income tax rate for the periods ended 30 June 2021 and 30 June 2020 is as follows:

Value of assets acquired on business combination with Sienna		4,933,318	-
Amortisation of hTERT and Molecular NETs	6(a)	(128,100)	-
Impairment of acquired intangible asset – Molecular NETs	6(a)	(1,107,957)	-
Deferred income tax credit – current year	6(a) & 6(b)	(175,876)	-
Deferred income tax credit – carried forward losses	6(a)	(1,462,872)	-
Per Statement of Financial Position		**2,058,513**	-

	As at 30 June 2021 $	As at 30 June 2020 $
7. CASH AND CASH EQUIVALENTS & CASH FLOW INFORMATION		
Cash at bank	977,814	326,861
Term Deposits*	4,020,750	7,000,000
Cash and cash equivalents comprise cash at bank.	**4,998,564**	**7,326,861**
*All have a term of three months or less from the date of commencement of the deposit.		
Net loss after income tax	(11,150,880)	(3,253,553)
Income tax credit	(2,874,805)	-
Impairment of intangible asset – Molecular NETs	4,431,828	-
Impairment of intangible asset – Goodwill on acquisition	2,889,219	-
Share based payments expense	685,397	294,098
Depreciation and amortisation	910,028	-
Lease liability interest	99,204	-
Unrealised foreign exchange loss	109,060	(4,138)
Changes in Assets & Liabilities:		
(Increase)/decrease in receivables	(198,192)	39,901
(Increase)/decrease in inventories	(47,503)	-
Increase/(decrease) in payables	(36,714)	368,400
Increase/(decrease) in provisions	279,912	36,120
(Increase)/decrease in prepayments	(356,891)	(17,405)
Net cash used in operating activities	**(5,260,337)**	**(2,536,577)**
8. TRADE AND OTHER RECEIVABLES		
Trade receivables	375,923	-
Provision for doubtful debts	(207,180)	-
	168,743	-
Other receivables	50,824	21,375
	219,567	**21,375**

Credit Risk

During the financial year ended 30 June 2017 Sienna Cancer Diagnostics Ltd, a wholly owned subsidiary of BARD1 Life Sciences Ltd, recognised an allowance for doubtful debts following the announcement that Bostwick Laboratories Inc., a debtor, had entered Chapter 11 bankruptcy protection. As a result, the full amount owed by the debtor, US$155,378 ($207,180), was recognised as a doubtful debt. This provision for doubtful debts remains in place at 30 June 2021 as the Directors remain unsure as to what amount, if any, will eventually be recovered from this debtor. All remaining receivables are current and none are past payment terms.

9. BUILDING IMPROVEMENTS, PLANT AND EQUIPMENT

	As at 30 June 2021 $	As at 30 June 2020 $
Building Improvements – at cost	185,181	-
Accumulated depreciation	(25,580)	-
	159,601	-
Office equipment – at cost	63,359	-
Accumulated depreciation	(16,753)	-
	46,606	-
Research equipment – at cost	424,000	-
Accumulated depreciation	(44,863)	-
	379,137	-
	585,344	**-**

Movement in Carrying Amounts

	Building Improvements $	Office Equipment $	Research Equipment $	Total $
Balance at the beginning of the year	-	-	-	
Additions – acquired from Sienna merger	95,337	35,003	119,511	249,851
Additions	89,844	28,356	304,489	422,689
Depreciation	(25,580)	(16,753)	(45,074)	(87,407)
Effect of FX translation	-	-	211	211
Balance at the end of the year	159,601	46,606	379,137	585,344

10. INTANGIBLE ASSETS AND GOODWILL

	As at 30 June 2021 $	As at 30 June 2020 $
INTELLECTUAL PROPERTY		
Patents – at cost	351,246	-
Accumulated amortisation	(36,720)	-
	314,526	-
Trademarks at cost	11,897	-
Purchased intellectual property		
hTERT	2,896,772	-
Accumulated amortisation	(360,206)	-
	2,536,566	-
Molecular NETS	15,686,495	-
Accumulated amortisation	(152,194)	-
Accumulated impairment	(4,431,828)	-
	11,102,473	-
SubB2M	1,150,000	-
Per Statement of Financial Position	**15,115,462**	**-**
Goodwill on acquisition		
Goodwill on acquisition of Sienna	13,919,779	-
Accumulated impairment	(2,889,219)	-
Per Statement of Financial Position	**11,030,560**	**-**

	Patents $	Trademarks $	hTERT $	Molecular NETS $	SubB2M $	Total $
Balance at the beginning of the year	-	-	-	-	-	-
Additions – acquired from merger with Sienna	-	-	2,896,772	15,686,495	1,150,000	19,733,267
Additions	351,246	11,897	-	-	-	363,143
Amortisation	(36,735)	-	(360,206)	(152,194)	-	(549,135)
Impairment*	-	-	-	(4,431,828)	-	(4,431,828)
Effect of FX translation	15	-	-	-	-	15
Balance at the end of the year	314,526	11,897	2,536,566	11,102,473	1,150,000	15,115,462

*** Impairment Testing and Key Assumptions**

The Group's intangible asset and goodwill impairment testing procedures are described in note 2 (xi) and (xii). Management determines the carrying value of the Group's purchased intellectual property and goodwill on acquisition. Discounted cash flow models are produced when testing assets for impairment. These models are based upon management estimates of future revenues, operating costs, capital expenditure, working capital leases and tax as well as discount rates. Forecasted gross margins from product sales anticipates growth from market penetration and the evolution of products. A summary of the parameters used to value intangible assets and goodwill from impairment testing is provided in the following table:

Intangible Asset	Valuation Method	Years of Cash Flow Projection	Discount Rate %
hTERT	Relief from Royalty	8.5^	28%
Molecular NETs	Relief from Royalty	12.5#	28%
Goodwill on Acquisition	Value in use	12.5	30%

^ Forecast revenues include a decline from peak revenues in years 6, 7 & 8. Product revenues are supported by patents in key markets during this period.

Forecast revenues match the life of patents in key markets. Forecast revenues include a decline from peak revenues in years 9 to 12, which is why this period has been used.

For the financial year ended 30 June 2021, BARD1 recognised a non-cash impairment loss of $4,431,828 for the Molecular NETs asset and a further $2,889,219 non-cash impairment charge for Goodwill on acquisition, the result of the reduction in forecast revenues for Molecular NETs.

	As at 30 June 2021 $	As at 30 June 2020 $

11. RIGHT OF USE ASSETS

Right-of-use Asset – at cost	1,510,256	-
Accumulated depreciation	(368,447)	-
	1,141,809	**-**

At the date of this report BARD1 had three leased properties. These leases were entered into by subsidiary Sienna Cancer Diagnostics Limited (Sienna) and its U.S subsidiary. Sienna was acquired by BARD1 on 28 July 2020. One of the leased properties is a sub-let arrangement at 1400 Van Buren St. NE, #140, Minneapolis, Minnesota, US. The Group has no contractual commitment for this lease, and it is therefore classified as a short-term lease for the purposes of AASB 16. The lease payments for this property are included in the Consolidated Statement of Comprehensive Income and classified as an operating expense. During the reporting period the Group also incurred lease payments for an office space at 152 St Georges Terrace, Perth, Western Australia, the head office of BARD1 before the Company relocated to Victoria. The final lease payments for this office space (until 31 August 2020) are included in the Consolidated Statement of Comprehensive Income. The Group holds two other property leases: one for a property at 23 Normanby Road, Notting Hill (the current operations base for the Group), and another for a property at 11 Howley's Road, Notting Hill. The lease at Howleys Rd commenced 1 December 2019. Before occupying the property at Howleys Rd, the Company was informed that a superior property in the same vicinity was to become available in June 2020. This property had established laboratory and small-scale manufacturing capabilities whereas these facilities were required to be custom built at the property at Howleys Rd, at an estimated cost of $400,000 to $500,000. A lease was negotiated for the Normanby Rd property and operations commenced at this property during June 2020. A sub tenancy agreement for the Howleys Rd property was subsequently entered into, matching the remaining term of the head lease for the property.

The following table provides a summary of the leases that represent the balance of the Right-of-use assets and Lease liability (see note 13) on the Statement of Financial Position:

Property	Commencement Date	Initial Lease Term End	Annual Increases	Further Terms
11 Howleys Rd, Notting Hill, Victoria	1 December 2019	30 November 2024	3%	2 x 5 years*
23 Normanby Rd, Notting Hill, Victoria	7 June 2020	6 June 2023	3%	1 x 3 years#

* Further terms not included in the calculation of the right-of-use assets and lease liability
\# Further term included in the calculation of the right-of-use assets and lease liability

The Group sublets a small office space at the Normanby Rd property to a private company operating in the same industry. This is a 12-month agreement which can be extended if agreed to by management. This arrangement is classified as a short-term lease for the purposes of AASB 16.

12. TRADE AND OTHER PAYABLES

Trade and other payables	604,915	798,856
Accruals	157,227	-
	762,142	**798,856**

Trade and other payables are generally unsecured, interest free and with terms ranging from 7 to 30 days.

13. LEASE LIABILITY

CURRENT		
Lease liability	**346,634**	**-**
NON-CURRENT		
Lease liability	**917,503**	**-**
Maturity analysis		
Less than 12 months	346,634	-
Greater than 12 months and less than 5 years	917,503	-
Greater than 5 years	-	-
	1,264,137	**-**

		As at 30 June 2021 $	As at 30 June 2020 $
14.	**PROVISIONS**		
(a)	**Current**		
	Annual Leave	202,902	69,821
	Long Service Leave	147,460	7,254
		350,362	**77,075**
(b)	**Non-current**		
	Long Service Leave	**29,816**	**23,191**

15. ISSUED CAPITAL

(a) Issued and paid up capital

	As at 30 June 2021 $	As at 30 June 2020 $
Ordinary shares (net of issue costs)	**51,832,009**	**19,286,885**

	Number of shares	$	Number of shares	$
At the beginning of the period	1,367,185,026	19,286,885	1,242,985,172	16,980,108
Issue of shares to Sienna shareholders	1,027,345,358	32,258,645	124,289,854	2,485,797
Share consolidation – 1 for 30 securities held	(2,314,712,612)	-	-	-
Issue of shares on conversion of options	238,943	286,479	-	-
Less: Transaction costs	-	-	-	(179,020)
At the end of the period	**80,056,715**	**51,832,009**	**1,367,185,026**	**19,286,885**

At 30 June 2021, the Company had no performance shares on issue (2020: 217,003,236).

(b) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared, and, in the event of the winding up of the Company, to participate in the proceeds from the sale of surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company

Performance Shares

Performance Shares expired on 9 June 2021, being 5 years from the date of issue. The performance shares have no right to receive dividends, no right to vote, subject to the Corporations Act or any right to participate in new issues of capital offered to holders of ordinary shares. The Performance Shares were not transferrable and not quoted on the ASX.

Each Performance Share could convert into one Share upon the announcement by the ASX of the following prior to the Expiry Date:

- the clinical trial of the blood test developed by BARD1AG S.A. for the detection of lung cancer (BBLC Test) has been completed;
- the clinical trial involved at least 2,000 participants, and returned a detection rate greater than 80%, and false positive results of less than 20%; and
- the results of the clinical trial provide statistically significant evidence that the BBLC Test provides an outcome equal or superior to the current "gold standard" CT Scan, which has a detection rate of less than 80%, and returns false positive results of more than 20% ("Milestone")

As the milestone was not met by 5.00pm on the Expiry Date the Company will arrange for the conversion of all the Performance Shares on issue into a single ordinary share, per the terms and conditions of the performance shares.

15. ISSUED CAPITAL (Continued)

(c) Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain an optimal capital structure, the Group may issue new shares or reduce its capital, subject to the provision of the Company's Constitution and any relevant regulatory requirements. The capital structure of the Group consists of equity attributed to equity holders as disclosed in the statement of financial position. The Board monitors the need to raise additional equity from the markets based on its ongoing review of the Group's actual and forecast cash flows prepared by management.

16. RESERVES

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
Distribution reserve*	(309,421)	(309,421)
Share based payment reserve	1,511,691	388,734
Foreign currency translation reserve	(22,829)	(62,905)
	1,179,441	**16,408**
Foreign currency translation reserve **		
Balance at beginning of year	(62,905)	(56,018)
Foreign currency translation	40,076	(6,887)
Balance at the end of the year	**(22,829)**	**(62,905)**
*Share based payment reserve****		
Balance at beginning of year	388,734	94,636
- Reversal of option expense for forfeited options that had not vested	(5,465)	(86,436)
- Value of vested options that lapsed without being exercised transferred to accumulated losses	(2,972)	-
- Value of exercised options transferred to accumulated losses	(21,367)	-
- Fair value (FV) of BARD1 replacement options that was higher than the FV of the Sienna options they replaced at acquisition date, requiring post-merger service	48,079	-
- Fair value (FV) of vested Sienna options for which holders received BARD1 replacement options that represented pre-merger service and were included in the consideration transferred on business combination	461,899	-
- Fair value of options granted	642,783	380,534
Balance at end of year	**1,511,691**	**388,734**

* The distribution reserve is used to record the accounting to BARD1AG SA shareholders as part of the transaction to acquire BARD1 Life Sciences Limited.

** The foreign currency translation reserve is used to record the translation of the results of non-A$ subsidiaries from their functional currency to the Group's presentation currency.

*** The share based payment reserve is used to record the fair value of equity instruments issued to employees, directors, and contractors.

17. ACCUMULATED LOSSES

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
Balance at the beginning of the year	(12,828,179)	(9,574,626)
Value of vested options that lapsed without being exercised	2,972	-
Value of exercised options	21,367	-
Net loss after income tax	(11,150,880)	(3,253,553)
	(23,954,720)	**(12,828,179)**

18. LOSS PER SHARE

Basic loss per share is calculated by dividing net loss after tax for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period adjusted by any bonus issue.

Diluted loss per share is calculated by dividing the net loss after tax attributable to ordinary equity holders of the parent adjusted for the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company adjusted by any bonus issue.

The following reflects the income and share data used in the basic and diluted earnings per share computations

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
Net Loss used in calculating basic and diluted loss per share	(11,150,880)	(3,253,553)
Weighted average number of ordinary shares for basic loss per share	77,265,992#	1,363,439,304
Effect of dilution:		
Share options and performance shares*	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	77,265,992	1,363,439,304
Basic and diluted loss per share (cents per share) for the year attributable to members of BARD1 Life Sciences Limited	(14.43)	(0.24)

At the Company's 2020 AGM shareholders voted in favour of a securities consolidation on the basis of 1 security for every 30 securities held.
* At 30 June 2021 the Company had on issue 1,668,145 options (2020: 17,000,000 before securities consolidation). In the comparative financial year the company had 217,003,236 performance shares on issue (before securities consolidation), the performance shares expired 6 June 2021. Given the Group made a loss during the current financial year, and comparative financial year, the issue of shares from the exercise of options and conversion of performances shares are considered non-dilutive and therefore not included in the diluted loss per share calculation.

19. SEGMENT INFORMATION

In accordance with Australian Accounting Standard AASB 8 Operating Segments, the Company has determined that it has one reporting segment, consistent with the manner in which the business is managed. The chief operating decision maker receives financial information on a consolidated basis. This is the manner in which the chief operating decision maker receives information for the purpose of resource allocation and assessment of performance. The Group operates predominantly in one business segment, the research and development of cancer diagnostics, and three geographical segments, Victoria, Australia, Minneapolis, United States, and Geneva, Switzerland (Geneva operations ceased in February 2021).

Product revenues reported for the financial year were sourced from foreign countries, specifically the United States, South Korea and Greece. More than 10% of product revenue is sourced from one customer in the United States, a total of $445,320 (2020: Nil) from received from this during reporting period. Other income recorded in the reporting period was sourced in Australia.

The Group's non-current assets (other than goodwill on acquisition and right-of-use assets) are located in the following geographic regions:

	As at 30 June 2021	As at 30 June 2020
	$	$
Australia (domicile)	15,222,908	-
United States of America	386,195	-
Switzerland	91,703	-
Total	**15,700,806**	**-**

20. DIRECTORS & KEY MANAGEMENT PERSONNEL

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
(a) Compensation by Category: Key Management Personnel		
Short-term employee benefits	1,468,787	862,467
Post-employment benefits	106,562	43,123
Share based payments	628,732	294,098
Other long term benefits	16,565	1,486
	2,220,646	**1,201,174**

Key management personnel (KMP) are those directly accountable and responsible for the operational management and strategic direction of the Company and the Group. The KMP during the year were:

- Dr Geoffrey Cumming (appointed 28 July 2020)
- Mr Philip Powell (appointed 17 June 2019)
- Mr Max Johnston (appointed 17 June 2019)
- Professor Allan Cripps (appointed 23 January 2020)
- Dr Leearne Hinch (appointed 7 November 2016)
- Dr Peter French (appointed 17 August 2020)
- Mr Tony Di Pietro (appointed 28 July 2020)
- Mr Carl Stubbings (appointed 28 July 2020)
- Ms Helen Fisher (appointed 28 July 2020, resigned 25 November 2020)
- Mr Peter Gunzburg (appointed 24 September 2001, resigned 28 July 2020)
  Dr Irmgard Irminger Finger (appointed 16 June 2016, resigned 11 January 2021)

(b) Options granted to Key Management Personnel

During the 2021 financial year:

- 52,000 options (after securities consolidation) were issued to Chairman, Dr Geoffrey Cumming, in exchange for the options he held in Sienna Cancer Diagnostics, as per the merger implementation agreement;
- 166,667 options were issued to CEO Dr Leearne Hinch under the Company's Incentive Option Plan;
- 34,668 options (after securities consolidation) were issued to CSO, Dr Peter French, in exchange for the options he held in Sienna Cancer Diagnostics, as per the merger implementation agreement;
- 242,667 options (after securities consolidation) were issued to CFO and Company Secretary, Tony Di Pietro, in exchange for the options he held in Sienna Cancer Diagnostics, as per the merger implementation agreement; and
- 286,001 options (after securities consolidation) were issued to COO, Carl Stubbings, in exchange for the options he held in Sienna Cancer Diagnostics, as per the merger implementation agreement.

During the 2020 financial year, the Company issued 500,000 options (after securities consolidation) to Dr Leearne Hinch.

All options on issue are subject to the terms and conditions of the Company's Incentive Option Plan.

Details of options on issue are set out in Note 21.

(c) Loans to/ amounts owed to Key Management Personnel

There were no loans to KMP or amounts owed to KMP's at 30 June 2021 (2020: nil).

(d) Consulting fees paid/owed to Key Management Personnel

Former director Ms Helen Fisher received $19,834 for tax consulting (preparation of ATO class ruling and other advice) relating to the scheme of arrangement between BD1 and Sienna. These fees are considered to be reasonable market rates fees for the preparation of complex tax advice required to be undertaken as part of the scheme of arrangement. There were no other consulting fees paid to KMP's during the financial year.

21. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2021:

Number of Options	Exercise Price ($)	Granted Date	Status	Vested Date	Expiry Date	Conditions	Note
144,444	$2.80	28-Jul-20	Vested	28-Jul-20	1-Apr-22	Yes	1 & 2
19,066	$2.88	28-Jul-20	Vested	28-Jul-20	21-Sep-21	Yes	1 & 2
9,533	$2.88	28-Jul-20	Vested	22-Sep-20	21-Sep-21	Yes	1 & 2
43,333	$1.44	28-Jul-20	Vested	28-Jul-20	3-May-23	Yes	1 & 2
17,332	$1.44	28-Jul-20	Vested	28-Jul-20	3-May-23	Yes	1 & 2
8,666	$1.44	28-Jul-20	Vested	3-May-21	3-May-23	Yes	1 & 2
34,667	$1.19	28-Jul-20	Vested	28-Jul-20	15-Nov-23	Yes	1 & 2
86,667	$1.19	28-Jul-20	Vested	28-Jul-20	15-Nov-23	Yes	1 & 2
48,148	$1.17	28-Jul-20	Vested	28-Jul-20	4-Dec-23	Yes	1 & 2
72,222	$1.17	28-Jul-20	Vested	4-Dec-20	4-Dec-23	Yes	1 & 2
72,222	$1.17	28-Jul-20	Granted	4-Dec-21	4-Dec-23	Yes	1, 2 & 3
26,000	$0.81	28-Jul-20	Vested	28-Jul-20	2-Jul-24	Yes	1 & 2
57,200	$0.81	28-Jul-20	Granted	2-Jul-21	2-Jul-24	Yes	1, 2 & 3
57,200	$0.81	28-Jul-20	Granted	2-Jul-22	2-Jul-24	Yes	1, 2 & 3
13,000	$0.51	28-Jul-20	Vested	6-Feb-21	6-Feb-25	Yes	1 & 2
20,222	$0.51	28-Jul-20	Granted	6-Feb-22	6-Feb-25	Yes	1, 2 & 3
20,222	$0.51	28-Jul-20	Granted	6-Feb-23	6-Feb-25	Yes	1, 2 & 3
83,778	$0.60	28-Jul-20	Vested	23-Oct-20	28-Jul-25	Yes	1 & 2
83,778	$0.60	28-Jul-20	Granted	23-Oct-21	28-Jul-25	Yes	1, 2 & 3
83,778	$0.60	28-Jul-20	Granted	23-Oct-22	28-Jul-25	Yes	1, 2 & 3
333,333	$1.05	27-Sep-19	Vested	27-Sep-19	4-Oct-23	Yes	1 & 4
166,667	$1.86	27-Sep-19	Vested	27-Sep-19	20-Nov-23	Yes	1 & 4
166,667	$1.13	14-Apr-21	Vested	14-Apr-21	30-Apr-25	Yes	1 & 4
1,668,145	**Total ESOP Options**						

Notes:
1. Issued under the terms of the BARD1 Incentive Option Plan (ESOP).
2. Upon termination of employment, vested options expire 60 days after termination of employment other than upon death, retirement, disability, or at Board discretion. Options are to be allowed to remain exercisable until expiry upon retirement or disability. Upon death, or mental incapacity, options can be transferred to an estate, or next of kin, and allowed to remain exercisable until expiry. In case of a change of control unvested options which have not expired are deemed to have satisfied the vesting conditions.
3. Vesting basis: to remain employed by BARD1 up until vesting date.
4. Options issued to Dr Leearne Hinch. If Dr Hinch is to leave the employment of the Group options will expire 3 months after the departure date.

All options granted are in respect of ordinary shares in BARD1 Life Sciences Limited and confer a right of one ordinary share for each option held. Per the terms and conditions of the Incentive Option Plan, directors retain the right to vary the terms of issued options as long as the variation does not result in a lessening of the holder's rights.

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
Recognised share based payment transactions		
Share based payment transactions recognised as operating expenses in the statement of comprehensive income during the financial years were as follows:		
Reversal of option expense for forfeited options that had not vested[(i)]	(5,465)	(86,436)
Value of options issued to Sienna Option holders requiring post-merger service	48,079	-
Options grant expense for options issued during the year [(ii)]	642,783	380,534
	685,397	**294,098**

21. SHARE BASED PAYMENTS (Continued)

(i) Reversal of option expense for forfeited options that had not vested

41,890 options lapsed without vesting during the financial year. In the prior year, 5 million options were to be issued, subject to shareholder approval to Dr Leearne Hinch. During the prior financial period, it was agreed that these options were not to be issued. This resulted in the prior year expense being reversed in the comparative period.

(ii) Options grant expense for options issued during the year

During the 2021 financial year, the Company issued 166,667 Options to the CEO, Dr Leearne Hinch, pursuant to the Company's Incentive Option Plan, in consideration for services provided by Dr Hinch in her role as CEO. In the comparative period a total of 500,000 options (post securities consolidation) were issued to the CEO. Per the terms of the Merger Implementation Agreement with Sienna Cancer Diagnostics Ltd, BARD1 issued 37,795,332 options to the employees and holders of Sienna Cancer Diagnostics Limited options.

	For the year ended 30 June 2021 $	For the year ended 30 June 2020 $
22. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the Company's auditors Grant Thornton (2020: Ernst & Young) Australia for:		
- Auditing the statutory financial report of the Parent company of the Group and auditing the statutory financial reports of any controlled entity.	67,000	96,691
- Other services - Financial due diligence with regards to Scheme of Arrangement with Sienna undertaken by Ernst & Young.	-	122,705
	67,000	**219,396**

23. RELATED PARTY DISCLOSURES

Other related party transactions

(a) Wholly Owned Group Transactions
Details of interests in controlled entities are set out in Note 24. Details of dealings are set out below.

(b) Ultimate Parent Company
BARD1 Life Sciences Limited is the ultimate legal Australian holding Company.

(c) Transactions with Other Related Parties
The Company does not have any transactions with other related parties.

24. CONTROLLED ENTITIES

Consolidated entities of BARD1	Country of Incorporation	Equity Interest held %	
		30 June 2021	30 June 2020
Sienna Cancer Diagnostics Limited	Australia	100	N/A
Sienna Cancer Diagnostics Inc.	U.S.A.	100	N/A
BARD1AG SA	Switzerland	100	100

25. EVENTS SUBSEQUENT TO BALANCE DATE

The following announcements were made via the ASX announcement platform since the end of the reporting period:

- On 23 July 2021, the Company announced the completion of $15 million placement and a plan to raise up to a further $2 million under a Share Purchase Plan (SPP) for existing shareholders. Both capital raising initiatives had the same terms. Investors were able to acquire new ordinary shares at an issue price of $1.55 per ordinary share. For every two ordinary shares acquired each investor received one free ASX quoted option (ASX: BD1O) exercisable at $2.32 until 5:00pm (Melbourne time) on the expiry date of 24 August 2023. Proceeds will be used primarily to fund development and commercialisation of the SubB2M tests for ovarian and breast cancer, and EXO-NET® products.
- On 30 July 2021, a total of 9,677,420 new ordinary shares were issued pursuant to the Placement.
- On 23 August 2021, BARD1 announced that the Share Purchase Plan (SPP) had closed oversubscribed. The Board exercised its discretion to accept oversubscriptions accepting applications for $3.4 million.
- On 24 August 2021, a total of 2,200,785 new ordinary shares (SPP Shares), 1,071,279 SPP options and 4,838,686 Placement options were issued.
- On 24 August 2021, the Company formally notified the ASX that 7,233,442 Performance Shares had expired.
- On, 20 September 201, the Company appointed Dr Greg Rice as its Chief Scientific Officer to lead its R&D programs towards key value-generating technical and development milestones.

At the date of this report, other than that outlined above, there have been no matters or circumstances that have arisen since the end of the period which significantly, or may significantly effect:

- The Group's operations in future years;
- The results of those operations in future years; or
- The Group's state of affairs in future years.

26. PARENT ENTITY

Information relating to **Bard1 Life Sciences Limited**	**For the year ended 30 June 2021 $**	**For the year ended 30 June 2020 $**
Current assets	4,157,744	7,368,099
Non-current assets	31,190,290	-
Total assets	35,348,035	7,368,099
Current liabilities	1,069,766	753,920
Non-current liabilities	24,331	30,445
Total liabilities	1,094,096	784,365
Issued capital	113,931,573	81,386,449
Accumulated losses	(81,189,325)	(75,191,448)
Share based payment reserve	1,511,691	388,734
Total shareholders' equity	38,317,289	6,583,735
Loss of the parent entity	(11,384,397)	(3,287,152)
Total comprehensive loss of the parent entity	(11,384,397)	(3,287,152)

Refer to note 28 for disclosure of any contingent asset and liabilities of the parent entity.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial Risk Management Objectives & Policies

The Group's principal financial instruments comprise cash and equity instruments.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, equity price risk, foreign currency risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange, and commodity prices. Ageing analysis and monitoring of receivables are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Financial Risk Management Objectives & Policies (Continued)

The Chairman is responsible for managing the risks associated with the Group's financial investments and reporting to the board of directors. The board reviews and agrees policies for managing each of these risks as summarised below:

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

(b) Interest Rate Risk - Consolidated

The Group's exposure to interest rate risks and the effective interest rates of financial assets (excluding investments in controlled entities and associates) and financial liabilities are as follows:

Financial Instrument	Floating Interest Rate		Non-Interest Bearing		Total	
	30 June 2021 $	30 June 2020 $	30 June 2021 $	30 June 2020 $	30 June 2021 $	30 June 2020 $
(i) Financial Assets						
Cash and cash equivalents	4,998,564	7,326,861	-	-	4,998,564	7,326,861
Trade and other receivables	-	-	219,567	21,375	219,567	21,375
Total financial assets	**4,998,564**	**7,326,861**	**219,567**	**21,375**	**5,218,131**	**7,348,236**
(ii) Financial Liabilities						
Trade and other payables	-	-	762,142	798,856	762,142	798,856
Total financial liabilities	-	-	**762,142**	**798,856**	**762,142**	**798,856**

A reasonably possible change in interest rates would not have a material impact on the financial position or performance of the Group.

(c) Fair values

The fair values of financial assets and financial liabilities are equal to their carrying value in the statement of financial position.

The fair values have been determined based on the following methodologies:
- Cash and cash equivalents, trade and other receivables, and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

(d) Credit Risk

The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount, net of any allowance for expected credit loss, of those assets as indicated in the statement of financial position. Exposure arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Credit risk exposures

Cash reserves form the majority of the Group's financial assets. At 30 June 2021, cash was deposited with five financial institutions, including two large Australian banks, a U.S. bank account maintained with a Canadian bank, a Swiss Franc bank account held with a large international bank, and one foreign exchange market specialist.

At 30 June 2021, the Group did not have a material credit risk exposure to a single trade debtor.

(e) Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due. The Group's objective is to maintain consistency of funding via the raising of equity or short term loans as and when required. The contractual maturity analysis of trade payables is set out in note 12. All liabilities are contractually due and payable in the next six months.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The functional currency of the parent entity is Australian dollars. The Group contains two foreign subsidiaries, BARD1AG S.A. which is domiciled in Switzerland, and Sienna Cancer Diagnostics INC, which is domiciled in the U.S. This exposes the Group to foreign exchange risk arising from fluctuations of the Australian dollar against the Swiss Franc and United States Dollar.

The exposure to risks is measured using sensitivity analysis and cash flow forecasting.

The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements. The Group does not have any further material foreign currency dealings other than the noted currencies.

The Group's exposure to foreign currency risk at the reporting date, expressed in Australian Dollars as follows:

	As at 30 June 2021 $	As at 30 June 2020 $
Financial assets		
Cash and cash equivalents	73,128	1,879
Trade and other receivables	153,674	-
Total financial assets	226,802	1,879
Financial liabilities		
Trade and other payables	293,229	114,758
Total financial liabilities	293,229	114,758

The following conversion rates were used at the end of the financial year:

CHF/AUD: 1.4408 (2020: 1.5242)
USD/AUD: 1.3334 (2020: N/A)

For all periods presented, the Group did not enter into or hold any foreign exchange derivatives. Given the immaterial exposure, a reasonably possible change in foreign exchange rates would not have a material impact on the financial position or performance of the Group.

28. CONTINGENT ASSET AND LIABILITIES

The Group has the following contingent liabilities at 30 June 2021:

- On 24 February 2021, BARD1 announced that Tony Walker and former director and Founding Scientist of the Company, Dr Irminger-Finger, had commenced legal proceedings against the Company in the Supreme Court of Victoria. BARD1 advised that it would defend the proceedings and file a comprehensive defence.

- On 4 June 2021, BARD1 announced an update on the legal proceedings. The Company received from the Plaintiffs particulars, and proposed means of calculation, of their alleged loss and damages relating to the Claim and is reviewing it with its legal advisers. Although the calculations derive a potentially very significant amount of claimed loss and damage by the Plaintiffs, any such claim will ultimately turn on the evidence and the outcome of the legal proceedings at trial. The Company continues to dispute the basis of the Claim and has filed with the Supreme Court of Victoria a comprehensive defence.

- Sienna Cancer Diagnostics Limited, a wholly owned subsidiary of BARD1 Life Sciences, has a contingent liability in the form of milestone payments to Sevident Inc. shareholders, the entity from which Sienna purchased the Molecular Net capture platform technology in April 2019. Sevident Inc. shareholders are entitled to receive up to a value of US$1.5 million in scrip (or cash) upon the realisation of future Molecular Net product revenue milestones;

- BARD1 Life Sciences Limited has guaranteed the payment of a royalty by Saulyak Limited Liability Company, based on gold output from the Saulyak Gold Project which was disposed of by the Company on 10 July 2007. The royalty is up to 2% net smelter royalty per ounce of gold produced from the Saulyak Gold Project, payable only in respect of ounces of gold produced over 750,000 ounces in total. Gold production from the Saulyak Gold Project has not yet commenced with the current owners of the project yet to secure a mining licence. At the time of the sale of the project by the Company total reserves identified at the project were not in excess of 750,000 ounces;

- BARD1 Life Sciences Limited has contingent liabilities in the form of the milestone payments detailed below, under the SubB2M Technology Licence Agreement with The University of Adelaide:

Milestone amount	Milestone
$50,000	$500,000 in net sales
$100,000	$2,000,000 in net sales
$400,000	$5,000,000 in net sales
$500,000	$20,000,000 in net sales

The milestone payments are one off payments on the aggregate of all net sales of all products from the commencement date of the licence agreement and are not payable on a product-by-product or field-by-field basis.

The Company is not aware of any other contingent liabilities as at 30 June 2021.

29. BUSINESS COMBINATIONS

On 28 July 2020, BARD1 acquired 100% of the issued share capital and voting rights of Sienna Cancer Diagnostics Limited (Sienna) via a Scheme of Arrangement. Sienna was an ASX listed entity with its head office in Melbourne, Australia. Sienna operated in the same industry sector as BARD1, MedTech/Biotechnology, and also developed cancer diagnostic products. The objectives of the merger of the two entities were to expand the portfolio of cancer diagnostic technologies and products, consolidate infrastructure, achieve operational efficiencies, strengthen the management team, and drive the value of the combined business.

The details of the merger are as follows:

Fair value of consideration transferred	**$**
Amount settled in BARD1 scrip – 1,027,345,381 ordinary shares. BARD1's 7 day Volume Weighted Average Price (VWAP) of its ordinary shares, as listed on the ASX, up until the date of the transaction was $0.0314	32,258,644
Value of BARD1 options issued to the holders of options in Sienna	461,899
	32,720,543
Recognised amounts of identifiable net assets	
Cash and cash equivalents	3,764,434
Trade and other receivables	257,975
Inventories	23,507
Other assets	419,403
Total current assets	**4,465,319**
Intangible assets acquired:	
- hTERT	2,896,773
- Molecular Nets	15,686,496
- SubB2M	1,150,000
Property, plant, and equipment	260,687
Right-of-use assets	1,415,295
Total non-current assets	**21,409,251**
Provisions	(124,821)
Trade and other payables	(432,545)
Total current liabilities	**(557,366)**
Provisions	(96,879)
Lease liability	(1,486,243)
Total non-current liabilities	**(1,583,122)**
Identifiable net assets	**23,734,082**
Deferred tax liability	**(4,933,318)**
Goodwill on acquisition	**13,919,779**
	32,720,543

Expenditure associated with Scheme of Arrangement is recognised under administration expenses within the Statement of Comprehensive Income. For the reporting period a total of $219,712 (2020: $996,128) was incurred on expenses associated with the merger with Sienna.

Intangible assets acquired via the business combination

In the financial report for the half-year ending 31 December 2020 the values identified in relation to the acquisition of Sienna Cancer Diagnostics Limited were accounted for provisionally. Since the publication of the Group's half-year financial report BARD1 engaged the services of a professional firm to undertake valuation of the Sienna acquisition which has resulted in the recognition of values for the three identifiable intangible assets (hTERT, Molecular Nets and SubB2M), a resulting Deferred Tax Liability (DTL), and goodwill on acquisition. Accounting Standard 'AASB 3 Business Combinations' requires the recognition of the DTL, calculated on the total value of the identifiable intangible assets. This resulted in an increase of goodwill on acquisition of the same amount.

29. BUSINESS COMBINATIONS (Continued)

Identifiable net assets of Sienna Cancer Diagnostics Ltd

The fair value of trade and other receivables, inventories, other assets, property, plant & equipment, as well as trade and other payables have been recognised in the consolidated accounts of the Group. Provisions for employee entitlements have been taken up in the consolidated statement of financial position. Right-of-use assets and related lease liabilities as required by AASB16 have also been recognised in the consolidated statement of financial position.

Sienna's contribution to the Group results

From the date of the acquisition, 28 July 2020, Sienna contributed $468,096 to the Group's Product revenue, $373,597 to Other income and $2,842,051 to the loss for the reporting period. Had the acquisition occurred on 1 July 2020, the Group would have reported Product revenue of $549,148, Other income of $1,008,687, and the Group's loss for the financial year would have been $6,453,060, before income tax.

The Directors of the Company declare that:

1) In the opinion of the Directors:

   the financial statements, notes and additional disclosures included in the Directors' report designated as audited, of the Group are in accordance with the *Corporations Act 2001,* including:

   (a) complying with Accounting Standards and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date;

2) The financial report also complies with International Financial Reporting Standards.

3) 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.

4) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

This declaration is made in accordance with a resolution of the Board of Directors signed on 28 September 2021.

Dr Geoff Cumming
Non-Executive Chairman
Dated 28 September 2021

OVERVIEW

The Board of BARD1 is responsible for the corporate governance of the Group and guides and monitors the business on behalf of its shareholders. The Board has strived to reach a balance between industry best practice and appropriate policies for BARD1 in terms of its size, stage of development and role in the biotechnology industry. BARD1 performed a review of its Board policies and governance practices with reference to the eight Principles of Good Corporate Governance (Principles) and the Best Practice Recommendations (Recommendations) established by the ASX Corporate Governance Council. The Recommendations are not mandatory and cannot, in themselves, prevent corporate failure or poor corporate decision-making. They are intended to provide a reference point for companies regarding their corporate governance structures and practices.

The Directors have considered each of the core Principles and Recommendations applicable for the year ended 30 June 2021. There are instances where the Group would not benefit from compliance with the Recommendations, and in some instances the Group has not had the resources to comply. The Recommendations that were not adopted are discussed in the Corporate Governance Statement located on the Company's website.

BARD1's Corporate Governance Statement, which summarises the Group's corporate governance practices and incorporates the disclosures required by the ASX Principles, can be viewed on the Company's website at www.bard1.com/investors/corporate-governance.

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Independent Auditor's Report

To the Members of BARD1 Life Sciences Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of BARD1 Life Sciences Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

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 Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Acquisition of Sienna Cancer Diagnostics **Refer to note 29**	
In July 2020, BARD1 acquired 100% of the share capital of Sienna Cancer Diagnostics under a Scheme of Arrangement. Sienna is now a wholly owned subsidiary of BARD1. Under the Scheme, Sienna shareholders received 13 new fully paid ordinary shares in BARD1 for every 5 fully paid ordinary shares held in Sienna. A total of 1,027,345,358 shares were issued to Sienna shareholders. The fair value of the consideration transferred at the acquisition date of 28 July was $32.7 million. The acquisition has been accounted for under AASB 3 *Business Combinations.* This as a key audit matter due to the significant judgements applied in the Purchase Price Allocation and accounting for a business combination is a complex transaction.	Our procedures included, amongst others: • Reviewing the scheme of arrangement to assess the appropriateness of management's determination of the acquisition within the scope of AASB 3; • Testing the accuracy of the consideration against information inputs; • Testing the identification of the identifiable assets and liabilities against available supporting documents; • Evaluating the competence, capabilities and objectivity of management's valuation expert engaged by BARD1 to perform the Purchase Price Allocation; • Using an auditor's valuations expert to review the purchase price allocation prepared by management's expert including identification of intangibles, methodologies and assumptions; • Assessing management's estimates and judgements applied on the valuation of intangible assets including the estimate of useful lives; • Reviewing the tax treatment of intangible assets acquired; • Testing the acquisition and consolidation journal entries; • Reviewing the accounting policies to confirm consistency between entities on consolidation; and • Reviewing the disclosures and accounting policies in the financial report.
Carrying value of goodwill and other intangible assets **Refer to note 2(e)(xi),(xii) and note 10**	
As at 30 June 2021, the net carrying amount of intangible assets included $11.03 million of goodwill; $2.5 million related to the hTERT asset; $11.1 million related to the NETs asset and $1.15 million related to the SubB2M asset. In accordance with AASB 136 *Impairment of Assets*, management has determined the recoverable amounts of these assets based on a value-in-use model for goodwill; a relief-from-royalty model for hTERT and NETs; and fair value less costs of disposal for SubB2M. Impairment losses of $2.9 million on goodwill and $4.4 million on the NETs asset have been recognised in the financial statements and disclosed in note 10. Determining the recoverable amounts of goodwill and other intangibles requires significant management judgement and there is estimation uncertainty associated with key assumptions used in the models including future revenues, growth rates and discount rates.	Our procedures included, amongst others: • Understanding management's process and controls for assessment of impairment and identification of cash generating units (CGUs); • Reviewing management's assessment of impairment indicators; • Evaluating the competence, capabilities and objectivity of management's valuation expert engaged by BARD1 to perform the impairment testing; • Obtaining management's impairment analysis and using an auditor's valuations expert to review the methodology and assumptions; • Evaluating the value-in-use and relief-from-royalty models against the requirements of AASB 136 *Impairment of Assets;* • Challenging the appropriateness of management's revenue and costs forecasts;

Carrying value of goodwill and other intangible assets Refer to note 2(e)(xi),(xii) and note 10	

This as a key audit matter due to the significant judgements and estimation uncertainty in determining the carrying value of these assets.	• Reviewing management's calculations to:
	  ○ Test the mathematical accuracy of the calculations;
	  ○ Test forecast cash inflows and outflows to be derived by the CGU assets;
	  ○ Assess estimates and judgements for growth rates applied; and
	  ○ Agree discount rates applied to forecast future cash flows.
	• Validating appropriateness of management's analysis of the recoverable amount; and
	• Reviewing the adequacy of disclosures in the financial statements.

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 Group's annual report for the year ended 30 June 2021, 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 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 Group'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 Group 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: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. 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 19 to 23 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of BARD1 Life Sciences Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 28 September 2021

BARD1 Life Sciences Ltd's ordinary shares are quoted on the Australian Securities Exchange (ASX) under the ticker code BD1 and the Company's listed options are quoted under the ticker code BD1O. The following information was extracted from the Company's records as at 6 September 2021 and is required by the ASX Listing Rules. At the close of trading on 6 September 2021, the Company's share price was $1.54 while the listed option price was $0.305. BARD1's securities are not quoted on any other stock exchange. There is currently no on-market buy-back of BARD1's listed ordinary shares.

Number of Securities on Issue

The following securities were on issue as at 6 September 2021

- 91,934,920 fully paid ordinary shares
- 5,909,965 listed options expiring 24 August 2023, exercisable at $2.32
- 1,491,056 unlisted options issued under the Company's Incentive Option Plan (IOP), expiring on various dates and exercisable at various prices. Note 21 of the financial statements provides further details of the options on issue at 30 June 2021.

Ordinary Shares
Range of Units as of 6 September 2021

Range	Total holders	Units	% Units
1 - 1,000	3,218	1,474,570	1.60
1,001 - 5,000	2,586	6,593,937	7.17
5,001 - 10,000	765	5,755,950	6.26
10,001 - 100,000	904	26,266,156	28.57
100,001 Over	101	51,844,307	56.39
Rounding			**0.01**
Total	**7,574**	**91,934,920**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel divided by $ 1.54 per ordinary share	324	1,375	234,704

Top 20 Shareholders as of 6 September 2021

Rank	Name	Units	% Units
1	THE TRUST COMPANY AUSTRALIA LIMITED <MOF A/C>	6,086,400	6.62
2	MOGGS CREEK PTY LTD <MOGGS CREEK SUPER A/C>	4,886,671	5.32
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,507,239	4.90
4	DR IRMGARD IRMINGER-FINGER	4,070,000	4.43
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,740,697	1.89
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,239,572	1.35
7	TRAOJ PTY LTD <TRAOJ A/C>	1,102,933	1.20
8	MR NATHAN RYAN WAGNER	1,010,433	1.10
9	TONY WALKER	1,008,918	1.10
10	SUPERGUN PTY LTD <BRICKLANDING SUPER FUND A/C>	1,000,000	1.09
11	DAVID NEATE	902,257	0.98
12	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	745,162	0.81
13	DR RUSSELL KAY HANCOCK	700,000	0.76
14	WORLDWISE ENTERPRISES PTY LTD	684,354	0.74
15	CITICORP NOMINEES PTY LIMITED	654,125	0.71
16	UBS NOMINEES PTY LTD	645,162	0.70
17	FARADAY NOMINEES PTY LIMITED <BRONTE INVESTMENT A/C>	600,000	0.65
18	B & M LAWS SUPER FUND PTY LTD <B & M LAWS SUPER FUND A/C>	584,516	0.64
19	LL&P PTY LTD <THE ANDREW SOLOMONS S/F A/C>	574,095	0.62
20	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	550,788	0.60
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**33,293,322**	**36.21**

The portion of shares held by the 20 largest shareholders in the Company is 36.21%.

Listed Options
Range of Units as of 6 September 2021

Range	Total holders	Units	% Units
1 - 1,000	146	80,100	1.36
1,001 - 5,000	152	424,977	7.19
5,001 - 10,000	61	524,956	8.88
10,001 - 100,000	34	1,168,692	19.77
100,001 Over	12	3,711,240	62.80
Rounding			**0.00**
Total	**405**	**5,909,965**	**100.00**

Top 20 Listed Option-holders as of 6 September 2021

Rank	Name	Units	% Units
1	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	1,240,548	20.99
2	CS FOURTH NOMINEES PTY LIMITED <SETTLEMENT A/C>	483,871	8.19
3	UBS NOMINEES PTY LTD	322,581	5.46
4	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	322,581	5.46
5	MOGGS CREEK PTY LTD <MOGGS CREEK SUPER A/C>	263,502	4.46
6	THE TRUST COMPANY AUSTRALIA LIMITED <MOF A/C>	209,686	3.55
7	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	191,110	3.23
8	GREENE FUND PTY LTD <GREENE SUPERFUND A/C>	161,075	2.73
9	MR NICHOLAS DARREN GREENE + MRS NYARI MARYDENE GREENE	156,617	2.65
10	MR KURTIS JAMES GANN	133,332	2.26
11	ANGUS CAMPBELL WALKER	120,968	2.05
12	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	105,369	1.78
13	MR PETER WILLIAM ROGERS + MS ALIDA JOHANNA CLARK <R & C SUPER FUND A/C>	100,000	1.69
14	CITICORP NOMINEES PTY LIMITED	93,860	1.59
15	ADAM JOHN LEE	88,710	1.50
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	66,128	1.12
17	NATIONAL NOMINEES LIMITED	54,838	0.93
18	MR PHILLIP RICHARD PERRY + MRS TETYANA PERRY <DONESKA SUPER FUND A/C>	52,500	0.89
19	ASENNA WEALTH SOLUTIONS PTY LTD	50,000	0.85
20	LESAMOURAI PTY LTD	50,000	0.85
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**4,267,276**	**72.20**

The portion of listed options held by the 20 largest option-holders in the Company is 72.20%.

Unlisted Options

At 6 September 2021 unlisted options were held by 13 different holders.

Voting Rights

In accordance with the Company's Constitution, voting rights of ordinary shares are on a show of hands whereby each member present in person (or representing a corporation who is a member) shall have one vote and upon a poll, each share will have one vote. Holders of listed options and options issued under the IOP do not have voting rights attached.

Restricted Securities

As at the date of this report there are no restricted securities on issue.

Substantial Ordinary Shareholders as at 6 September 2021

The substantial shareholders pursuant to the provisions of the Corporations Act and listed in the Company's register is as follows:

Rank	Name	Units	% Units
1	MERCHANT FUNDS MANAGEMENT PTY LTD	11,610,762	12.63
2	MOGGS CREEK PTY LTD <MOGGS CREEK SUPER A/C>	4,886,671	5.32