

BIO-GENE MARCH 2020 QUARTERLY UPDATE

- **Signed partnership with Clarke Mosquito Control Inc, ('Clarke') to develop Flavocide™ and Qcide™, for use in public health mosquito control in North, South and Central America**
- **Represents the second evaluation partnership for Bio-Gene and an important validation of Bio-Gene's technology in the public health market**
- **Stored grain pest control research program with BASF, GRDC and Queensland DAF began in January**
- **Strong cash position as at 31 March 2020 of \$3.4 million, further enhanced by government grants and stimulus measures**

Bio-Gene Technology Limited (ASX: BGT, 'Bio-Gene' or 'the Company'), an agtech development company enabling the next generation of novel insecticides to address insecticide resistance, today announced an update on its activities for the quarter ending 31 March 2020, and to date.

Bio-Gene Chief Executive Officer and Managing Director, Richard Jagger said: "The recent announcement relating to our second evaluation partnership and the first in public health represents another important milestone for the Company and an important step in Bio-Gene's commercialisation strategy.

"Successfully signing two partnerships in both grain storage and public health represents validation of the broad potential of Bio-Gene's proprietary technology as a next generation insecticide to address the global problem of insecticide resistance and toxicity."

Public Health

On 23 April 2020, Bio-Gene announced that it had signed a partnership with Clarke to develop both Flavocide and Qcide for use in public health mosquito control in North, South and Central America. Clarke, which is based in the US, is the largest vertically integrated company serving the public health mosquito control market; and the partnership follows positive results from their internal findings of testing Flavocide and Qcide.

In August 2019, Bio-Gene signed a Material Transfer Agreement (MTA) with Clarke to allow initial testing of Flavocide and Qcide on three significant mosquito species of *Anopheles*, *Aedes* and *Culex*. The trials assessed whether Flavocide and Qcide controlled these mosquito species as measured by knockdown and mortality. As a result of the initial findings, this new agreement will focus on developing and evaluating formulations of both Flavocide and Qcide, in combination with other active ingredients to determine potential commercial formulations.

This agreement with Clarke has the opportunity to expand into other markets and is very valuable for our discussions with other stakeholders including for example NGOs and philanthropic organisations, to further develop commercial opportunities in the public health space.

Stored Grain

Bio-Gene is currently undertaking a four-way collaborative research program relating to stored grain pest control. The four-way partnership includes Bio-Gene; BASF, the world's leading chemical company; GRDC, Australia's national grains research, development and extension investment body; and Queensland DAF, recognised experts in the field of stored grain pests. The research program which began in January 2020 is assessing Bio-Gene's technology in combination with other chemical groups for control of the full range of key pests.

In December 2019, Bio-Gene announced results from its stored grain trial that confirmed Flavocide successfully controlled the Lesser Grain Borer, over a nine-month period, which is considered a key industry standard for any

new grain protectant to enter the market. In March 2020, Bio-Gene announced final results from this trial, showing Flavocide continues to control this key stored grain pest over 13 months.

The residual efficacy over 13-months is highly encouraging because it further strengthens the commercial viability of Bio-Gene's technology in stored grain. Furthermore, these results serve as an excellent basis for the collaborative trial program with BASF, Queensland DAF and GRDC.

Pathway to Commercialisation

During the quarter, Bio-Gene Chief Executive Officer and Managing Director, Richard Jagger had a very successful visit to USA where he spent time with several existing potential commercial partners with whom Bio-Gene has MTAs in order to gather feedback from their trials and discuss potential next steps.

During the quarter Bio-Gene signed an additional MTA with a European-based organisation focused on consumer applications in home and garden. There are currently eight MTAs in place globally across Crop Protection, Grain Storage, Public Health and Consumer Products and Bio-Gene is in discussions with several additional potential commercial partners. Under these MTA's Bio-Gene has provided Flavocide and Qcide to these companies for their internal evaluation in collaborative testing programs, using agreed specific testing protocols to target important pests. It is increasingly apparent that these potential partners have significant experience and expertise in commercialising technologies, especially in relation to the regulatory process and manufacturing, that may enable Bio-Gene to enter into collaborative agreements to more cost-effectively commercialise the company's technology and products.

Manufacturing

The company has continued the scale-up program of Flavocide manufacture, under a development agreement with Boron Molecular Pty Ltd. Phase One of the project has been completed, which has delivered an improved standard operating procedure for synthesis of the technical grade material with improvements in yield and purity. The next phase will involve production on a larger scale with dedicated production equipment, which also aims to produce batch analysis data to support product registration, and commercial grade material to use in future toxicological and product chemistry testing.

Cash Position

As at 31 March 2020, Bio-Gene held \$3.4 million in cash, which based on current plans, provides the Company with sufficient cash to operate beyond 12 months.

This cash position will be further enhanced as Bio-Gene will benefit from the Federal Government's Cash Boost initiative and has also received a payroll tax refund from the Victorian government as part of its stimulus package. These funds combined with the Export Market Development Grant that the company has recently received, will add nearly \$200,000 to the Company's financial resources over the next few months.

COVID-19

To date COVID-19 has had no significant impact on the Company's business processes or commercialisation strategy. However, due to government lockdowns in various jurisdictions the pandemic has resulted in delays in some of the research programs. Pleasingly, at this stage there has not been an impact on the research work being undertaken by Queensland DAF in relation to the collaborative project with BASF and GRDC on grain storage pests.

Approved for release by the Chairman of the Board.

- ENDS -

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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 March 2020

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	80	80
1.2 Payments for		
(a) research and development	(381)	(1,021)
(b) commercialisation expenses	(63)	(195)
(c) management administration expenses	(18)	(106)
(d) directors' expenses	(47)	(145)
(e) professional services	(58)	(331)
(f) intellectual property	(8)	(15)
(g) administration and corporate costs (see note 4)	(161)	(276)
1.3 Dividends received (see note 3)		
1.4 Interest received	20	54
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	359	824
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(277)	(1,132)

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 (lease)	(5)	(12)
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	(5)	(12)

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	3,637	4,499
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(277)	(1,132)
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)	(5)	(12)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	3,355	3,355

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	27	12
5.2	Call deposits	228	225
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	3,100	3,400
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,355	3,637

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	370
9.2	Commercialisation expenses	55
9.3	Management administration expenses	50
9.4	Directors' expenses	50
9.5	Professional services	50
9.6	Intellectual property	210
9.7	Administration and corporate costs (see note 4)	55
9.8	Other (provide details if material)	-
9.9	Total estimated cash outflows	840

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: 28 April 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.