

Bio-Gene advances Flavocide® formulation developments and completes the twelfth Qcide® harvest

Quarterly Activities Report and Appendix 4C

Q4 FY24 Highlights

- Product evaluation and development by commercial partners continues to demonstrate performance of Bio-Gene's products Flavocide® and Qcide®
- Formulation development programs evolve to provide partners with products optimised for target use patterns
- The twelfth Qcide harvest and on-farm oil extraction and efficiency developments have been completed
- Visit to Australia by STK representatives to progress plans for scaled-up Qcide production and regulatory programs to support commercialisation of Qcide
- Programs with overseas insecticide testing organisations evaluating new uses of Bio-Gene products and to support new intellectual property

Bio-Gene Technology Limited (Bio-Gene or the Company), an agtech company developing and commercialising the next generation of novel insecticides derived from nature, provides this update on activities for the quarter ended 30 June 2024 (Q4 FY24) and to date, alongside the Company's Appendix 4C.

Commenting on the Company's progress over Q4 FY24, CEO & Managing Director, Tim Grogan said:

"We have had a strong quarter progressing our busy program of work for the scale-up and regulatory requirements of our two flagship products, Flavocide® and Qcide®.

"Our formulation development programs have evolved to optimise the effectiveness of Qcide and Flavocide and provide benefits for future commercial partners. These formulations are being developed with input from highly experienced formulation technology specialists in Australia and the US.

"Product evaluation by our commercial partners continues to demonstrate the performance of our products, for example, in mosquito control. Once approved by regulators, the impact our products will have on public health around the world is significant.

"Over the past months we have seen major outbreaks of mosquito-borne viral diseases such as Dengue Fever in many countries, as well as Ross River Fever and Murray River Encephalitis outbreaks in Victoria, Western Australia and Queensland. In the Americas alone, almost 10.4 million suspected cases of dengue have been reported to the World Health Organisation as of early July 2024 for the year commencing 1 January 2024, an increase of 232% compared with the same period last year. We also know that changing weather patterns will exacerbate this growing problem as the habitable areas for mosquitoes increase.

Bio-Gene Technology Limited

ABN: 32 071 735 950

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“After regulatory approval, our naturally derived pesticides will offer public health officials around the world a safe and effective way to combat mosquitoes and other carriers of vector-borne diseases in the face of growing insecticide resistance – and with a new mode of action to combat these insects.

“During the quarter we completed our twelfth Qcide harvest in Far North Queensland. With every harvest we are seeing significant improvement in oil yield. Processing of the biomass for oil extraction is being optimised to ensure we can produce oil at-scale and meet the target product specifications.

“With assistance from James Cook University and specialist nurseries, we are also concentrating on improving the trees used for Qcide harvest based on oil and tasmanone content and establishing tree production systems based on tissue culture and seed production to enable commercial production of seedlings. With superior seedlings, we can expand plantation areas to satisfy future market demand for Qcide oil.

“We were delighted to host representatives from our Qcide development partner, STK Bio-Ag, during their recent visit to Australia. STK’s collaboration with Bio-Gene enables the development and registration of Qcide as a completely natural pest control solution. Beyond Australia, there is also potential to expand Qcide production to suitable overseas territories such as South Africa and Brazil.

“Eucalyptus cloeziana trees will provide a viable additional crop for Australian farmers, particularly those currently engaged in tea tree oil production. Our ongoing investments in Qcide production are paving the way for this opportunity, supported by expert assistance in tissue culture and eucalyptus propagation. The scale-up of Qcide production will be a significant undertaking. Bio-Gene is doing the detailed planning required to produce Qcide to meet future market demands. We will continue to increase our collaboration with farmers interested in working with Bio-Gene to grow Eucalyptus cloeziana trees for seed and oil production.”

“In addition to progressively expanding the area of Eucalyptus cloeziana under cultivation, key factors in the commercial success of Qcide scale-up will be establishing a strong network of growers, achieving a competitive cost of production and maximising sustainability in the extraction of Qcide oil from the biomass.”

Qcide production

During the quarter Bio-Gene completed another harvest and on-farm experimentation program to further develop the extraction processes of Qcide oil from *Eucalyptus cloeziana* leaf biomass. Bio-Gene and James Cook University (JCU) staff successfully produced batches of oil further demonstrating the consistency of processing to meet the target oil specification.

Experiments at scale focused on pre-conditioning biomass to minimise the processing time and therefore improve the efficiency of the distillation stage. JCU is also engaged in lab-scale testing at their new research facility in Townsville. The ability to extract oil in an efficient, sustainable and standardised manner is critical to ensure the competitiveness and profitability of Qcide oil as we commercialise the product.

Bio-Gene also recently received expert advice from the CSIRO Australian Tree Seed Centre (ATSC) on the company’s tree improvement program aimed at producing seed of superior genetic type to support tree production and plantation expansion programs to meet future requirements for Qcide oil.

Commercial partnership updates

Bio-Gene's commercial partnerships with Clarke Mosquito Control in the US and with Evergreen Garden Care in the EU and ANZ for Flavocide, and with STK-Bio Ag in Israel for Qcide, have continued their planned product development programs.

In addition, Bio-Gene is focused on expanding its current commercial partnerships to include partners that have insecticide product development and regulatory capabilities as well as sales and marketing market access networks well suited to our development pipeline. Bio-Gene continues to engage with potential commercial partners across agriculture (including grain storage), public health vector disease control and consumer insecticide products.

R&D update

Formulation development is an important area for Bio-Gene, aimed at optimising the effectiveness of Flavocide and Qcide active ingredients in target use patterns that reflect the company's focused product pipeline. Ongoing programs with experts in Australia and the US give Bio-Gene the ability to provide end use products best adapted to their target. This will accelerate the evaluation of Flavocide and Qcide by Bio-Gene's commercial partners.

Programs with Purdue University, and with various international contract research organisations, are evaluating new applications for Bio-Gene products to broaden scope of use and support new intellectual property. The program with Purdue is supported by the USA CDC and is focused on the development of new natural products for tick control in the USA.

Financial update

As at 30 June 2024, Bio-Gene held \$2.210m in cash, a \$625k decrease over the quarter (31 March 2024 cash balance of \$2.835m).

Cash flows from operating activities were (\$617)k with funds being used on:

- R&D (\$426)k;
- Commercialisation expenses (\$23)k;
- Intellectual property expenses (\$44)k; and
- Administration and corporate costs (\$86)k.

Outlook

Bio-Gene's enhanced focus on product development, including the key steps of scale-up manufacturing and regulatory-enabling studies for Flavocide and Qcide, strongly positions the Company to generate value from its key products. The new modes of action of Flavocide and Qcide present Bio-Gene with a powerful strategic position in the target insecticide markets of agriculture, public health and consumer products. Bio-Gene continues to engage with multiple commercial partners to bring these products to market.

- ENDS -

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About Bio-Gene Technology Ltd

Bio-Gene is an Australian company developing novel bio-insecticides to address the global challenges of insecticide resistance. Its unique products are based on a naturally occurring class of compounds proven to overcome resistance to control pests with minimal impact on human health and the environment.

Bio-Gene's products have multiple applications across crop protection, grain storage, public health and consumer uses. They provide new options derived from nature to meet market demand for effective and safe pest management solutions.

Flavocide® and Qcide® are trademarks of Bio-Gene Technology Limited

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Bio-Gene Technology Limited

ABN

32 071 735 950

Quarter ended ("current quarter")

30 June 2024

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	-	22
1.2 Payments for		
(a) research and development	(426)	(1,324)
(b) commercialisation expenses	(23)	(302)
(c) intellectual property	(44)	(320)
(d) professional services	(10)	(113)
(e) directors' expenses	(43)	(202)
(f) administration and corporate costs	(86)	(681)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	87
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	504
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(617)	(2,754)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:	-	-
	(a) entities		
	(b) businesses	-	-
	(c) property, plant and equipment	(8)	(10)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities		
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	4
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	(8)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,034
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(55)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (share proceeds received in advance)	-	-
3.10	Net cash from / (used in) financing activities	-	1,979

4.	Net increase / (decrease) in cash and cash equivalents for the period		
		2,835	2,991
4.1	Cash and cash equivalents at beginning of period		
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(617)	(2,754)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,979
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,210	2,210

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	109	35
5.2	Call deposits	601	1,300
5.3	Bank overdrafts	0	0
5.4	Other (Term Deposits)	1,500	1,500
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,210	2,835

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate number of payments to related parties and their associates included in item 1	182
6.2	Aggregate number of payments to related parties and their associates included in item 2	N/A

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Note 6.1: Director's fees paid to Directors or their related entities plus remuneration paid to Executive Directors.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	N/A	N/A
7.2	Credit standby arrangements	N/A	N/A
7.3	Other (please specify)	N/A	N/A
7.4	Total financing facilities	N/A	N/A
7.5	Unused financing facilities available at quarter end		N/A
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(617)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,210
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,210
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	3.6
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 30 July 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. Net movements in GST are included in this item.
7. 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.