

31 July 2017

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2017

Bioxyne Limited (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 30 June 2017.

Acquisition

In April 2017 the Company acquired a New Zealand-based product development and sales business that will market Bioxyne's existing and new products in Asia by establishing direct sales and marketing teams in the region.

The Company appointed Mr NH Chua as CEO on 1 June 2017 to develop the expanded business. The Company is in the process of building the infrastructure to support the business in Asia and, as a result, as of 30 June 2017, had not yet commenced operations in this region.

The Company has a number of products under development for the direct sales channel which will be announced once appropriate approvals and registrations are in place.

The Company is well funded to implement its business plan of establishing a direct sales presence in Asia. See paragraph below on Capital Raise.

Australia

Revenue from PCC[®] sales and royalties for the quarter were largely in line with the prior year at \$468,000 (2016 - \$479,000), however on a YTD basis, including adverse foreign exchange movement total revenues were 8.7% down.

After a comprehensive review of the Company's marketing, a new range of packaging was introduced for all products. The Company's push into online and pharmacy channel was delayed by this decision – see www.bioxyne.com and a full launch of these products (Progastrim[®] for gut and immune health, proTract[®] for atopic dermatitis (eczema) and Progastrim[®] + Vitamin C for cold and flu symptoms) is to take place on 2 August 2017.

The Company's clinical trial to demonstrate the benefits of PCC[®] on gut and immune health is ongoing with results expected by the end of the 1st Qtr in 2017/2018.

A slightly softer sales performance compared to the prior year, the cost of a clinical trial, product development and repackaging costs and a share based sign on fee for the CEO, will result in a small loss for the year, with the accounts for the year end in the process of being finalised.

Capital Raise

During the quarter the company undertook a placement of 28,106,524 shares at 1.9 cents raising \$534,024 and then undertook a one for one rights issue (with attaching option of one share for every two new shares subscribed for) and issued 253,782,625 shares raising approximately \$2.54 million (before costs).

Cash at the end of the quarter was approximately \$3.9 million.

Net operating cash outflow for the quarter was a net \$52,000 which included a receipt of \$60,000 from the prior years' Research and Development tax offset and costs of \$60,000 relating to research and development and the clinical trial announced on 17 October 2016¹ which is underway.

Appointment of Directors

Mr Nam Hoat Chua, an executive with over 33 years' experience in the direct selling industry joined the Company as Chief Executive Officer on 1 June 2017 and the Board on 13 June 2017.

Mr Maxwell Parkin, an experienced company director with over 35 years' experience of dairy management and consulting in Asia Pacific, the Americas and Africa, joined the Board as an Executive Director on 13 June 2017.

For more information, please contact:

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¹ ASX Announcement 17 October 2016

² ASX Announcement 19 April 2017

About Bioxyne

Bioxyne Limited (ASX:BXN) is an Australian life sciences, and health products company (incorporated in 2000) with a focus on immune health and immunotherapeutic products.

Through a recent acquisition in New Zealand, now trading as Bioxyne International, the Company is further developing a range of functional food and beauty products containing ingredients sourced exclusively from New Zealand, for our direct sales channel.

Bioxyne has a strategic investment in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* VRI-003 (PCC®). Bioxyne is a company creating value for consumers and investors by delivering safe and clinically effective health and wellness solutions.

Bioxyne's other business is on the Company's probiotic business and its proprietary product PCC®, which 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 also has a distribution agreement with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company who pride themselves in offering only quality solutions to their customers.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	516	1,850
1.2 Payments for		
(a) research and development	(60)	(475)
(b) product manufacturing and operating costs	(175)	(868)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs		
(f) administration and corporate costs	(393)	(1,027)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	60	60
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(52)	(460)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		(4)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other – cash acquired on acquisition of subsidiaries (see item 10)	76	76
2.6 Net cash from / (used in) investing activities	76	72

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,089	3,089
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(184)	(184)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	2,905	2,905

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	965	1,354
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(52)	(460)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	76	72
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,905	2,905

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(16)	7
4.6	Cash and cash equivalents at end of quarter	3,878	3,878

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,878	965
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,878	965

6. Payments to directors of the entity and their associates

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

**Current quarter
\$A'000**

49

Directors salaries and fees.

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

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

**Current quarter
\$A'000**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	130
9.2 Product manufacturing and operating costs	430
9.3 Advertising and marketing	50
9.4 Leased assets	
9.5 Staff costs	
9.6 Administration and corporate costs	190
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	800

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	<ul style="list-style-type: none"> a) Global Treasure New Zealand Limited (100%) b) New Zealand Nutritional Research Institute Limited (100%) c) Pan Global Treasure Biotech Sdn Bhd (100%) 	
10.2 Place of incorporation or registration	<ul style="list-style-type: none"> a) New Zealand b) New Zealand c) Malaysia 	
10.3 Consideration for acquisition or disposal	No cash consideration – acquired for 18,000,000 shares at deemed price of \$0.019 per share	
10.4 Total net assets	Approximately A\$309k	
10.5 Nature of businesses	<ul style="list-style-type: none"> a) and b) – product development 'c) not operating 	

