



30 April 2020

QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2020

Bioxyne Limited (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 31 March 2020.

Highlights

- **Product revenues up 7% on prior year – 9 months to 31 March 2020**
- **COVID-19 slowed development in Malaysia, Indonesia**
- **First order received for Mymana from south east Asia**
- **Product registrations completed for all products in target markets**
- **Cost saving initiatives implemented**

Results

Wholesale sales of *Lactobacillus fermentum* PCC® remain consistent, while COVID-19 slowed the Direct Sales business in Asia.

Sales revenue for Q3 FY 2020 was \$270,030 (Q2 FY 2019: \$103,438). Year to date sales for the nine months were \$1,621,569 (YTD FY 2019: \$1,513,007) a 7% increase over the prior year.

The result for the quarter was a loss of \$53,076, with a YTD loss of \$307,339 (YTD FY19: Loss of \$1,361,529) a loss reduction of 77% over the corresponding period .

Operating cash outflow for the quarter was \$438,827 and cash at the end of the quarter \$1,715,472.

Operations

Wholesale sales of *Lactobacillus fermentum* PCC® remain consistent with further orders being received post quarter end for May/June delivery.

COVID-19 timing is unfortunately delaying the direct selling business in Malaysia and Indonesia, just as the businesses are starting to show slow but steady traction. The Company



is taking the opportunity, given the hiatus, to convert as much of its raw materials into finished goods to enable it to recover quickly when these markets reopen.

The Company continues to explore alternative channels into Asian markets and continues to work with a number of potential direct sales distributors.

Subsequent to quarter end the Company received its first order for a container of Mymana from a distributor in south east Asia (US\$176,000). The Company's Mymana product a unique New Zealand colostrum and dairy milk formula product, also supports a healthy immune system, has now been approved for sale in a number of South East Asian countries and has also achieved compliance regulations in China.

Product registrations being completed for all products in all target markets

The product registration process in Asian countries is complex and demanding. The Company has made substantial progress in registering our product suite in those countries where we have direct selling licences and in those where there is a ready demand for our products, including Vietnam and China.

The Bioxyne retail product suite comprises:

Progastrim™ (PCC®) - clinically tested probiotic, for general health and immune support

Mymana – colostrum and fortified milk formula for nutrition and immune support

BK18 – NZ dairy based formula with probiotics and vitamins for general health and immune support

Allura – weight management and beauty drink for women

Mustang – weight management and vitality shake for men

BEssence – beauty range

Cost saving initiative implemented

The Company has taken steps to reduce costs, including executive and non-executive directors taking an immediate 50% pay reduction from April to 30 June 2020, and other operational personnel and rental reducing their costs as appropriate. Travel expenses have also fallen in the current enforced travel restrictions in most countries.



Corporate

Cash on hand as at 31 March 2020 amounted to \$1.7 million.

This quarterly activities report has been approved by the Board.

For more information, please contact:

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About Bioxyne

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

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

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

Bioxyne has a distribution agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.

For more information on Bioxyne, please visit www.bioxyne.com

Appendix 4C

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

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	111	2,132
1.2 Payments for		
(a) research and development	-	(60)
(b) product manufacturing and operating costs	(24)	(810)
(c) advertising and marketing	-	(40)
(d) leased assets		
(e) staff costs	(161)	(547)
(f) administration and corporate costs	(382)	(821)
1.3 Dividends received (see note 3)		
1.4 Interest received	17	28
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(439)	(118)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(47)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	(47)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 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		

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,056	1,769
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(439)	(118)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(47)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	98	111
4.6	Cash and cash equivalents at end of period	1,715	1,715

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	788	1,036
5.2	Call deposits	927	1,020
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)	1,715	2,056

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

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

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

**Current quarter
\$A'000**

37

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

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

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

7.5 Unused financing facilities available at quarter end

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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

8.1	Net cash from / (used in) operating activities (Item 1.9)	(439)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,715
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,715
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.9

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..30 April 2020.....

Authorised by: ..The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.