

Successful capital raise supports key studies required for FLAVOCIDE® regulatory approval application in Australia

Quarterly Activities Report and Appendix 4C

Q1 FY24 Highlights

- **Successful \$2.0 million capital raise comprising \$1.9 million via Placement and an additional \$144.5k via the Share Purchase Plan (SPP)**
 - Capital raised enables the production of FLAVOCIDE® active constituent for key toxicology and other studies required for inclusion in the dossier of data to support an application for registration of FLAVOCIDE® in Australia.
- **Signed Development and Licence Agreement with STK Bio-Ag Technologies (STK) formalising the existing binding term sheet**
- **Bio-Gene's insecticidal active ingredients selected for inclusion in US Centre for Disease Control (CDC) funded vector control program targeting tick vector of Lyme disease.**
 - Program is coordinated by the Midwest Centre of Excellence for Vector Borne Disease (MCE-VBD) with \$US10 million funding from the CDC.
- **Board and Executive Changes:**
 - Mr Alex Ding began appointment as Chairman effective 1 August 2023
 - Mr Tim Grogan began appointment as Managing Director and CEO effective 28 August 2023
 - Mr Richard Jagger, former Managing Director and CEO, transitioned to an advisory role focused on stakeholder management of Bio-Gene's existing and future development partnerships.
- **Bio-Gene signed an agreement with a large manufacturer in India to validate and optimise Bio-Gene's manufacturing process to produce pilot scale batches needed for the synthesis of FLAVOCIDE®**

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 September 2023 (Q1 FY2024), alongside the Company's Appendix 4C.

Commenting on the Company's progress over Q1 FY2024, CEO & Managing Director, Tim Grogan said:

"Bio-Gene is at a pivotal point in the company's commercial evolution. The capital recently raised with the support of our shareholders allows Bio-Gene to undertake key steps in the development of FLAVOCIDE® active ingredient. It also enables us to bring greater commercial focus to our pipeline of unique solutions to solve significant unmet needs in our target markets .

"We entered this quarter announcing two major developments with commercial and research partners including formalising our agreement with STK. The arrangement with STK secured an additional source to support QCIDE's® development and registration and an ability to advance QCIDE® more rapidly. Bio-Gene has retained flexibility to pursue commercial deals with QCIDE® in key markets, highlighting the commercial options retained via the agreement.

Bio-Gene Technology Limited

ABN: 32 071 735 950

Level 6, 400 Collins Street, Melbourne, VIC 3000

“During the quarter, we were selected to participate in a significant US research program funded by the US CDC on vector-borne diseases using our products specifically focused on tick-borne pathogens. This important study will help public health officials mitigate infectious disease carried by ticks, which infect millions every year. As one example, Lyme disease, transmitted by infected blacklegged ticks infects close to half a million people each year in America alone.

“Bio-Gene’s management team and Board have recently evolved, with Chairman Alex Ding and I starting our roles throughout the quarter. Both the Board and management team are very focussed on the range of potential commercial applications for our novel products. I will continue to work closely with previous CEO, Richard Jagger, who has transitioned into a commercial partnership advisory role, and look forward to leveraging his considerable expertise and deep relationships with key stakeholders critical to our future success.”

Signed agreement with a large manufacturer in India for FLAVOCIDE® synthesis.

In September 2023, Bio-Gene signed an agreement with a large contract manufacturer in India for the custom scale-up synthesis of FLAVOCIDE®. This follows a detailed review of the capabilities of several companies internationally and resulted in the identification of Bio-Gene’s preferred partner. Bio-Gene has now engaged with this company to validate and optimise the process developed by Bio-Gene and scale-up this process to produce pilot scale batches. This is a significant step towards Bio-Gene’s ability to support both the registration enabling studies as well as meet market demand for FLAVOCIDE® once registered. This company has the potential to be appointed in the future as a toll manufacturer of FLAVOCIDE® for commercial use.

Further operating activity updates

Commercial partnership updates:

STK

Since signing the QCIDE® development and license agreement with STK as announced 27 July 2023, Bio-Gene and STK have been active in confirming a joint development team while working with the STK regulatory experts on the registration pathway steps.

Although businesses in Israel are currently dealing with significant challenges, STK has advised that all planned trials and registration-related activities currently remain on-track.

Clarke

Since adding the barrier spray application for mosquito control to their portfolio as announced 13 April 2023, Bio-Gene and Clarke have been collaborating on formulation modifications that would assist this new use pattern.

Evergreen

Evergreen continues to work on field trials in Europe, with the potential to add new trials in Australia. This commercial partnership continues to assess opportunities for both FLAVOCIDE® and QCIDE® across the consumer market.

Additional commercial opportunities

As part of Bio-Gene's pipeline strategy, Bio-Gene undertakes engagement work with significant global players with the objective of expanding additional product opportunities for Bio-Gene's molecules. Over the 1QFY24, these testing programs have expanded, positively expanding the potential pipeline for additional commercial development opportunities.

Financial Update

As at 30 September 2023, Bio-Gene held \$3.5m in cash, a \$491k increase over the quarter (30 June 2023 cash \$2.99m). The cash position this quarter was supported by the successful \$2.0 million capital raise, with \$1.5m receipt received via the Placement in the first quarter. The additional \$500k raised as part of the Placement and the \$144.5k raised via the Share Purchase Plan will be received in the 3Q FY23.

Cash flows from operating activities was (\$1.0) million with funds being utilised on:

- R&D (\$451)k;
- Commercialisation expenses (\$124)k; and
- Intellectual property expenses (\$128)k.

The funds utilised over the quarter have resulted in positive progress across a number of key initiatives. Following a detailed vetting process, Bio-Gene has made significant progress towards selecting a potential toll manufacturer. In addition, initial preparation steps for the FLAVOCIDE[®] toxicology studies have begun.

The Bio-Gene team have also implemented important new testing programs to expand potential commercial partnerships along with important R&D work on refining processes and QCIDE[®] oil extraction relating to tree farming. This includes QCIDE[®] production programs, delivered through close working relationships Bio-Gene has with key farmers in Far North Queensland and the research collaboration with James Cook University (JCU) Engineering in Townsville.

Outlook

Bio-Gene remains focused on the development, registration and commercialisation of FLAVOCIDE[®] and QCIDE[®].

Following the recent capital raise, the company is focused on important studies which will generate the data required for regulatory approval for FLAVOCIDE[®] active constituent in Australia.

The company is committed to the rigorous scientific research and development of its products, and will continue to work closely with key stakeholders including regulatory agencies, public health organisations and officials, universities and commercial partners to achieve use approvals and commercialisation of our technology.

Aligned to the clearly defined business model, securing commercial partnerships is pivotal. Bio-Gene will continue to explore expanding existing opportunities with the current commercial partners. Securing new commercial agreements will be a key focus, ensuring we explore the full potential of our unique technology across multiple geographies and end-use target markets.

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Approved for release by the Board of Directors

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About Bio-Gene Technology Ltd

Bio-Gene is an Australian agtech development 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 crop protection, grain storage, public health and consumer products. Bio-Gene's aim is to develop and commercialise a broad portfolio of targeted insect control and 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 September 2023

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	(451)	(451)
(b) commercialisation expenses	(124)	(124)
(c) management administration expenses	(88)	(88)
(d) directors' expenses	(58)	(58)
(e) professional services	(70)	(70)
(f) intellectual property	(128)	(128)
(g) administration and corporate costs (see note 6)	(96)	(96)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	17
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	(998)	(998)

2.	Cash flows from investing activities	-	-
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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	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	4	4

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,485	1,485
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	-	-
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	1,485	1,485

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,991	2,991
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(998)	(998)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	4	4
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,485	1,485
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,482	3,482

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	92	45
5.2	Call deposits	1,890	2,946
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	1,500	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,482	2,991

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	308
6.2	Aggregate amount of payments to related parties and their associates included in item 2	N/A
<i>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.</i>		

Note 6.1: Director's fees paid to Directors or their related entities which includes FY23 incentives for Executive Directors.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(998)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,482
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,482
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.5
<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>	
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 October 2023

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 – eg 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.