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Tuesday 1 May 2018

**ASX Announcement – GENERA BIOSYSTEMS LIMITED (ASX: GBI)
QUARTERLY CASH FLOW & BUSINESS UPDATE**

Genera Biosystems Limited (**‘Genera’**) is pleased to provide an update to accompany the attached Appendix 4C Quarterly Cash Flow report for the period ended 31 March 2018. The company held cash at end of quarter of \$387k versus a \$34k balance at 31 March 2017. Operating cash outflows were \$560k and were largely related to the payment of accrued trade creditors at 31 December 2017 and reduced cash receipts stemming from the low southern hemisphere flu season for respiratory test sales. Trade payables amounted to \$214k at 31 December and declined to \$36k at 31 March 2018.

Cash receipts from customers for the quarter amounted to \$116k, down 5.7% versus the previous corresponding period. The company anticipates that cash receipts in the June and September quarters will be strong as respiratory testing volumes continue to grow year on year and firmer product pricing is achieved alongside a new highly automated instrumentation solution being introduced.

Current Financing Activities

A sixth amendment to the Redemption Date of the Series B notes was recently executed with all Noteholders. The amendment provides an extension to the Series B Notes Redemption Date by a further 3 months to 30 June 2018. Genera appreciates the continued collegiate support of all Noteholders in providing the Company flexibility to deliver on a strategy to the benefit of all stakeholders.

The Company has previously announced to ASX that it anticipates undertaking a material capital raising to redeem all existing Series B Convertible Notes alongside the \$1.5 million mezzanine loan facility. Proceeds of the capital raising will also be applied to accelerating test menu development and the introduction of a new highly automated instrumentation solution.

Aside an equity or equity-linked capital raising, Genera has a number of options currently available to it in regard to its forward financing for redemption of the outstanding Notes and expansion capital. These options include pursuing exclusive licensing agreements for selected AmpaSand[®] tests in various jurisdictions. These jurisdictions may include China and the United States and the Company has identified a number of potential licensees that are well positioned to successfully commercialize the selected AmpaSand[®] tests. PapType[®], Genera’s lead test for simultaneous HPV detection and comprehensive genotyping will be included in any completed licensing agreements.

Genera is targeting the repayment of principal of the outstanding Series B Notes in the current quarter with repayment of accrued capitalized interest on the outstanding Notes as well as the Mezzanine loan facility to be repaid following this.

Global IVD Partnership

As announced to the ASX previously Genera is currently finalising the documentary paperwork associated with an agreement with Beckman Coulter Life Sciences. Genera and Beckman Coulter now intend to enter into a Distribution Agreement rather than a Co-Marketing Partnership.

For a number of internal reasons within Beckman Coulter and the wider Danaher Life Sciences group the indicative timeline for completion has been protracted beyond previous guidance. Genera continues to have positive and collegiate dialogue with the senior Beckman executives liaising with the regulatory compliance and legal teams at Beckman Coulter and Danaher Life Sciences as we work together to finalize all necessary arrangements.

Richard Hannebery, Chief Executive Officer of Genera said, "While formalization of this agreement has taken far longer than originally anticipated we believe the amended structure, which now involves a Distribution Agreement rather than a Co-Marketing Partnership, will assist in delivering significantly lower administrative barriers for targeted customers considering the adoption of Genera's tests. The revised approach will provide prospective customers with a single counterparty for supply contracts entered into via reagent rental agreements."

Genera will announce to the market via the ASX platform as soon as the relevant Distribution Agreement is executed.

For further information please contact:

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www.generabiosystems.com.au

About Genera Biosystems : Genera Biosystems Limited (“GBI”) is an Australian Securities Exchange listed molecular diagnostics company, which develops, manufactures and distributes advanced PCR molecular diagnostics tests.

Genera’s single-well high multiplex AmpaSand® testing platform can detect up to 125 target analytes in a single-well of a reaction plate. Unlike traditional real-time PCR approaches, AmpaSand® single-well multiplex tests when run on a seamlessly integrated flow cytometry and liquid handling system can provide unparalleled throughput capability and cost efficiency for high volume pathology laboratories qualitative molecular testing needs.¹

Genera manufactures products in its Australian Therapeutics Goods Administration certified manufacturing facility in Scoresby, Victoria, Australia.

PapType®, an ARTG listed and CE-marked MDx test, simultaneously detects and identifies 14 high-risk types of HPV and 2 low risk HPV types in a single-well. These high-risk HPV types are responsible for 99.7% of all cases of cervical cancer.

In addition to PapType®, Genera has also commercialized and gained ARTG listing and CE mark for RTIplex™, a single-well multiplex MDx that identifies 15 common upper respiratory tract pathogens, including Influenza A & B, as well as 10 other viral and 3 bacterial disease-causing microbial targets.

Genera’s development pipeline includes a new 8-plex sexually transmitted infections panel that is expected to be available in 2018, with plans to broaden the AmpaSand® test menu further to 6 highly competitive single-well multiplex MDx assays by 2019.

PapType®, RTIplex™, and the tests in development, employ the AmpaSand® biochemistry as well as Genera’s proprietary ARTG listed and CE-IVD marked QPlots™ automated analytical and reporting software that is compatible with most Laboratory Information Management Systems (‘LIMS’).

All the components of the Genera MDx system, including AmpaSand® and QPlots™, have been optimized to run on Beckman Coulter’s innovative CytoFLEX™ flow cytometry system.

¹ All ‘plate based’ Real Time PCR platforms can ‘multiplex’ up to 4 targets per well assuming 4 available channels of a Real Time PCR instrument. To multiplex greater than 4 target analytes in a test most platforms require use of additional wells of a plate to test for the additional target analytes. As such commercially, their multiplexing capability is restricted due to a direct trade-off with volume throughput per plate (96 or 384 well). Genera’s AmpaSand® technology facilitates the multiplexing of up to ~125 target analytes **in a single-well** of a plate. On a like for like basis depending on the number of target analytes detected in a multiplex assay Genera’s AmpaSand® technology facilitates > 4X relative volume throughput. High volume throughput is a key commercial consideration for all large pathology labs undertaking HPV and STI testing.

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

Genera Biosystems Limited

ABN

69 098 663 837

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	116	823
1.2 Payments for		
(a) research and development	(206)	(587)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(302)	(813)
(f) administration and corporate costs	(168)	(587)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (R&D)	-	422
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(560)	(742)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(21)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	(62)	(214)
(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	(62)	(235)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	1,027
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	196
3.6 Repayment of borrowings	-	(79)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	1,144

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	1,009	220
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(560)	(742)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(62)	(235)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	1,144

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	387	387

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	387	1,009
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	387	1,009

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
82
-

Salary, superannuation and Directors fees related to directors.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

-

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	1,465	1,465
8.2 Credit standby arrangements	-	-
8.3 Other (Convertible Note)	2,875	2,875
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.		

Loan facilities include Convertible Notes and Mezzanine Loan.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	150
9.2 Product manufacturing and operating costs	25
9.3 Advertising and marketing	-
9.4 Leased assets	25
9.5 Staff costs	300
9.6 Administration and corporate costs	150
9.7 Other (Redemption of Series B Notes)	2,875
9.8 Total estimated cash outflows	3,525

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

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: 
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(Non-Executive Chairman)

Date: 30 April 2018

Print name: Lou Panaccio

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.