

BIO-GENE SEPTEMBER 2018 QUARTERLY UPDATE

Bio-Gene Technology Limited (ASX: BGT, 'Bio-Gene' or 'the Company'), today announced an update on its activities for the quarter ending 30 September 2018 and to date.

It has been another productive quarter for Bio-Gene, with the successful delivery of a number of important milestones:

- commencement of a number of introductory commercial discussions with globally prominent companies;
- positive results achieved in laboratory trials relating to two new pest types;
- positive results generated in initial field testing, focused on a range of pest types affecting cotton, soybean and watermelon crops;
- positive results from a 28-day toxicology study on Flavocide™; and
- completion of the latest stage of the development project with CSIRO.

Bio-Gene Chief Executive Officer, Richard Jagger said: "All of the data as well as the milestones achieved over the last year provide important supporting materials for our ongoing discussions with commercial partners, across our key target markets of crop protection, animal health and consumer products."

The company also met with investors in Sydney, Melbourne, Perth, Adelaide and Brisbane as part of a recent domestic road show ([updated presentation available here](#)), and is focused on building greater awareness of its technologies with multiple stakeholders. To view a recent interview with CEO Richard Jagger on Proactive Investors, [click here](#) – and to receive regular updates from the company, please sign up for email alerts [here](#).

At the end of the quarter, Bio-Gene held \$6.0 million in cash which based on current plans provides the Company with a cash runway well into 2020.

Outlined below is further detail relating to Bio-Gene's activities during the quarter and to date, reported in line with the Company's 2018 Goals & Objectives announcement made on 21 December 2017. For details on activities which occurred in July 2018 refer to the last quarterly report which was lodged on 26 July 2018.:

1. Demonstrating the efficacy of our technology on a range of important pests

In September, Bio-Gene announced successful results from laboratory studies carried out by **cesar**, an independent research organisation, where Flavocide showed control of Diamondback moth and Two spotted mite. Both these pests have global impact, negatively effecting a broad range of crops and plants.

These positive results build on data already generated from laboratory and field studies across a broad range of crop pests including resistant strains and enhance Bio-Gene's engagement with potential commercial partners within the vertical of Crop Protection.

Refer to ASX Announcement 5 September 2018 for further details.

Also, in September, Bio-Gene announced positive results for Flavocide in initial field testing carried out by Eurofins, a leading agrosience research organisation. Testing evaluated Flavocide versus a number of key crop pests including Silverleaf whitefly & Cotton aphid (cotton), Redbanded shield bug & Brown mirid (soybeans), plus Two-spotted mite & Green peach aphid (watermelon).

Flavocide was shown to be effective in controlling all of these pest types, with results adding to previous laboratory-based findings, and supporting discussions with potential commercial partners.

Refer to ASX Announcement 12 September 2018 for further details.

Throughout the period, Bio-Gene has continued to work with key industry organisations and scientific partners to identify opportunities for future collaborative testing across different pest and crop types and will update the market as the parameters of these trials and results become available.

2. Commercial Opportunities

Using Bio-Gene's expanded data set that has been developed during the last twelve months, discussions continue to progress with several major international agchem corporations with respect to evaluation partnerships for potential commercial applications of both Flavocide and Qcide™.

Importantly we have seen heightened interest from major industry players to incorporate additional natural or biological products into their portfolios, with Qcide continuing to generate significant attention.

During the period, Bio-Gene met with potential partners and other industry partners in the US, Europe and Asia, receiving positive feedback and interest in the Company's products. Bio-Gene will continue to advance these discussions with the aim of securing one or more collaborations in the short-term.

3. Building upon our toxicology data trials towards creating a registration package

In October, Bio-Gene announced positive results from a 28-day toxicology study of Flavocide. The study involved repeat oral and dermal doses of Flavocide with rats, showing no observable adverse effects. These results will assist in determining appropriate doses for the next stage of studies which will include longer term repeat dose toxicity testing.

Importantly, these results represent an important de-risking milestone for the ongoing commercial development of Flavocide, with Bio-Gene now able to determine the parameters for longer-term repeat dose toxicity testing. The results also provide further supporting data towards creation of a global registration-enabling data package to support the commercialisation of Flavocide.

Refer to ASX Announcement 9 October 2018 for further details.

In addition, preliminary toxicity testing on Qcide has commenced, with results expected over the coming months.

4. Improving on our manufacturing cost of our molecules

In October, Bio-Gene announced completion of the latest stage of its development project with CSIRO, which improved both the yield and cost of the synthesis process for the production of flavesone, the active constituent contained within Flavocide.

The project developed an improved process for production of flavesone in a more efficient and higher yielding manner. The new process lowers the costs of raw materials, achieves more efficient homogeneous process reactions, produces less waste material and results in finished product with a higher purity.

Achieving a viable manufacturing process for Flavocide now allows Bio-Gene to engage targeted manufacturers to undertake pilot plant production of the molecule. Efficiencies achieved through this process will help underpin the long-term supply of the product once in commercial use.

Refer to the ASX Announcement 11 October 2018 for further details.

5. Corporate

Release of Shares from escrow

During the quarter a total of 2,846,298 ordinary Bio-Gene shares were released from escrow. Bio-Gene has 127,724,471 ordinary shares on issue as of the end of the quarter of which 115,201,166 are quoted on the ASX.

Cash Balance

At the end of the quarter, as outlined in the attached Appendix 4C, Bio-Gene held \$6.0 million in cash.

- ENDS -

For further information, please contact:

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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. Its 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 animal health and crop protection, as well as in public health, and consumer applications.

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")

30 September 2018

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	-	-
1.2 Payments for		
(a) research and development	(405)	(405)
(b) management administration expenses	(76)	(76)
(c) directors' expenses	(46)	(46)
(d) professional services	(85)	(85)
(e) intellectual property	(30)	(30)
(g) administration and corporate costs (see note 4)	(116)	(116)
1.3 Dividends received (see note 3)		
1.4 Interest received	42	42
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(716)	(716)

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	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	0	0

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	6,706	6,706
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(716)	(716)
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)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	5,990	5,990

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	23	6
5.2	Call deposits	167	300
5.3	Bank overdrafts		
5.4	Other (Term Deposits)	5,800	6,400
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,990	6,706

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	209
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 including the cash component of the STI 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	Management administration expenses	80
9.3	Directors' expenses	60
9.4	Professional services	100
9.5	Intellectual property	20
9.6	Administration and corporate costs (see note 4)	120
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	980

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: .



Company Secretary

Date: 25 October 2018

Print name: Roger McPherson

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.