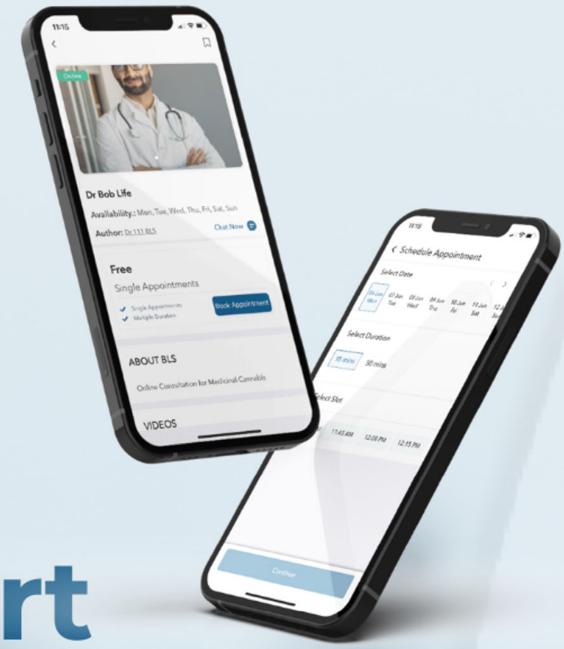

Annual Report
for the Year Ended 30 June 2023

Bioxyne Limited
ABN 97 084 464 193

Bioxyne

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Bioxyne

Chairman's Letter

Dear fellow shareholders,

The 2023 financial year was an exciting and transformational one for Bioxyne with the acquisition of the Breathe Life Sciences Group late in the financial year. This was the culmination of several years' work in reviewing a number of potential acquisitions in search for one with product synergy that could add value to our shareholders.

Breathe Life Sciences (BLS) is at the leading edge of health and wellness products, manufacturing and commercialising plant-based wellness products and supplements, including cannabinoids (CBD), cannabis extracts, vitamins, manuka honey and mushroom complexes. The BLS Group complements Bixoyne's geographic spread in South East Asia with a presence in UK, Japan, Europe, and Australia and has a growing presence in many countries with online portal Amazon.

The integration of the two businesses has been seamless and we now have a sturdy platform from which to accelerate organic growth and look for further opportunities to build a sustainable and profitable business.

On a pro forma twelve-month basis our combined revenues were approximately $7.7 million for the year and this should increase in the year ahead. Merger transactions of this nature are not without cost, with the loss for the year of just on $2 million including transaction costs and non-cash expenses in the form of share-based payments and inventoty impairment in the amount of $0.7 million.

I would like to welcome the BLS team and take this opportunity to thank the expanded Bioxyne/BLS teams for their focus and hard work during the year. We also welcome our new directors, Sam Watson (CEO) and Jason Hine (COO) to our board, and thank Peter Hughes-Hallett and Guy Robertson who stepped down from the board during the year.

I am pleased to welcome our new shareholders and thank our ongoing shareholders for their continued support.

We look forward to reporting to our stakeholders on our progress as we enter an exciting new year ahead.

Yours sincerely,

Anthony Ho
Non-executive Chairman
29 September 2023

Bioxyne

Corporate Governance Statement

Bioxyne, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Bioxyne. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations
The fourth edition of ASX Corporate Governance Council Principles and Recommendations (the "Principles") sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company's corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 29 September 2023 and is available on the Company's website: http://www.bioxyne.com/site/investor-centre/corporate-governance.

Directors' Report

Your directors present their report together with the financial statements on Bioxyne Limited (ASX: BXN) for the year ended 30 June 2023.

Directors

The following persons were directors of Bioxyne Limited during the financial year and up to the date of this report:

Anthony Ho	Non-Executive Chairman
Samuel Watson	Executive Director, Co-Chief Executive Officer (appointed 19 May 2023)
N H Chua	Executive Director, Co-Chief Executive Officer
Jason Hine	Executive Director (appointed 19 May 2023)
Peter Hughes-Hallett	Non-executive Director (resigned 19 May 2023)
Guy Robertson	Executive Director (resigned 19 May 2023)

Information on Directors as at Report Date

Anthony Ho, B. Com., CA, FAICD, FCG(CS), FGIA (Non-Executive Chairman)

Mr Ho was appointed on 30 October 2012.

Mr Ho is an experienced company director and has extensive corporate and financial management experience, having held Executive Director/CFO roles with several ASX listed companies in the wholesale & distribution and retail sectors. Mr. Ho also previously chaired audit committees in several ASX listed companies.

Mr Ho holds a Bachelor of Commerce degree from the University of New South Wales, is a Fellow of the Australian Institute of Company Directors and a member of Chartered Accountants Australia and New Zealand, Chartered Governance Institute, and Governance Institute of Australia and holds a post graduate diploma in Marketing studies from the University of Technology, Sydney.

Mr Ho is currently the non-executive chairman TruScreen Group Limited (NZX/ASX: TRU) and Cannasouth Limited (NZX: CBD).

Previous directorships in the last three years:

Greenland Minerals Limited (ASX: GGG).

Samuel Watson (Executive Director, Co-Chief Executive Officer) BSC Finance and Economics from the New York Stern School of Business.

Mt Watson was appointed on 19 May 2023.

Mr Watson founded Breathe Life Sciences (BLS) in 2020 with business partner and co-director Ian Owles MPS, CFMP (certified functional medicines practitioner). BLS has quickly become a significant player in the health and wellness industry in Europe, UK, and Japan.

Previous roles included CEO and founder of Breathe International Ltd, Director of Zonetech Wellness Limited, a venture capital firm actively investing in early-stage high growth technology and life sciences businesses, and Director of Doctime Limited, a UK based telemedicine technology company operating in emerging markets.

Directors' Report (Continued)

Jason Hine (Executive Director) BA Economics and Commerce

Mr Jason Hine joined BLS as a Director on 14 November 2022.

Mr Hine was previously the GM Commercial Operations for ECS Botanics Limited, Australia's largest medicinal cannabis and hemp food wellness business. The ECS food & wellness business delivers high quality Tasmanian grown/sourced hemp food and wellness products into the Australian grocery sector via the large grocery chains, regional distributors, and a growing bulk supply and B2C channel.

Mr Hine has been CEO, COO and Managing Director of a number of companies in various industries over a 30 year career.

N H Chua (Executive Director, Chief Executive Officer) BA Economics and Commerce

Mr Chua was appointed on 13 June 2017.

Mr Chua was Vice President of Asia Pacific for New Image Limited a position he held successfully for over 10 years. Mr Chua commenced his direct sales career in 1985 when he successfully launched First Image Sdn Bhd in Malaysia which later became a successful retailing company selling the Total Image brand of Health Care Products. In 1989, he set up a new network marketing company, Abric Image Sdn Bhd. This company was subsequently acquired by New Image Limited.

Mr Chua holds a Batchelor of Arts degree (majoring in economics and commerce) from the University of Toronto, Canada.

Mr Chua is fluent in Malay, Indonesian, Mandarin and several other Chinese dialects.

Peter Hughes-Hallett, B Bus Marketing and Marketing Management (Non-Executive Director)

Mr Hughes-Hallett was appointed on 1 May 2018 and resigned on 19 May 2023. Mr Robertson continues to be the Company's Chief Financial Officer.

Mr Hughes-Hallett has extensive experience in the direct selling markets in Asia. He was Vice President Sales for Amway Japan from July 2007 to January 2013.

Mr Hughes-Hallett also held roles with Amway globally, with responsibilities in Australia and New Zealand. He commenced his direct selling career with Amway Australia in 1979 and was the National Sales Manager of Amway Australia between 1994 to 1997. He assumed the role of Country Manager of Amway New Zealand in 1997 before relocating to Tokyo to take on senior sales and marketing roles in Amway Japan in 2000. He was appointed Vice President Sales for Amway Japan in 2007.

Mr Guy Robertson B.Com (Hons) CA (Executive Director)

Mr Guy Robertson was appointed on 30 June 2022 and resigned on 19 May 2023.

Mr Robertson has over 30 years' experience as a Director, CFO and Company Secretary of both public and private companies in Australia and Hong Kong.

Mr Robertson has held a number of senior roles within the Jardine Matheson group of companies in Australia and Hong Kong including General Manager of Finance for Franklins Supermarkets in

Directors' Report

Directors' Report (Continued)

Australia, Chief Operating Officer and Chief Financial Officer for Colliers Jardine Asia Pacific based in Hong Kong and Chief Financial Officer and Managing Director (NSW) for Jardine Lloyd Thompson.

Company Secretary

Guy Robertson, B. Com (Hons), CA

Mr Robertson was appointed as Company Secretary and Chief Financial Officer on 1 September 2016.

Principal Activities and Strategy

Bioxyne Limited acquired Breathe Life Sciences on 19 May 2023. The activities reflect the combined businesses of Bioxyne and Breathe Life Sciences as outlined below.

Bioxyne Limited is an international Australian life sciences company headquartered in Sydney, and parent company of the Breathe Life Sciences Group. Bioxyne and wholly owned subsidiary Breathe Life Sciences manufacture and distribute consumer health products, patented probiotics, health supplements, therapeutic goods, and alternative medicines.

In Australia, Breathe Life Sciences holds controlled substance licenses to import, export, wholesale and manufacture Schedule 3,4 and 8 poisons (Medicinal cannabis), operating a wholesale distribution model as well as direct to patient supply of prescribed medications via telehealth platform BLS Clinics. Outside of Australia, the business has manufacturing and distribution centres in Japan, the UK, and Europe, and operates direct to consumer supply of its trademarked Dr Watson® brand.

The Group has a global distribution agreement with Denmark's Chr Hansen to manufacture, market, supply and distribute its proprietary probiotic strain of *Lactobacillus Fermentum PCC®* for over-the-counter gut health immune supplement products. Bioxyne, also, has a supply agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.

The Group has a 51% interest in a direct sales group of companies that contract manufactures wellbeing and nutritional supplements in New Zealand and distributes through direct sales channels in Asia.

Dividends

No dividends were paid to members during the financial year (2022: $Nil).

Directors' Report (Continued)

Review of Operations

Ongoing Activities

Bioxyne Limited acquired Breathe Life Sciences on 19 May 2023. The activities reflect the combined businesses of Bioxyne and Breathe Life Sciences as outlined below.

The operations of BLS in 2023 have grown significantly over the previous year reflecting the acquisition of the Always Pure Organics Group in May 2022 and the acquisition of Mirai KK Japan in October 2022. The BLS group currently has operations in United Kingdom, Europe, Japan and Australia.

BXN's wholesale sales business of its proprietary probiotic *Lactobacillus Fermentum PCC®* continues to be an important contributor to the business, however revenues declined by 28% over the previous financial year given increased competition in this sector.

The Group divested 49% of the direct selling group in late FY2022. Revenues of the direct selling group increased by 128% over the previous year, however the business recorded a small loss.

Operating Results

The financial statements of Bioxyne Limited for the year ended 30 June 2023, following the acquisition of Breathe Life Sciences, are accounted for under Australian Accounting Standard (AASB) 3, as a Reverse Takeover. Consequently the results presented in these financial statements reflect the financial performance of Breathe Life Sciences for the full year ended 30 June 2023 and the results of Bioxyne Limited for the period subsequent to acquisition, being the month of June 2023.

The comparative figures in the financial statements are those for Breathe Life Sciences for the year ended 30 June 2022.

Increased sales in 2023 of $5,160,538 (2022: $463,636) were attributable to organic growth in the BLS business, launching of its products on Amazon in several markets, rapid expansion of its sales team and customer base in the UK and EU markets, and several acquisitions including Mirai Solution KK Japan in October 2022.

The net loss after tax for the year was $1,964,443 (2022: loss $494,022). Costs associated with re-positioning the business after acquisitions in May and October 2022 and the merger of BLS and BXN in May 2023 have weighted on the result.

Overhead expenses increased over the prior year reflecting the one off costs of acquisition of businesses, restructuring and the merger of transaction costs of BLS and BXN as outlined above, to $4,046,833 (2022: $633,680).

Shareholder equity increased to $15,006,135 (2022: ($364,844)) reflecting goodwill arising on business combination of $11,568,010 and the result for the year.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group other than as outlined in this report.

Directors' Report (Continued)

Matters Subsequent to Balance Date

There are no matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

a) The Group's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Following completion of the merger of Bioxyne and BLS the combined Group intends to focus on:

- expanding the scale and scope of its product offerings to existing and potential customers;
- expanding the direct selling business models through greater use of internet technology,
- expanding proprietary brands and product ranges for the sale in key markets; and
- pursuing strategic acquisition opportunities to expand its business options in high-growth markets and enhancing its service offerings.

The Group is subject to a number of risks relative to the combined business, as outline below.

Maintaining licences and permits and regulatory requirements:
The Group's ability to commercialise products for sale in the countries in which it operates is reliant on the renewal of licences and permits that have been granted to it by Federal and State regulators. The businesses of the Combined Group are subject to government regulations in each jurisdiction. Any changes in those regulations may impact on the Company's performance.

Reliance on key relationships:
Bioxyne and BLS currently rely on various key customer and supplier relationships in certain jurisdictions of their respective businesses. The loss or impairment of any of these relationships could have an adverse effect on the Group's results or operations, financial condition and prospects, at least until alternative arrangements can be implemented.

Reliance on key management:
The responsibility of overseeing the day-to-day operations and the strategic management of the Combined Group will depend substantially on its senior management and the Board. Any loss of senior management or directors will have a detrimental impact on the performance of the Group or its growth potential.

Growth prospects and expansion plans:
A significant factor to the Group's growth prospects and expansion plans is the acceptance of its current brands and products by the market, and its ability to innovate and produce future products that meet consumer demand.

Environmental regulation

The Group's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Company's obligations and is not aware of any breach of environmental requirements as they relate to the Company.

Directors' Report (Continued)

Indemnification and Insurance of Officers

During the financial year the Company paid premiums in respect of a contract insuring Directors, Chief Financial Officer and Company Secretary of Bioxyne and Executive Officers against a liability incurred to the extent permitted by the Corporations Act, 2001. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the insurance contract.

Indemnification and Insurance of Auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Shares Issued on the Exercise of Options

No shares were issued during the year on the exercise of options, and there are no options on issue.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Audit and non-audit services

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2023 $	2022 $
RSM Australia Partners		
Audit of financial reports	150,000	67,000
Other services	-	-
Total remuneration for audit and other services	150,000	67,000

Directors' Report (Continued)

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2023, and the numbers of meetings attended by each director were:

Full Meetings of Directors	A	B
Mr Anthony Ho	10	10
Mr Samuel Watson	-	-
Mr Jason Hine	-	-
Mr N H Chua	10	10
Mr G Robertson	10	10
Mr Peter Hughes-Hallett	10	10

A = Number of meetings attended
B = Number of meetings held during the time the director held office during the year
In addition there were five circular resolutions of the Board.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Remuneration report

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives, and the ability of the Group to attract, motivate and retain highly skilled directors and executives.

Remuneration committee

The Remuneration Committee of Directors is responsible for determining and reviewing compensation arrangements for the directors, the managing director and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Salaries are reviewed periodically by the Committee but there is no specific link to Company performance as the Group has, until recently, been engaged mainly in research and development and linking remuneration to R&D outcomes would be inappropriate. In future, remuneration will be linked to the success in widening distribution of probiotic.

Directors' Report (Continued)

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Performance evaluation of Board Members and Senior Executives

A formal evaluation for those executives, who have been with the Group for the year under review was undertaken.

The Chairman reviews the performance of the directors on an annual basis and in turn asks for feedback on his performance.

Non-executive director remuneration

Objective
The Board of Directors recognises that the success of the Group will depend on the quality of its directors and its senior management. For this reason, the Remuneration Committee reviews the remuneration arrangements for all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified directors and executives.

Structure
Bioxyne's Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them. The latest determination was at the Annual General Meeting held on 28 November 2022 when shareholders approved an aggregate remuneration amount of up to $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned between directors is reviewed annually. The Board takes into account the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the period ending 30 June 2023 is detailed in Table 4 of this report.

Senior manager and executive director remuneration
Objective
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to ensure total remuneration is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the Remuneration Committee reviews market conditions and the circumstances of the Group to ensure that the remuneration offered is sufficient to attract executives of the highest calibre.

The Group has not tabled figures for earnings and shareholders' funds for the last five years as, being a company in the development phase, these historical figures have little relevance in determining current remuneration structure. Board Directors are remunerated in accordance with comparative small ASX listed companies.

Directors' Report (Continued)

<u>Service Agreements</u>
The Chief Executive Officers, Mr Samuel Watson and Mr NH Chua, have service agreements with a remuneration package of $300,000 and $120,000 per annum respectively, which can be terminated by either party with six months' notice.

<u>Share Based Payments</u>
Share based payments for key management personnel are set out in note 26.

Table 1 - Option holdings of key management personnel

No options are held by key management personnel as at 30 June 2023.

Table 2 – Performance rights holdings of key management personnel

30 June 2023

Directors	Opening balance	Remuneration	Lapsed	Balance 30/06/2023
Samuel Watson	-	20,000,000	-	20,000,000
Jason Hine	-	6,666,667	-	6,666,667
Total	**-**	**26,666,667**	**-**	**26,666,667**

30 June 2022

Directors	Opening balance	Remuneration	Lapsed	Balance 30/06/2022
NH Chua	16,000,000	-	(16,000,000)	-
Total	**16,000,000**	**-**	**(16,000,000)**	**-**

Table 3 - Shareholdings of key management personnel

30 June 2023

Directors	Opening balance	Purchased	Net other change	Balance 30/06/2023
A Ho	28,090,750	-	-	28,090,750
NH Chua	57,574,013	-	-	57,574,013
S Watson[1]	-	-	614,001,384	614,001,384
J Hine	-	-	1,324,890	1,324,890
G Robertson	10,605,000	-	-	10,605,000
Total	**119,544,763**	**-**	**615,326,274**	**711,596,037**

[1]Shares are held by Breathe International Limited (576,268,527) and Zonetech Wellness Limited (37,732,857) in which companies Mr Watson has a controlling interest.

30 June 2022

Directors	Opening balance	Purchased	Net other change	Balance 30/06/2022
A Ho	27,803,567	287,183	-	28,090,750
NH Chua	57,574,013	-	-	57,574,013
P Ford	23,275,000	-	-	23,275,000[1]
P Hughes-Hallett	-	-	-	-
G Robertson	10,355,000	250,000	-	10,605,000
Total	**119,007,580**	**537,183**	**-**	**119,544,763**

[1]Director resigned 30 June 2022

Directors' Report (Continued)

Table 4 – Directors and key management personnel remuneration[1]

30 June 2023 Name	Cash salary and fees $	Post-employment benefits $	Share based payments $	Total $
Directors				
A Ho	65,700	-	-	65,700
S Watson	25,000	-	268,981	293,981
J Hine	36,538	3,837	16,327	56,702
NH Chua	22,388	-	150,000	172,388
P Hughes-Hallett	70,364	-	-	70,364
G Robertson	98,500	-	-	98,500
Total	**318,490**	**3,837**	**435,308**	**757,635**

30 June 2022 Name	Cash salary and fees $	Post-employment benefits $	Share based payments $	Total $
Directors				
A Ho	65,700	-	-	65,700
NH Chua	190,316	-	-	190,316
P Ford	40,000	4,000	-	44,000
P Hughes-Hallett	73,868	-	-	73,868
G Robertson	80,000	-	-	80,000
Total	**449,884**	**4,000**	**-**	**453,884**

[1]remuneration is for the year ended 30 June.

For share based payments relating to key management personnel see Note 26.

This report is approved in accordance with a resolution of directors.

Samuel Watson
Managing Director
29 September 2023

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bioxyne Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

Gary Sherwood
Partner

Sydney NSW
Dated 29 September 2023

Bioxyne

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue from continuing operations			
Sale of goods	3	5,160,538	463,636
Other income	4	184,021	4,729
Cost of goods sold		(3,262,169)	(328,707)
Expenses			
Personnel costs		(858,816)	(259,119)
Business development		(473,401)	(45,209)
Marketing		(189,910)	(13,578)
Professional fees		(974,742)	(37,574)
Compliance costs		(72,041)	(1,386)
Non-executive director fees		(25,568)	-
General and administration		(659,615)	(132,599)
Impairment of intangibles		(96,312)	(44,309)
Share based payments	26	(696,428)	(99,906)
Loss before income tax		**(1,964,443)**	**(494,022)**
Income tax	5	**-**	**-**
Loss after income tax for the year		**(1,964,443)**	**(494,022)**
Other comprehensive income			
Items that will be classified to profit or loss			
Exchange differences on translation of foreign operations		**10,378**	**(2,557)**
Other comprehensive income, net of tax		10,378	(2,557)
Total comprehensive loss for the year, net of tax		**(1,954,065)**	**(496,579)**
Loss for the year is attributable to:			
Members of the parent entity		(1,939,970)	(494,022)
Non-controlling interests		(24,473)	-
		(1,964,443)	**(494,022)**
Total comprehensive loss for the year is attributable to:			
Members of the parent entity		(1,929,592)	(496,579)
Non-controlling interests		(24,473)	-
		(1,954,065)	**(496,579)**
Earnings per share			
From continuing operations		**Cents**	**Cents**
- Basic loss per share	25	0.15	0.067
- Diluted loss per share	25	0.15	0.067

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Bioxyne

Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	2023 $	2022 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,845,969	65,932
Trade receivables	7	826,477	230,985
Current tax receivables	8	109,861	22,448
Other current assets	9	262,976	7,652
Inventories	10	994,806	75,551
Total Current Assets		**6,040,089**	**402,568**
Non-Current Assets			
Financial assets	30	-	-
Intangible assets	11	11,568,010	-
Plant and equipment	12	85,024	43,018
Total Non-Current Assets		**11,653,034**	**43,018**
Total Assets		**17,693,123**	**445,586**
LIABILITIES			
Current Liabilities			
Trade and other payables	14	2,621,887	815,150
Provisions	15	65,101	-
Total Current Liabilities		**2,686,988**	**815,150**
Total Non-Current Liabilities		**-**	**-**
Total Liabilities		**2,686,988**	**815,150**
Net Assets		**15,006,135**	**(364,844)**
EQUITY			
Contributed equity	16	17,547,751	128,935
Reserves	17	73,129	50,001
Accumulated losses		(2,483,750)	(543,780)
Capital and reserves attributable to owners of Bioxyne Limited		15,137,130	(364,844)
Non-controlling interests	18	(130,995)	-
Equity		**15,006,135**	**(364,844)**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Bioxyne

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

2023	**Contributed equity** $	**Accumulated losses** $	**Reserve** $	**Non-controlling Interests** $	**Total** $
At 30 June 2022	**128,935**	**(543,780)**	**50,001**	**-**	**(364,844)**
Loss for the year	**-**	**(1,939,970)**	**-**	**(24,473)**	**(1,964,443)**
Other comprehensive income/(loss) for the year					
Exchange differences on translation of foreign operations	**-**	**-**	**10,378**	**-**	**10,378**
Total comprehensive income	**-**	**(1,939,970)**	**10,378**	**(24,473)**	**(1,954,065)**
Issue of shares on business combination (Note 11)	**15,309,844**	**-**	**-**	**-**	**15,309,844**
Issue of shares	**2,056,414**	**-**	**-**	**-**	**2,056,414**
Minority interest on business combination	**-**	**-**	**-**	**(106,522)**	**(106,522)**
Transfer from share-based payment reserve	**52,558**	**-**	**(52,558)**	**-**	**-**
Share based payments	**-**	**-**	**65,308**	**-**	**65,308**
At 30 June 2023	**17,547,751**	**(2,483,750)**	**73,129**	**(130,995)**	**15,006,135**

2022	**Contributed equity** $	**Accumulated losses** $	**Reserves** $	**Non-controlling Interests** $	**Total** $
At 30 June 2021	100	(49,758)	-	-	(49,658)
Loss for the year	-	(494,022)	-	-	(494,002)
Other comprehensive income/(loss) for the year					
Exchange differences on translation of foreign operations	-	-	(2,557)	-	(2,557)
Total comprehensive income	-	(494,022)	(2,557)	-	(496,579)
Issue of shares	128,835	-		-	128,835
Share based payments	-	-	52,558	-	52,558
At 30 June 2022	**128,935**	**(543,780)**	**50,001**	**-**	**(364,844)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)		5,377,880	366,008
Payments to suppliers and employees (inclusive of goods and services tax)		(6,294,687)	(872,823)
		(916,807)	**(506,815)**
Research and development tax rebate		73,991	-
Interest received		1,532	4
Net cash outflow from operating activities	22	**(841,284)**	**(506,811)**
Cash flow from investing activities			
Payment for plant and equipment		(56,638)	**(60,068)**
Cash held by subsidiary on acquisition	11	4,020,823	**86,678**
Net cash inflow from investing activities		3,964,185	**26,610**
Cash flows from financing activities			
Proceeds from share issues		582,135	**-**
Loan from shareholder		365,034	**493,243**
Net cash inflow from financing activities		**947,169**	**493,243**
Net increase in cash and cash equivalents		3,778,328	13,042
Cash and cash equivalents at the beginning of the financial year		65,932	61,406
Foreign exchange adjustment to cash balance		1,709	(8,516)
Cash and cash equivalents at end of the year	6	**3,845,969**	**65,932**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. BIOXYNE LIMITED AND CONTROLLED ENTITIES - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Bioxyne Limited (the "Group") and its subsidiaries. The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2023. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

Reporting Entity

Bioxyne Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the *Corporations Act 2001* as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, except for selected financial assets for which the fair value basis of accounting has been applied.

Business combination

On 19 May 2023, Bioxyne Limited wholly acquired Breathe Life Sciences Pty Limited.

Under the accounting standard applicable to business acquisitions, AASB 3 Business Combinations, the acquisition of Breathe Life Sciences Pty Limited ("BLS") is required to be accounted for as a reverse acquisition of BXN by BLS. Under this scenario, BLS is deemed to be the acquirer and BXN is deemed to be the subsidiary. Applying the reverse acquisition method of accounting, following the acquisition, the consolidated financial statements are required to represent the continuation of the financial statements of BLS and its controlled entities.

As a result of the reverse acquisition methodology outlined above, the consolidated financial statements represent BLS and its controlled entities from the date of acquisition.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 27.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bioxyne Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Bioxyne Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) Operating segments

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (‘CODM’). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translation

(i) Functional and presentation currency

The functional and presentation currency of the Group is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Items included in the financial statements of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(f) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods to a customer. The consolidated entity recognises revenue when the goods are shipped.

Sale of goods

Revenue from sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research and Development Tax Incentive

Research and Development Tax Incentive claims are recognised as other income in the period to which the incentive claims relate.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associated and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(h) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this

information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(i) Leases

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(j) Impairment of assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(k) Cash and cash equivalent

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(l) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for credit losses.

(m) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(p) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(ii) Retirement benefit obligations

The Group does not maintain a company superannuation plan. The Group makes fixed percentage contributions for Australian resident employees to complying third party superannuation funds. The Group's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share - based payments

The fair value of performance rights granted under the Employee Incentive Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the performance right.

The fair value at grant date is independently determined using a Monte Carlo Simulation Methodology and Black-Scholes Option Pricing Methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right.

The fair value of the rights granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Where the terms of rights are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Upon the vesting of performance rights, the balance of the share based payments reserve relating to those rights is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(q) Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net GST, except where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(s) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Depreciation is calculated on a diminishing-value basis over the estimated useful life of the assets as follows:

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and equipment – ranging from 3 to 7 years
Software – 3 years
Leasehold improvements – 5 years or over the life of the lease whichever is the lesser.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(t) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(u) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

(v) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Bioxyne Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of ordinary shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Bioxyne

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) New and revised accounting requirements applicable to the current reporting period.

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1(t). The recoverable amounts of cash-generating units have been determined based on fair value less cost to sell. As stated in Note 11, on 19 May 2023 Bioxyne Limited completed a transaction with Breathe Life Sciences Pty Limited. The acquisition was treated as a reverse acquisition and the fair value of the consideration transferred has been determined by reference to the fair value of the issued shares of Bioxyne Limited immediately prior to the business combination. Given the proximity of the transaction to the balance date, and the fact that the transaction was carried out at arms length, the goodwill is considered to be carried at its fair value less costs to sell.

(ii) Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidate entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. As stated in Note 5, the Group has significant estimated tax losses for which no deferred tax asset has been raised. The ability to retain these losses is dependent on the Group satisfying the requirements of the local tax statute. Management has satisfied themselves as to the availability of these tax losses. They have however elected not to raise any deferred tax assets on estimated tax losses until there is more certainty around the company's ability to generate sustainable taxable profits to as to enable to company to utilise the tax losses.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Consideration received for divestment and subsequent measurement of Mariposa investment

On the 17th June 2015, the shares held in Mariposa Health Limited ('MHL') were exchanged for 213,138 shares in Mariposa Health Inc ('MHI'), a USA Delaware Corporation so that MHL became a subsidiary of MHI. This investment was carried at a cost of $325,000 and was impaired at 30 June 2017.

In additional to the above, part of the total consideration paid to BXN for the disposal of HIPL included a deferred consideration of $1million, payable on achievement of agreed milestones over the next 5 years from 24 February 2014. This has not been recognised in the financial statements. The deferred consideration will be recognised as and when it is received.

The deferred consideration also includes an obligation to pay royalties, which is agreed to be 6.5% of the gross revenue received by the company, MHL or related entities in respect to the sale of the sublicensing or Intellectual property rights, including any sale proceeds or Sub-Royalties. To the extent that products are manufactured based on the intellectual property, royalties are calculated as 2% of Gross revenue. Management have exercised their judgement in determining that this investment continues to be impaired with no expectation of being able to realise any value for the investment.

3 REVENUE FROM CONTINUING OPERATIONS

	2023 $	2022 $
Revenue from continuing operations		
Revenue from contracts with customers and disaggregation		
Sales of PCC® to USA - post acquisition	42,555	-
Wholesale sales nutritional supplements to Asia – post acquisition	2,667	-
	45,222	-
Sale of goods		
Plant based product wholesale sales, United Kingdom, Europe and Japan	5,115,316	463,636

Timing of revenue recognition
All goods are transferred at a point in time, with revenue being recognised on when goods are shipped.

Geographic regions
See note 23.

4 OTHER INCOME

	2023 $	2022 $
Research and development tax offset	73,991	-
Interest received	2,572	-
Income from royalties	70,392	-
Foreign exchange gain	37,066	4,729
	184,021	**4,729**

5 INCOME TAX

	2023 $	2022 $
(a) Income tax		
Deferred tax	-	-
(b) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,964,443)	(494,021)
Tax benefit at the Australian tax rate of 25% (2022 – 25%)	**(491,111)**	**(123,505)**
Difference in overseas tax rates	37,736	10,864
Tax effect of amounts which are deductible/not taxable in calculating taxable income	198,434	36,054
Carried forward tax benefit not recognised	254,941	76,587
Total income tax expense	**-**	**-**
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	31,3993,306	349,806
Potential tax benefit @ 25% (2022:25%)	**7,998,326**	**87,451**

6 CASH AT BANK AND IN HAND

	2023 $	2022 $
CASH AT BANK AND IN HAND	3,845,969	65,932
	3,845,969	**65,932**

7 TRADE RECEIVABLES

	2023 $	2022 $
Trade receivables	902,239	230,985
Less: Allowance for expected credit losses	(75,762)	-
	826,477	230,985

	Expected credit loss rate		Carrying Amount	
	2023 %	2022 %	2023 $	2022 $
Not overdue	-	-	-	-
0 – 2 months overdue	45%	-	25,158	-
2 months or more overdue	100%	-	50,604	-
			75,762	-

The trade receivables are largely receivable from the Groups major customer, with which it has been dealing with for many years with no credit losses.

8 CURRENT ASSETS – CURRENT TAX RECEIVABLES

	2023 $	2022 $
Withholding tax	652	3,043
GST receivable	109,209	19,405
	109,861	**22,448**

9 CURRENT ASSETS – OTHER CURRENT ASSETS

	2023 $	2022 $
Other debtors	11,670	-
Royalty receivable	59,824	-
Prepayments	191,482	7,652
	262,976	**7,652**

10 CURRENT ASSETS – INVENTORIES

	2023 $	2022 $
Raw materials	712,818	75,551
Finished goods	281,988	-
	994,806	**75,551**

11 BUSINESS COMBINATIONS

	Country of Incorporation	Percentage Owned
Bioxyne Limited (legal parent, accounting subsidiary)	Australia	100%

On 19 May 2023 Bioxyne Limited acquired wholly owned Breathe Life Sciences Pty Limited. As noted in note 1(a), the acquisition was treated as a reverse acquisition as per AASB 3 Business Combinations

Consideration transferred

	2023 $
Share capital issued	15,309,844
	15,309,844

The consideration in a reverse acquisition is deemed to have been incurred by Breathe Life Sciences Pty Limited in the form of shares issued to shareholders of Bioxyne Limited. The acquisition date fair value of the consideration transferred has been determined by reference to the fair value of the issued shares of Bioxyne Limited immediately prior to the business combination.

Goodwill on consideration

Purchase consideration (non-cash equity payment)	15,309,844
Net assets acquired in Bioxyne Limited at the date of acquisition	(3,741,834)
Goodwill	11,568,010

Assets and liabilities assumed as at date of acquisition

Current assets	4,206,122
Non-current assets	462,257
Total assets	4,668,379
Current liabilities	926,545
Total liabilities	926,545
Net assets acquired	3,741,834

Net cash flow on acquisition of subsidiaries	
Consideration paid in cash	-
Less: cash and cash equivalent balances acquired	(4,020,823)
	(4,020,823)

Included in the loss for the year is $325,593 attributable to the additional activities of Bioxyne Limited. Revenue for the year includes $45,222 in respect of Bioxyne Limited.

Had the business combination been effected at 1 July 2022, the revenue of the Group from continuing operations would have been $7,721,086 and the loss for the year from continuing operations would have been $2,249,166. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

12 PLANT AND EQUIPMENT

	Plant and equipment	Leasehold improvements	Total
Cost			
Opening balance, 1 July 2022	78,641	-	78,641
Additions	71,658	-	71,658
Acquired in business combination	38,470	23,787	62,257
Disposals	-	-	-
Foreign exchange adjustment	(2,828)	237	(2,591)
Closing balance, 30 June 2023	185,942	24,024	207,138
Opening balance, 1 July 2021	4,900	-	4,900
Additions	73,741	-	73,741
Disposals	-	-	-
Foreign exchange adjustment	-	-	-
Closing balance, 30 June 2022	78,651	-	78,651
Depreciation			
Opening balance, 1 July 2022	(35,623)	-	(35,623)
Depreciation	(85,122)	(1,469)	(86,591)
Disposals	-	-	-
Foreign exchange adjustment	(2,727)	-	(2,727)
Closing balance, 30 June 2023	(123,472)	(1,469)	(124,941)
Opening balance, 1 July 2021			
Depreciation	(4,900)	-	(4,900)
Disposals	(30,723)	-	(30,723)
Foreign exchange adjustment	-	-	-
Closing balance, 30 June 2022	(35,623)	-	(35,623)
Written down value 30 June 2022	43,018	-	43,018
Written down value 30 June 2023	62,470	22,555	85,024

14 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade creditors	1,205,254	204,225
Accrued Expenses	612,198	113,261
Loan payables	558,610	397,395
GST/VAT payable	77,179	-
Other payables	168,646	100,269
	2,621,887	**815,150**

15 CURRENT LIABILITIES - PROVISIONS

	2023 $	2022 $
Provision for annual leave, opening balance	-	-
Provided during the year	42,588	-
Annual leave used	-	-
On acquisition of subsidiary	22,513	-
Provision for annual leave, closing balance	**65,101**	**-**

16 CONTRIBUTED EQUITY

(a) Share capital

	2023 Shares	2023 $	2022 Shares	2022 $
Ordinary Shares Fully Paid	1,901,645,398	17,547,751	129,351,020	128,935

(b) Movements in ordinary share capital

	Number of Shares	$
Opening balance 1 July 2021	100,000,000	100
Shares issued on acquisition of Dr Watson Japan	12,551,020	55,224
Shares issued to Breathe International Limited for transfer of Intellectual property	10,000,000	42,000
Shares issued on exercise of rights by vendors of APO Group	6,300,000	29,610
Shares issued for services rendered	500,000	2,000
Closing balance 30 June 2022	129,351,020	128,935
Opening balance 1 July 2022	129,351,020	128,935
Shares issued on exercise of rights by vendors of APO Group	14,700,000	52,573
Shares issued for cash	6,246,138	582,135
Shares issued to employees for services rendered	3,675,000	345,020
Shares issued on conversion of loan	16,203,682	693,144
Shares issued to consultants for services rendered	15,500,000	286,100
Reversal of existing BLS shares	(185,675,840)	-
Existing BXN shares in issue	665,645,398	-
Issue of BXN shares on acquisition of BLS	1,230,000,000	15,309,844
Issue of shares in lieu of salary	6,000,000	150,000
	1,901,645,398	17,547,751

(c) Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

16 CONTRIBUTED EQUITY (CONTINUED)

(d) Options

As at the date of the financial statements, there were no options over unissued ordinary shares on issue.

(e) Performance rights

Shareholders at the General Meeting on 5 May 2023 approved the issue of 26,666,667 performance rights to Mr Samuel Watson (20,000,000 performance rights) and Mr Jason Hine (6,666,667 performance rights).

(e) Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.
In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.
The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital management policy remains unchanged from the 30 June 2022 Annual Report.

17 RESERVES AND ACCUMULATED LOSSES

(a) Reserves	2023 $	2022 $
Foreign currency translation reserve		
Balance 1 July	(2,557)	-
Movement in foreign currency translation reserve	10,378	(2,557)
Balance 30 June	**7,821**	**(2,557)**
Share based payment reserve		
Balance 1 July	52,558	-
Transfer from share based payment reserve	(52,558)	-
Transfer to share based payment reserve	65,308	52,558
Balance 30 June	**65,308**	**52,558**
Total reserves	**73,129**	**50,001**

18. NON-CONTROLLING INTEREST

	2023 $	2022 $
Issued capital	-	-
Retained profits	(130,995)	-
	(130,995	**-**

The non-controlling interest has a 49% interest in the direct selling business

19 INTERESTS IN OTHER ENTITIES

Name of Entity	Country of Incorporation	Ownership Interest 2023 %	Ownership Interest 2022 %	Principal Activities
Breathe Life Sciences Pty Ltd	Australia	100%	100%	Intermediate holding company
BLS Wholesalers Pty Ltd	Australia	100%	100%	Wholesaler
BLS Panther Pty Ltd	Australia	100%	-	Telemedicine
Breathe Life Science UK Ltd	United Kingdom	100%	100%	Manufacturing and sales
Always Pure Organics AG	Switzerland	100%	100%	Wholesaler
Always Pure Organics EU	Czech Republic	100%	100%	Wholesaler
Always Pure Organics Japan KK	Japan	100%	100%	Wholesaler
Dr Watson Japan KK	Japan	100%	100%	Manufacturing & distribution
Mirai Solution Co KK	Japan	100%	-	Manufacturing & distribution
Global Treasure New Zealand Limited	New Zealand	51	100	Product development
New Zealand Nutritional Research Institute Limited	New Zealand	51	100	Product research and development
Bioxyne International Malaysia Sdn Bhd	Malaysia	51	100	Sales
Bioxyne International Pty Ltd	Australia	51	100	Intermediate holding company
P.T. Gamata Utama	Indonesia	51	95	Sales
Bioxyne International (NZ) Limited	New Zealand	51	100	Sales

20 REMUNERATION OF AUDITORS

Audit services

	2023 $	2022 $
Audit of financial reports – RSM Australia Partners	150,000	67,000
Total remuneration for audit services	**150,000**	**67,000**

21 COMMITMENTS

Capital commitments

As at 30 June 2023, the Company has no capital commitments (2022: $nil).

22 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2023 $	2022 $
Loss for the year	(1,964,443)	(494,022)
Depreciation	109,643	30,723
Doubtful debt write-off	-	9,171
Impairment of intangibles	87,162	44,309
Unrealised foreign exchange gain	(2,820)	(4,725)
Share based payment	696,428	99,906
Other non-cash items	(59,246)	(61,657)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(595,492)	(265,583)
Increase in inventory	(919,255)	(75,551)
Increase in trade and other payables	1,806,739	210,618
Net cash outflow from operating activities	**(841,284)**	**(506,811)**

23 SEGMENT INFORMATION

Bioxyne Limited (ASX:BXN) is an Australian health and wellness products company (incorporated in 2000). In May 2023 the Company acquired Breathe Life Sciences Pty Limited (BLS).

The Group is now organized into three operating segments based on differences in products provided and method of delivery to market.

The operating segments are based on the internal reports that are reviewed and used by Management (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. The CODM is Samuel Watson and NH Chua who are joint Chief Executive Officers. The operating segments are as follows:

1. Bioxyne's wholesale probiotic business, through its proprietary probiotic, *Lactobacillus fermentum* VRI-003 (PCC), 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 multilevel marketing company.
2. BLS manufactures, commercializes and distributes plant-based wellness products and supplements, including CBD, cannabis extracts, vitamins, manuka honey, skin care products and mushroom complexes. BLS operates in Australia, the UK, Japan, and Europe with 4 accredited manufacturing facilities across 4 countries (Japan, Australia, UK, and Czechia).
3. Bioxyne International is the Group's direct sales arm and has developed a range of functional food products containing ingredients sourced exclusively from New Zealand, and sold in Asia.

Management have determined that it is appropriate to report by sales channel which correspondence with geographical areas as follows:

1. PCC Wholesale – contract manufactured in Denmark and sold to NuSkin in USA.
2. BLS – plant-based wellness products sold in UK, Europe and Japan.
3. Functional food products contract manufactured in New Zealand and direct sales in Asia.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 30 June 2023 and 30 June 2022.

Bioxyne

Notes to the Financial Statements
For the year ended 30 June 2023

23 SEGMENT INFORMATION (continued)

2023

	Wholesale PCC/USA	Plant Based/UK/ EU/JPN	Direct Sales/ASIA	Unallocated	Total
Sales	42,555	5,115,316	2,667	-	5,160,538
Cost of sales	(19,219)	(3,242,113)	(837)	-	(3,262,169)
Gross margin	23,336	1,873,203	1,830	-	1,898,369
Other income	-	-	-	184,021	184,021
Overhead expenses	-	(3,330,623)	-	(679,143)	(4,046,833)
Profit/(loss) before tax	23,336	(1,457,420)	1,830	(532,188)	(1,964,443)
Taxation	-	-	-	-	-
Profit/(loss) after tax	23,336	(1,457,420)	1,830	(532,188)	(1,964,443)
Total assets	238,036	2,119,587	1,151,740	14,183,760	17,693,123
Total liabilities	274,270	1,724,556	71,212	616,952	2,686,990
Cash Balance	-	492,181	898,697	2,455,091	3,845,969
Trade receivables	238,036	588,441	-	-	826,477
Trade and other payables	274,270	1,693,758	43,993	609,866	2,621,887
Inventories	-	842,202	152,604	-	994,806

2022

	Wholesale PCC/USA	Plant Based/UK/ EU/JPN	Direct Sales/ASIA	Unallocated	Total
Sales	-	463,636	-	-	463,636
Cost of sales	-	(328,707)	-	-	(328,707)
Gross margin	-	134,929	-	-	134,929
Other income				4,729	4,729
Overhead expenses	-	(360,218)	-	(92,801)	(453,019)
Research and development	-	-	-	(180,661)	(180,661)
Profit/(loss) before tax	-	(225,289)	-	(268,733)	(494,022)
Taxation	-	-	-	-	-
Profit/(loss) after tax	-	(225,289)	-	(268,733)	(494,022)
Total assets	-	264,803	-	180,783	445,586
Total liabilities	-	629,911	-	185,239	815,150
Cash Balance	-	65,648	-	284	65,932
Trade receivables	-	230,985	-	-	230,985
Trade and other payables	-	629,911	-	185,239	815,150
Inventories	-	75,551	-	-	75,551

23 SEGMENT INFORMATION (continued)

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and in determining the allocation of resources.

Segment revenues and results

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are consistent with the Group's accounting policies described in Note 1. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

24 FINANCIAL RISK MANAGEMENT

(a) Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Group does not speculate in financial assets.

Credit risk
The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The receivable balances are monitored on an ongoing basis. The Group's exposure to bad debts is mitigated by having a broad base of customers.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises form default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral security.

The maximum exposure to credit risk at balance date is as follows:

	2023 $	2022 $
Cash and cash equivalents (Note 6)	3,845,969	65,932
Trade receivables (Note 7)	826,477	230,985
	4,672,446	296,917

Liquidity risk
The Company's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2023 $	2022 $	**2023 $**	2022 $	**2023 $**	2022 $	**2023 $**	2022 $
Financial liabilities - due for payment:								
Trade and other payables	**2,621,887**	815,150	-	-	-	-	**2,621,887**	815,150
Total contractual outflows	**2,621,887**	815,150	**-**	**-**	**-**	**-**	**2,621,887**	815,150
Cash and cash equivalents	**3,845,969**	65,932	-	-	-	-	**3,845,969**	65,932
Trade receivables	**826,477**	230,985	-	-	-	-	**826,477**	230,985
Total anticipated inflows	**4,672,446**	296,917	**-**	**-**	**-**	**-**	**4,672,446**	296,917
Net inflow/(outflow) on financial instruments	**2,050,559**	(518,233)	**-**	**-**	**-**	**-**	**2,050,559**	(518,233)

(c) Net fair values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Sensitivity analysis

The Company has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. The effect on profit and equity as a result changes in the value of the Australian Dollar to a range of currencies in which it holds funds including US Dollar, New Zealand Dollar, Euro, Pound Sterling, Japanese Yen, Indonesia Rupeah and Malaysian Ringgit, is as follows:

Consolidated	**Carrying Amount $**	**Interest Rate Risk -1%**		**Interest Rate Risk +1%**	
		Profit $	**Equity $**	**Profit $**	**Equity $**
2023					
Financial Assets					
Cash and cash equivalents	**3,845,969**	**(38,460)**	**(38,460)**	**38,460**	**38,460**
2022					
Financial Assets					
Cash and cash equivalents	65,932	(659)	(659)	659	659

Consolidated A$ 5% stronger / (weaker)	**Carrying amount in original currency $**	**Currency Risk +5%**		**Currency Risk -5%**	
		Profit A$	**Equity A$**	**Profit A$**	**Equity A$**
2023					
Financial Assets					
Cash in US $	**533,226**	(38,298)	(38,298)	38,298	38,298
Cash in £ Sterling	**55,382**	(5,023)	(5,023)	5,023	5,023
Cash in JPY	**9,434,758**	(4,684)	(4,684)	4,684	4,684
Cash in Euro	**170,022**	(13,275)	(13,275)	13,275	13,275
Cash in IDR	**2,680,795,157**	(12,843)	(12,843)	12,843	12,843
Cash in MYR	**137,058**	(2,104)	(2,104)	2,104	2,104
Cash in NZ$	**636,787**	(27,863)	(27,863)	27,863	27,863
		(104,102)	(104,102)	104,102	104,102
2022					
Financial Assets					
Cash in Euro	**18,777**	(1,357)	(1,357)	1,357	1,357
Cash in JPY	**5,298,265**	(2,685)	(2,685)	2,685	2,685
Cash in CHF	**(12,752)**	924	924	(924)	(924)
		(3,118)	(3,118)	3,118	3,118

25 EARNINGS PER SHARE

	2023 Cents	2022 Cents
Basic loss per share (cents per share)	0.15	0.067
Diluted loss per share (cents per share)	**0.15**	**0.067**
Weighted average number of shares[1]		
Basic earnings per share calculation	1,344,132,135	732,432,114
Diluted earnings per share calculation	1,344,132,135	732,432,114
Loss for the period used in earnings per share	**(1,964,443)**	**(494,022)**
From continuing operations		

[1]the number of ordinary shares outstanding from the beginning of the year to the acquisition date is computed on the basis of the weighted average number of ordinary shares of the accounting acquirer (BLS) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and (b) the number of ordinary shares outstanding from the acquisition date to the end of that period shall be the actual number of ordinary shares of (the accounting acquiree (BXN) outstanding during that period.

The basic earnings per share for the comparative period before the acquisition date presented in the consolidated financial statements following a reverse acquisition is calculated by dividing: (a) the profit or loss of the legal acquiree (BLS) attributable to ordinary shareholders in each of those periods by (b) the legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

26 SHARE BASED PAYMENTS

Shares issued

The company issued 19,175,000 shares to consultants and employees resulting in a share based expense of $631,121.

Options

No share options were issued during the year and no options were outstanding at year end.

Performance rights

The Company issued 26,666,667 performance rights during the year to two directors of the Company. The Company recorded an expense for the year in respect of these performance rights in the amount of $65,308 (2022: Nil). The total value of rights as at grant date amounts to $428,000, and $313,857 after taking into account the probability of achievement on the non-market based vesting conditions. This amount will be amortised in accordance with the vesting conditions and term outlined below.

The fair value at grant date has been independently determined by an independent external advisor using a Monte Carlo Simulation Methodology and Black-Scholes Option Pricing Methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. These inputs are as follows:

26 SHARE BASED PAYMENTS (continued)

		Tranche 1 2023 STIs	Tranche 2 2023 LTIs	Tranche 3 2024 LTIs	Tranche 4 2025 LTIs
i.	Underlying share price	$0.026	$0.026	$0.026	$0.026
ii.	Exercise price	$nil	$nil	$nil	$nil
iii.	Term	0.80 yrs	0.80 yrs	2.80 yrs	2.80 yrs
iv.	Risk-free rate	3.519%	3.519%	3.203%	3.203%
v.	Dividend yield	Nil	Nil	Nil	Nil
vi.	Volatility (rounded)	90.0%	90.0%	90.0%	90.0%
vii.	Performance Period	1/1/23 to 31/12/23	1/1/23 to 31/12/23	1/1/24 to 31/12/25	1/1/24 to 31/12/25
viii.	VWAP Milestones (30day VWAP)	(1) $0.03 (7.5% vesting) (2) $0.04 (10.0% vesting) (3) $0.05 (12.5% vesting)	(1) $0.03 (15.0% vesting) (2) $0.04 (20.0% vesting) (3) $0.05 (25.0% vesting)		

The performance rights have been allocated as follows:

	Samuel Watson	Jason Hine
2023 STI Performance Rights	5,000,000	1,666,667
2023 LTI Performance Rights	5,000,000	1,666,667
2024 LTI Performance Rights	5,000,000	1,666,667
2025 LTI Performance Rights	5,000,000	1,666,667

The 2023 to 2025 LTI Performance Rights are subject to the following share price and revenue milestones/vesting conditions.

%	Share Price Milestones – the 2023 – 2025 LTI Performance Rights will vest upon:
15%	The 30 day VWAP (prior to the end of the Performance Period) of the Company's share price being equal or greater than 3 cents
20%	The 30 day VWAP (prior to the end of the Performance Period) of the Company's share price being equal to or greater than 4 cents
25%	The 30 day VWAP (prior to the end of the Performance Period) of the Company's share price being equal to or greater than 5 cents

Note: The share price milestones are cumulative. If the Share price achieves a second, third or fourth hurdle before there is time for vesting of the Rights for a previous hurdle, then all the Rights due at that hurdle will be vested

Either:	Sales for the years 2023 to 2025 achieve the following:
10%	CY 2023: A$10 million
15%	CY 2024: A$15 million
15%	CY 2025: A$20 million

The STI hurdles for CY2023 will be the rights granted with 30% applying to the share price hurdles, and 70% applying to the revenue hurdle for 2023 on a pro rata basis.

27 PARENT ENTITY DISCLOSURES

(a) Financial position

	2023 $	2022 $
Total Current Assets	**717,973**	37,586
Total Assets	**14,639,447**	53,929
Total Liabilities	**(351,285)**	(310,914)
Net Assets/(Liabilities)	**15,006,135**	(364,843)
EQUITY		
Contributed equity	17,547,752	128,935
Reserves	65,308	52,558
Accumulated losses	(2,606,925)	(546,336)
Equity	**15,006,135**	(364,843)

(b) Reserves

Option reserve	-	-

(c) Financial performance

	2023 $	2022 $
Loss for the year	(1,939,970)	(248,474)
Other comprehensive income	-	-
	(1,939,970)	(248,474)

(d) Commitments

	-	-

28 RELATED PARTY TRANSACTIONS

(a) Key management personnel

Refer to the Remuneration Report contained in the Directors Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2023.

The total remuneration paid to key management personnel of the company and the group during the year is as follows:

	2023 $	2022 $
Short-term employee benefits	318,490	449,884
Post- employment benefits	3,837	4,000
Share based payments	435,308	-
	757,635	453,884

28 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with other related parties

During the year the following transactions were undertaken with related parties on an arms' length basis:

i. $17,850 (2022: $17,083) was paid to NH Chua a director of the Company as rental for the Malaysian office;
ii. $52,843 (2022: $60,000) was paid to Jin Chua (a consultant to the Group and daughter of NH Chua a director of the Company) for consulting services.
iii. $48,500 (2022: $40,000) was paid to Integrated CFO Solutions Pty Ltd, a company controlled by the Company Secretary, for accounting services.

29 EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

a) The Company's operations in future financial years; or
b) The results of those operations in future financial years; or
c) The Company's state of affairs in future financial years.

30 OTHER FINANCIAL ASSETS

Non-current

	2022 $	2021 $
Available-for-sale financial assets	325,000	325,000
Less impairment	(325,000)	(325,000)
	-	-

31 COMPANY DETAILS

Corporate Head Office and Principal Place of Business

Suite 506, Level 5
50 Clarence Street
Sydney NSW 2000

Bioxyne

Directors' Declaration

1. In the opinion of the directors of Bioxyne Limited ("the Company" or "the Group"):

    a. The consolidated financial statements and notes thereto, as set out on pages 13 to 46, are in accordance with the Corporations Act 2001 including:
        i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of the performance of the Group for the year then ended; and
        ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

4. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Anthony Ho
Chairman
29 September 2023

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Bioxyne Limited

Opinion

We have audited the financial report of Bioxyne Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 1(f) and 3 in the financial statements	
Revenue for the year ended 30 June 2023 was $5,160,538. The primary revenue stream is sale of goods. Revenue is considered to be a Key Audit Matter because revenue is generated from sales of high volumes of low value items, so a systemic error could materially impact revenue recognition.	Our audit procedures in relation to the recognition of revenue included: • Obtaining a detailed understanding of each of the revenue streams and the process for calculating and recording revenue under *AASB 15 Revenue from Contracts with Customers*. • Assessing whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards. • Performing tests of detail on a sample basis to test the occurrence and accuracy of revenue. The detailed testing included agreeing transactions recorded at the sales listing to sales invoices, agreeing the receipt of cash to bank statements, agreeing the delivery of goods to proof of delivery; • Performing specific targeted cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period. • Assessing the appropriateness of the disclosures in the financial report.
Reverse Acquisition Refer to Note 11 in the financial statements	
As of 22 May 2023, Bioxyne Limited ("Bioxyne") completed acquisition of Breathe Life Sciences Pty Limited ("BLS"). The acquisition involves Bioxyne acquiring 100% of the issued shares in BLS in consideration for the issue of total of 1,230,000,000 shares in Bioxyne to the BLS shareholders at a deemed issue price of $0.03 per share. The consideration shares will represent approximately 64.89% of the total issued shares in Bioxyne after completion of the acquisition. This transaction is a reverse acquisition transaction under AASB 3 Business Combinations. We consider the transaction to be a key audit matter because of: - There is significant judgment involved in determining whether the transaction is in fact a normal business combination or a reverse acquisition. - The new group will need to determine the fair value of the consideration for the transaction, the fair value of the tangible assets and liabilities at	Our audit procedure included the following: • Obtaining the Share Purchase Agreement and other associated documents, and understanding the nature of the transaction to confirm that it met the definition of Business Combinations under AASB 3 rather than being an asset acquisition; • Confirming the identify of the accounting acquirer and acquiree in line with AASB 3 and whether it's appropriate to account for the transaction as a reverse acquisition; • Assessing the value for the consideration transferred in line with AASB 3; • Assessing the accuracy and completeness of the fair values of the identified assets and liabilities acquired; • Assessing management's proposed accounting treatment in accordance with AASB 3 and appropriateness of the acquisition journals at the acquisition date;

acquisition, the fair value of the intangible assets at acquisition, the split within the intangible assets in relation to the composition of the intangible assets. There is significant judgement and estimation uncertainty in this regard, and typically an independent external advisor is engaged to complete this exercise. - Consequent to the reverse acquisition, BLS becomes the accounting acquiror and consequently the financial statements for BLS would be presented for the current and comparative period, and the Bioxyne financial position consolidated at year end, and the Bioxyne P&L results only consolidated from the acquisition date to year end. - The disclosure in relation to a transaction like this is non-routine and extensive.	• Evaluating the basis of the valuation of the share-based payment as part of the transaction and challenging the underlying assumptions of the valuation; • Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the directors' report for the year to ended 30 June 2023.

In our opinion, the Remuneration Report of Bioxyne Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM Australia Partners

GNS

G N Sherwood
Partner

Sydney, NSW, dated 29 September 2023

Bioxyne

Shareholder Information
For the year ended 30 June 2023

ASX additional information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 September 2023.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of security are:

Holdings Range Report
Bioxyne Limited

Security Class: **BXN - ORDINARY FULLY PAID SHARES**
As at Date: **23-Sep-2023**

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	91	27,150	0.00%
above 1,000 up to and including 5,000	63	186,124	0.01%
above 5,000 up to and including 10,000	84	687,190	0.04%
above 10,000 up to and including 100,000	321	14,685,284	0.77%
above 100,000	271	1,886,059,650	99.18%
Totals	**830**	**1,901,645,398**	**100.00%**

(b) Substantial shareholders

The company has the following substantial shareholders, as defined by the Corporations Act 2001, as at the date of this report:

Holder Name	Holding	% IC
BREATHE INTERNATIONAL LTD	614,001,384	32.29%
GLOBAL CR HOLDINGS LTD	175,450,850	9.22%
IAN EDWARD OWLES	132,488,966	6.97%

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Shareholder Information
For the year ended 30 June 2023

(d) Top twenty shareholders

Security class: **BXN - ORDINARY FULLY PAID SHARES**
As at date: **23-Sep-2023**
Display top: **20**

Position	Holder Name	Holding	% IC
1	BREATHE INTERNATIONAL LTD	576,268,527	30.30%
2	GLOBAL CR HOLDINGS LTD	149,050,086	7.84%
3	IAN EDWARD OWLES	132,488,966	6.97%
4	KIRKMAN TRADING LTD	82,805,604	4.35%
5	VIG LIMITED	80,562,003	4.24%
6	BPMGMT LTD	79,493,379	4.18%
7	NAM HOAT CHUA	63,574,013	3.34%
8	PENG-HYANG NG	51,500,000	2.71%
9	ZONETECH WELLNESS LTD	37,732,857	1.98%
10	PARAMOUNT STAR INVESTMENTS LIMITED	36,000,000	1.89%
11	CUSTODIAN NOMINEE CO LTD	34,836,169	1.83%
12	ANDREW ALEXANDER OGILVIE	34,778,354	1.83%
12	PAULA OGILVIE	34,778,354	1.83%
12	DAVID BUIST OGILVIE	34,778,354	1.83%
12	GAVIN JAMES OGILVIE	34,778,354	1.83%
13	MR ANTHONY PENG HO & MRS CHUI HOONG HO	24,390,750	1.28%
14	KEE-SIONG CHIA	23,050,000	1.21%
15	MR MAKRAM HANNA & MRS RITA HANNA <HANNA & CO P/L SUPER A/C>	22,588,594	1.19%
16	CITICORP NOMINEES PTY LIMITED	22,276,468	1.17%
17	CHUN-CHIEH HSU	20,000,000	1.05%
18	GLOBAL CR HOLDINGS LIMITED <BUFFALO A/C>	19,431,902	1.02%
19	SOUTHAM INVESTMENTS 2003 PTY LTD <WARWICKSHIRE INVESTMENT A/C>	17,021,550	0.90%
20	P FORD SUPERANNUATION PTY LTD <PATRICK FORD SUPER FUND A/C>	16,475,000	0.87%
	Total	**1,628,659,284**	**85.64%**
	Total issued capital - selected security class(es)	**1,901,645,398**	**100.00%**

(e) The Company has 332 unmarketable parcels as at 23 September 2023.

(f) There is currently no on-market buy-back

Shareholder Information
For the year ended 30 June 2023

DIRECTORS
Anthony Ho (Non-Executive Chair)
Samuel Watson (Executive Director)
Jason Hine (Executive Director)
NH Chua (Executive Director

COMPANY SECRETARY
Guy Robertson

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