

BIO-GENE DECEMBER 2019 QUARTERLY UPDATE

- **Flavocide™ activity confirmed against Malaria carrying mosquitoes that are resistant to Synthetic Pyrethroids (SP); the insecticide class commonly used since the 1970's to control mosquitoes**
- **GRDC joins evaluation partnership announced with BASF in Australian Stored Grain Pest control**
- **Signed 1 new Material Transfer Agreement (MTA) with potential global partners, taking the total to 7 MTA's across all four key verticals**

Bio-Gene Technology Limited (ASX: BGT, 'Bio-Gene' or 'the Company') today announced an update on its activities for Q2 FY2020, ending 31 December 2019, and to date.

Bio-Gene Chief Executive Officer and Managing Director, Richard Jagger said: "I am delighted with the significant progress that was made during the second quarter and I am looking forward to many new milestones being achieved in 2020.

"During the quarter we made several key announcements however the highlight was the trial results that demonstrated Flavocide is active against resistant strains of the Anopheles gambiae mosquito. The significance of these findings should not be underestimated as they provide Bio-Gene with an opportunity to impact how the world manages the increasing threat of all vector borne diseases. We look forward to presenting the data to key stakeholders in the field of vector control globally, be it governments, NGO's or multinational companies, in order to collaborate with the right partners to help bring this technology to market, in an industry that is in desperate need for new technology," he said.

Breakthrough in fight against Malaria

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

BASF Partnership in grain storage extended to include the key industry grain body

There were several important developments during the quarter that have significantly added to the value proposition for our proprietary technology. Following the announcement of the first exclusive evaluation agreement with BASF that was announced in September 2019, Bio-Gene announced on 1 November 2019 that the Grains Research and Development Corporation (GRDC) has joined BASF, Bio-Gene and the Department of Agriculture & Fisheries, Queensland Government (DAF), in the research program relating to stored grain pest control. The GRDC will provide financial support for the research program as well as expertise through its relationship with Australian grain producers.

Further Mutual Transfer Agreements executed

Bio-Gene's discussions with potential commercial partners continued during the period with the addition of 1 new Material Transfer Agreements (MTA) being signed taking the total number to 7. These MTA's cover opportunities across four key verticals of Crop Protection, Grain Storage, Public Health and Consumer Products. Under these MTA's Bio-Gene has provided Flavocide™ and Qcide™ to these companies for their internal evaluation and together we have agreed on specific testing protocols and target pests, ensuring we can discuss ongoing results with the various R&D divisions and protect and build on our Intellectual Property throughout the process. In addition to

adding further MTA's broadening the number of groups undertaking testing of Bio-Gene's technology, the Company is also continuing to work with existing companies under MTA to progress to further partnering agreements.

IP position continues to move forward

An important component of Bio-Gene's value proposition is its Intellectual Property. As noted previously the Company submitted two additional patent applications in 2018 covering two unique inventions as part of our strategy to provide added protection to our technology and therefore enhanced value to our potential customers. As part of the global patent application process the Company has now entered the specific country by country patent examination phase.

Patent examination is a consultative and iterative process which involves questions being raised by a patent examiner which are to be rebutted by the applicant. Prior to entry into the current country by country phase, the World Intellectual Property Organisation (WIPO) conducts a search to give applicants guidance of potential prior art they may not be aware of. As WIPO searches are not binding on a specific country, the opinions they provide cannot be taken as a guide of the likelihood of ultimate patentability on a country by country basis. In the case of our two pending patent applications, the WIPO search did not reveal anything the Company and our attorneys were not previously aware of and the Company remains confident that granted patent claims will be issued in due course, which will extend our patent monopoly to 2038.

R&D dispute settled successfully

In November, Bio-Gene was pleased to announce that it had settled its dispute with AusIndustry in respect of the R&D Incentive claim relating to the three years ending 30 June 2019 resulting in additional refunds totalling \$359,140 that were received by Bio-Gene in early January 2020. At the end of the quarter, Bio-Gene held \$3.6 million in cash which, based on current plans, provides the Company with sufficient cash for 12 months.

Approved for release by the Chairman of the Board.

- ENDS -

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About Bio-Gene Technology Limited

Bio-Gene is an Australian agtech company enabling the next generation of novel insecticides to address the global problems of insecticide resistance and toxicity. Bio-Gene's novel platform technology is based on a naturally occurring class of chemicals known as beta-triketones.

Beta-triketone compounds have demonstrated insecticidal activity (e.g. kill or knock down insects) via a novel mode of action in testing performed to date. This platform may provide multiple potential new solutions for insecticide manufacturers in applications across crop protection and storage, public health, consumer applications and animal health. The Company's aim is to develop and commercialise a broad portfolio of targeted insect control and management solutions.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Bio-Gene Technology Limited

ABN

32 071 735 950

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	0	0
1.2 Payments for		
(a) research and development	(358)	(640)
(b) commercialisation expenses	(53)	(131)
(c) management administration expenses	(40)	(88)
(d) directors' expenses	(49)	(98)
(e) professional services	(125)	(273)
(f) intellectual property	(1)	(7)
(g) administration and corporate costs (see note 4)	(66)	(116)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	34
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	465	465
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(218)	(855)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of notes		
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(3)	(7)
3.7 Transaction costs related to borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(3)	(7)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,858	4,499
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(218)	(855)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(3)	(7)
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	3,637	3,637

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	12	13
5.2 Call deposits	225	195
5.3 Bank overdrafts	-	-
5.4 Other (Term Deposits)	3,400	3,650
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,637	3,858

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	161
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fees and consulting fees paid to Directors and their related entities.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	N/A
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	N/A	N/A
8.2	Credit standby arrangements	N/A	N/A
8.3	Other (please specify)	N/A	N/A
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	600
9.2	Commercialisation expenses	50
9.3	Management administration expenses	70
9.4	Directors' expenses	70
9.5	Professional services	50
9.6	Intellectual property	50
9.7	Administration and corporate costs (see note 4)	350
9.8	Other (provide details if material)	-
9.9	Total estimated cash outflows	1,240

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 29 January 2020



Print name: Roger McPherson
Company Secretary

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. Net movements in GST are included in this item.
5. Prior Quarter Corrections. Immaterial minor errors and reallocations of expenses from previous quarter reports are corrected on a year to date basis. Movements disclosed for the current quarter have been correctly calculated.