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Thursday 1 November 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 30 September 2018. The company held cash at end of quarter of \$2k versus a \$78k balance at 30 June 2018. Cash receipts from customers for the quarter amounted to \$166K versus \$174K received in the June quarter.

Operating cash outflow was \$347k which was \$18K lower than incurred in the June quarter. Staff administration and corporate costs tracked roughly equal – down \$10K versus the June quarter.

Given the delayed lodgment of the Company’s Annual Accounts it is now anticipated that the receipt of the FY2018 R&D tax rebate, which is projected at approximately \$450K will not be received until end of November. Genera continues to enjoy the support of its major shareholders in the provision of funds for working capital as and when required.

The re-launch of PapType® into the domestic market has been delayed into Q1 CY2018 due to delays incurred in the integration and validation of a subcomponent within the new Beckman Coulter instrumentation system. The subcomponent is supplied by a third party vendor and this particular component has been successfully integrated into the Beckman API in the past.

During the quarter the Genera team significantly progressed the validation of a new enzyme being incorporated into the PapType HPV test as well as working on a new release of its proprietary QPlots™ analytical reporting software.

On 31 August Genera was delighted to announce that it has appointed Mr Seong Chen and Dr Damian Pethica to its Executive Leadership Team. Both Seong and Damian have a deep background in areas relevant to Genera’s commercialisation strategy, specifically in HPV and drug development and precision medicine. Chairman, Lou Panaccio commented “We are delighted to secure the services of both Seong and Damian. They will provide invaluable support to our CEO, Richard Hannebery, in helping drive additional high value partnering deals. Genera has a wide field of commercial opportunity that builds upon the strong foundation provided by the Beckman Coulter Distribution Agreement announced earlier this year and I am confident that building out our senior team with these key additions will assist in executing on this opportunity.”

Both Seong and Damian have a deep understanding of the HPV market which is highly relevant to Genera’s lead test, PapType®. Furthermore their addition will help drive forward the go-to-market strategy for PapType® alongside assisting in the Company’s push into the companion diagnostic (CDx) testing space. Since commencement with Genera the expanded commercialisation team has been able to develop a clear and coherent strategy to leverage the capabilities of Genera’s AmpaSand®

multiplex platform with a number of large potential pharma partners. The delivery of successful CDx collaboration(s) are key KPI's for the Genera Executive Leadership team in 2019.

Biographies of both Seong and Damian are included in Genera's 31 August 2018 ASX release.

Current Financing Activities

As an update to the release to ASX on 1 October, Genera is currently anticipating to shortly despatch to Shareholders its Annual Report and Notice of Meeting. The 2018 Annual General Meeting ('AGM') is currently scheduled to be held on Thursday 13 December with the Company recently receiving an extension from ASIC to hold the AGM.

Genera is currently finalising a prospectus for a 4 for 5 non-renounceable entitlements issue of Ordinary Shares to raise up to \$11.2m ('Entitlements Issue'). The Entitlements Issue is currently anticipated to close during December on or around the time of the Company's 2018 AGM. Trading in shares of Genera on the ASX will remain suspended until the completion of the Entitlements Issue.

Genera will make a further announcement to the ASX providing an update to all shareholders once it has lodged and received clearance from ASIC for the Entitlements Issue Prospectus.

For further information please contact:

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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")

30 September 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 166 | 166 |
| 1.2 Payments for | | |
| (a) research and development | (95) | (95) |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | - | - |
| (d) leased assets | - | - |
| (e) staff costs | (260) | (260) |
| (f) administration and corporate costs | (108) | (108) |
| 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) | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (347) | (347) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) businesses (see item 10) | - | - |
| (c) investments | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| (d) intellectual property | (3) | (3) |
| (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 | (3) | (3) |

| | | |
|---|------------|------------|
| 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 | - | - |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 Proceeds from borrowings | 367 | 367 |
| 3.6 Repayment of borrowings | (93) | (93) |
| 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 | 274 | 274 |

| | | |
|---|-------|-------|
| 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 | 78 | 78 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (347) | (347) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (3) | (3) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 274 | 274 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of quarter | 2 | 2 |

| 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 | 2 | 78 |
| 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) | 2 | 78 |

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 |
|------------------------------------|
| 114 |
| - |

- Payment of \$61K for salary, superannuation, and directors' fees related to directors.
- Repayment of loans amounting to \$53K

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 | 1,730 | 1,730 |
| 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 | 100 |
| 9.2 Product manufacturing and operating costs | 25 |
| 9.3 Advertising and marketing | 25 |
| 9.4 Leased assets | 25 |
| 9.5 Staff costs | 300 |
| 9.6 Administration and corporate costs | 150 |
| 9.7 Other (Debt repayment and Capital raising legal costs) | 5,150 |
| 9.8 Total estimated cash outflows | 5,775 |

| 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: 
.....
(Non-Executive Chairman)

Date: 31 October 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.