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31 July 2023

REPORT FOR THE QUARTER ENDED 30 JUNE 2023

Bioxyne Limited (ASX Code: BXN) (Bioxyne, BXN or the Company) is pleased to report on its activities for the quarter ended 30 June 2023.

Highlights

- **Bioxyne completed the acquisition of Breathe Life Sciences (BLS) as announced on 22 May 2023**
- **Pro-forma annualised aggregated group revenue (unaudited) for the year to 30 June 2023 forecast at ~A\$7.7 million, representing significant growth of ~ +200% on the combined group's (Bioxyne + BLS) pro forma FY2022 revenue.**
- **Sam Watson (Chief Executive Officer) and Jason Hine (Chief Operating Officer) appointed to the Board of Directors**
- **Strong cash balance at ~\$3.8 million at year end**

Results

The consolidated pro forma revenue for the Group for the year ended 30 June 2023 was ~\$7.7 million. This was a ~+ 200% increase on revenue for the Group over the prior year. The following is a review of BXN and BLS performance respectively.

Bioxyne (BXN) (excluding BLS)

Revenue for the year ended 30 June 2023 for Bioxyne Limited (excluding BLS) was approximately \$2.5 million in line with the prior year.

Wholesale sales of *Lactobacillus Fermentum PCC*® were below the previous year, while direct sales made up the shortfall. The Company is looking to launch a nano encapsulated update of its Progastrim™ probiotic product, which significantly increases shelf life and product stability, through its BLS e-commerce platforms in H2 CY2023.

The unaudited loss for BXN (excluding BLS) for the year is approximately \$466,000 of which \$186,000 is attributable to inventory write downs from the divestment of a 49% interest in the direct selling business, \$135,000 attributable to the direct selling group share of loss, and transactions costs on the acquisition of BLS.

Breathe Life Sciences (BLS)

BLS Group revenue on a pro forma basis for year ended 30 June 2023 was approximately \$5.3 million. This is a ~+400% increase over the previous year.

BLS has continued to grow strongly and strategically in the month after acquisition, launching BLS Clinics – Online tele-Healthcare in June 2023, and expanding its e-commerce footprint on Amazon to the US and Japan. BLS products are currently ranged on Amazon in UK, Germany and France.

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The BLS group has positioned itself in the last year to take advantage of the opportunities in new markets and channels for its broad range of products, including plant and mushroom-based wellness products, health supplements and nootropics including CBD, cannabis extracts, vitamins, manuka honey, skin care products, mushroom complexes, and medicinal cannabis. BLS results for the year to 30 June 2023 are in the process of being finalised.

Accounting for the acquisition

Pursuant to Australian IFRS, the acquisition of BLS will be reported as a Reverse Takeover as at 30 June 2023. BLS will notionally be reported as the parent company (acquirer) of Bioxyne. Consequently, the FY2023 accounts will show twelve months results for BLS and the results for BXN for one month from 31 May 2023, the effective date of the transaction. Consolidation adjustments will be reflected in the Equity of the consolidated group.

Appointment of New Directors

Mr Sam Watson co-founded BLS and its predecessor company in 2018. Under Sam's leadership BLS has grown quickly to become a significant player in the health and wellness industry and CBD category in Europe, UK and Japan. Sam has a BSc Finance and Economics from the New York University Stern School of Business.

Mr Jason Hine was previously the GM Commercial Operations for ECS Botanics, a leading Australian Medicinal Cannabis and Hemp Food Wellness business. Jason has over 15 years' experience in growing businesses globally. Jason has ASIC qualifications for the Financial Planning and Insurance Industry.

Mr Guy Robertson and Mr Peter Hughes-Hallett resigned as directors of the Company on 19 May 2023.

Issue of Shares

Following shareholder approval on 5 May 2023, the Company issued the following equity securities:

As consideration for the acquisition Bioxyne Limited issued 1,230,000,000 new shares at \$0.03 per share to the vendors of Breathe Life Sciences Pty Ltd.

The Company also issued 6,000,000 shares to Director Mr NH Chua at \$0.025 per share as consideration for accumulated salary not paid.

The Company issued 26,666,667 performance rights to the incoming directors, with performance hurdles outlined in the Notice of Meeting lodged with the ASX on 6 April 2023.

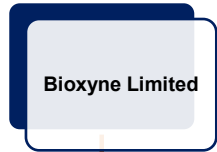
This announcement has been approved for release by the Board.

For further information contact:

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Sam Watson
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Bioxyne Limited
sam@breathelifesciences.com

Guy Robertson
Chief Financial Officer
Bioxyne Limited
guy@bioxyne.com



100%



51%

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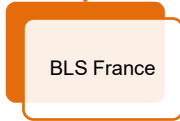
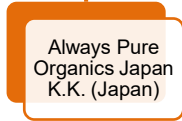
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Dr Watson brand manufacturer & distributor in Japan

Raw materials importer, reseller in Japan, Partnership with Greenzone Japan & Midore No Wa (CBD & epilepsy studies)

Raw materials and 'made in France' CBD cosmetics white label

Raw materials and wholesale for European customers

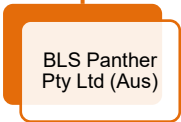
Raw materials suppliers.

Raw materials, manufacturing, 3rd party 'white label' manufacturing for UK and EU clients, UK and EU sales of consumer brands. Management of international sales team and operations

Food and vape approved manufacturer and distributor in Japan

100%

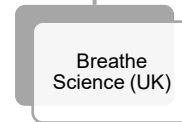
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Import, manufacture, and wholesale of cannabis medicines in Australia, direct to patients and business to business.

Telemedicine consultation business in Australia
blsclinics.com.au

100%



Operating subsidiary for various websites relating to products (online sales)

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About Bioxyne

Bioxyne Limited (ASX:BXN) is an Australian health and wellness products company (incorporated in 2000) with a focus on clinically effective health and wellness products particularly in the gut and immune health areas.

Bioxyne is in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* VRI-003 (PCC®), and through its direct sales business trading as Bioxyne International, the Company has developed a range of functional food products containing ingredients sourced primarily from New Zealand.

Bioxyne's probiotic business is supported by a manufacturing and distribution agreement with Chr. Hansen (Denmark) a global leader in the manufacturing of natural food additives and supplements products for the food, health, pharmaceutical and agriculture industries.

Bioxyne has a distribution agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide direct selling company. For more information on Bioxyne, please visit <https://bioxyne.com>

About Breathe Life Sciences (BLS)

BLS is an Australian incorporated company that has wholly-owned subsidiaries in Japan, France, Czechia, Switzerland, United Kingdom and Australia (together, the **BLS Group**).

In Australia, the BLS Group (via the subsidiary BLS Wholesalers Pty Ltd) holds controlled substance licenses to import, export, wholesale and manufacture Schedule 3,4 and 8 poisons (Medicinal cannabis), and operates a wholesale distribution model as well as direct to patient supply of prescribed medications via blsclinics.com.au. BLS Wholesalers also holds a manufacturing licence issued by the Queensland government for schedule 3,4, and 8 poisons, ISO-7 audited clean rooms, and a pending pharmaceutical GMP (Good Manufacturing Practices) audit.

Outside of Australia the BLS Group operates a health and wellness products and brands business focussed on naturally derived active nutraceuticals, wellness and lifestyle supplements and cannabidiol (CBD) based therapeutic goods.

The BLS Group commercialises products containing active ingredients, such as cannabinoids, novel food supplements, mushroom extracts, vitamins, Manuka Honey and probiotic supplements. It primarily operates in the UK, Europe and Japan, and engages in the following activities:

- (a) owner of Dr Watson® brand in the UK, Japan, Australia and New Zealand – Dr Watson is an internationally recognized leading CBD, health and lifestyle brand. Dr Watson products consist of cannabis-based food supplements and lifestyle products, cosmetics, functional mushrooms and nootropics;
- (b) contract manufacture and wholesale of raw materials and cannabinoid extracts in Japan, UK and Europe;
- (c) white label manufacture of third-party wellness and supplements brands in Japan, UK and Europe in company-owned facilities;
- (d) research and development for third party customers; and
- (e) direct sales via online and wholesale sales of BLS-owned consumer brands, such as Dr Watson® (drwatsoncbd.com, via The Organic Pharmacy (theorganicpharmacy.com), VPZ (vpz.co.uk), NHS (National Hemp Service), Amazon.co.uk, Amazon.co.jp, Rakuten.co.jp), NOL (nolcbn.com), Apothecary CBD (via Amazon UK), Essentials CBD (via Amazon UK).

Appendix 4C

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

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,657	3,014
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(868)	(1,788)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs (including directors fees)	(373)	(900)
(f) administration and corporate costs	(262)	(950)
1.3 Dividends received (see note 3)		
1.4 Interest received	21	41
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	175	(583)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		1,000
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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) cash on acquisition of subsidiary	277	277
2.6	Net cash from / (used in) investing activities	277	1,277

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		1,000
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	Loan to Breathe Life Sciences		
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		1,000

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,375	2,168
4.2	Net cash from / (used in) operating activities (item 1.9 above)	175	(583)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	277	1,277

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,000
4.5	Effect of movement in exchange rates on cash held	(19)	(16)
4.6	Cash and cash equivalents at end of period	3,846	3,846

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	2,064	1,093
5.2	Call deposits	1,782	2,282
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)	3,846	3,375

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

82

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

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

7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

7.5 Unused financing facilities available at quarter end

- 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.

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8. Estimated cash available for future operating activities**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	175
8.2	Cash and cash equivalents at quarter end (Item 4.6)	3,846
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	3,846
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

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.

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: N/A

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: N/A

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: N/A

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.

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: 31 July 2023.....

Authorised by: ..The Board.....
(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.