



Suite 506, Level 5, 50
Clarence Street
Sydney NSW 2000
W:www.bioxyne.com



29 January 2024

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

Bioxyne Limited (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 31 December 2023.

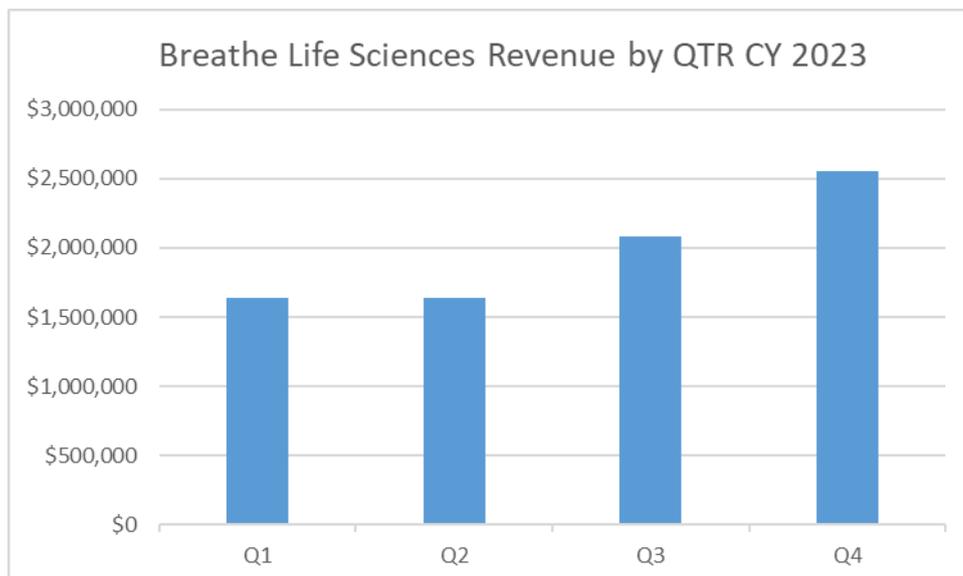
Highlights

- **Bioxyne achieves annualised Revenue run rate of \$10 million, with Q2 at \$2.56 million**
- **TGA GMP audit successfully completed with GMP manufacturing licence expected in February 2024**
- **Cash on hand 31 December 2023 \$1.5 million, with further \$1.8 million in net trade working capital.**

Results

Group revenue for the second quarter was approximately \$2.56 million with the trajectory to give BXN an annualised sales run rate of over \$10 million.

Breathe Life Sciences consumer health products and lifestyle divisions in the UK, Europe, and Japan continue to perform consistently, and Australia is achieving rapid growth in wholesale of medicinal cannabis starting materials, Dr Watson® and Breathe Life Sciences final dose form products.



Bioxyne's PCC™ probiotics wholesale business underperformed for the quarter with BXN's major customer under market pressure from competitor probiotic products. The direct sales business has performed below expectations and BXN is in the process of winding it down and divesting its interest in this division.

Operations

The medicinal cannabis business is the key revenue driver during the quarter, with Australian revenues just short of A\$1 million, an increase of 100% + on the previous quarter.

The Company underwent a TGA GMP audit and inspection of its Brisbane pharmaceutical manufacturing facility in November. The review went well and BXN expects that it will receive GMP certification in February 2024, which will allow it to scale its production capabilities significantly. The result for the half year will include costs of approximately \$0.4 million related to the establishment of this GMP facility.

The investment in inventory has increased from \$995k at 30 June 2023 to \$1.565 million as at 31 December 2023. Net trade working capital including inventory at 31 December 2023 is \$1.8 million.

Further developments in Australia include the launch of the CanXChange AI-powered B2B therapeutic goods platform in early 2024. This targets Australia's fast growing ~\$500 million medicinal cannabis market to provide a portal to facilitate wholesale trading between licensed buyers, sellers, cultivators, and accredited manufacturers in the country. The platform has seen significant market interest in its first week since launch with in excess of \$10 million in sales interest.

Bioxyne's planned drug development pipeline includes Psilocybin (magic mushrooms) and MDMA capsules and the Company intends to establish commercial pathways via clinical trials and authorised prescribers in 2024.

The global medicinal cannabis market size is forecast to grow from US\$29.8 billion in 2023 to US\$89.2 billion by 2028, at a CAGR of 20% during the forecast period.

Corporate

The Company appointed Macdarragh O'Neill as Head of Production in early 2024. Macdarragh, previously Process & Compliance Manager at Steritech, will oversee production at the Company's intended GMP facility in Brisbane.

Macdarragh has a Bachelor of Engineering (Biomedical Engineering) and a Masters in Engineering Science, from the National University of Ireland, Galway.

The Group is continuing to review a number of opportunities to expand the delivery of its plant based products to market.

The Group had a net cash outflow for the quarter of \$0.7 million principally due to inventory holding and timing of receivables which are current and amount to \$1.5 million as at 31 December 2023.

Cash balance at the end of the quarter is \$1.5 million.

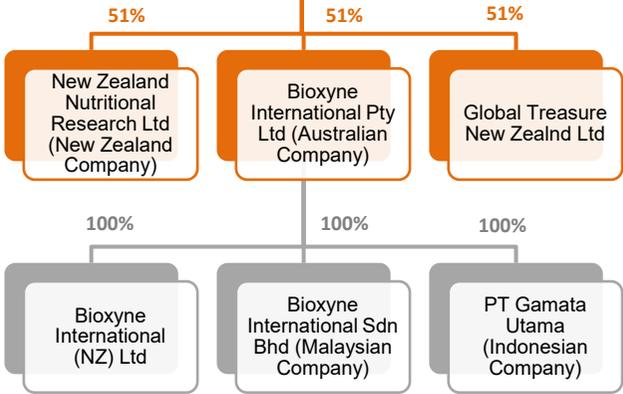
This announcement has been approved for release by the Board.

For further information contact:

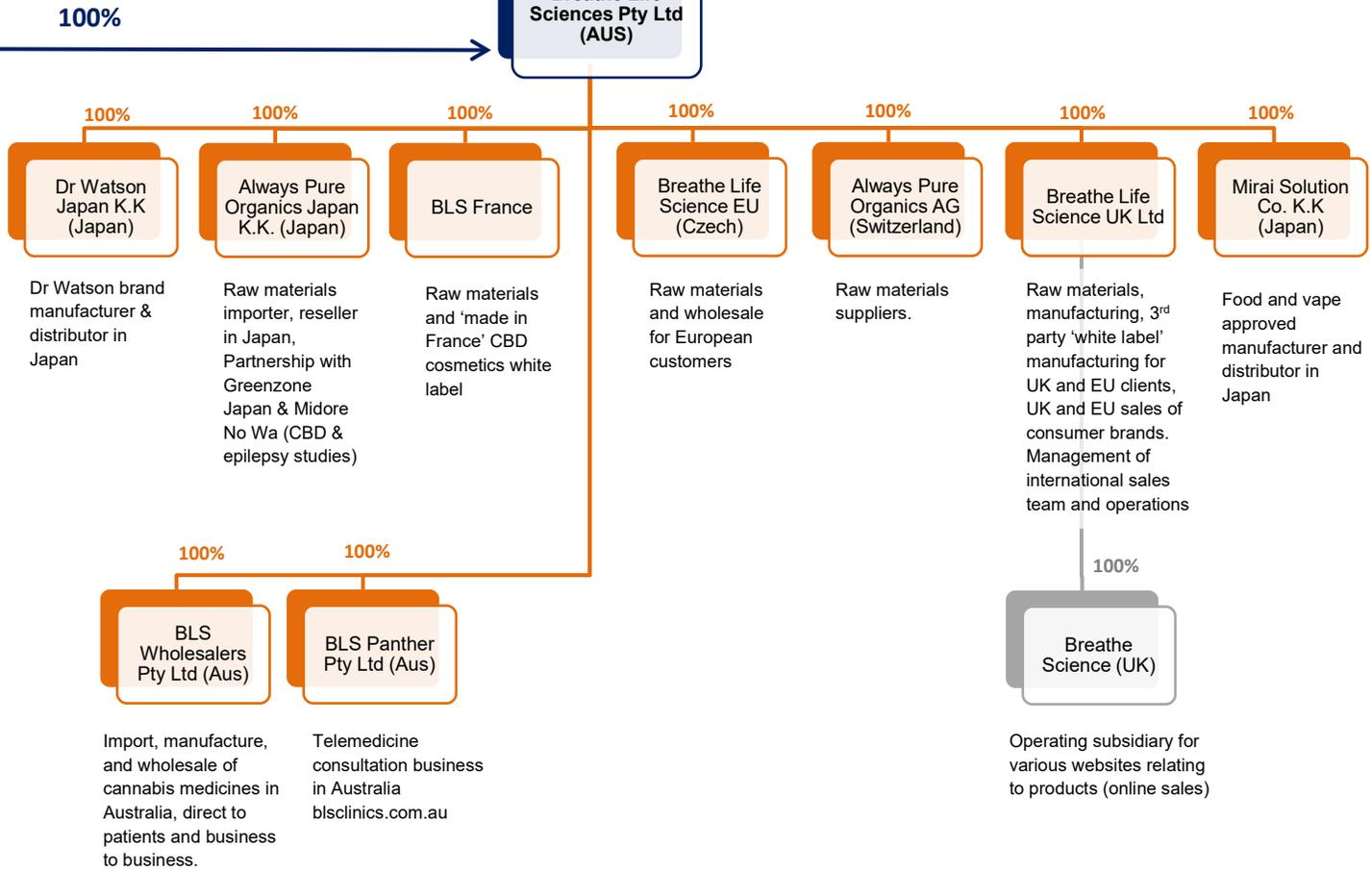
Anthony Ho
Chairman
Bioxyne Limited
tony@bioxyne.com

Sam Watson
Managing Director
Bioxyne Limited
sam@breathelifesciences.com

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



BREATHE LIFE SCIENCES



About Bioxyne

Bioxyne Limited (ASX:BXN) is an Australian-headquartered international consumer health and pharmaceutical company (incorporated in 2000) with a focus on clinically effective health and wellness products, psychotropic and investigational medicines.

About Breathe Life Sciences (BLS)

Breathe Life Sciences (“BLS”) is a wholly owned subsidiary of Bioxyne Ltd (BXN:ASX) and licensed manufacturer, sponsor, importer and exporter of controlled substances (S3, S4, S8) in Australia.

BLS was founded in 2018 and has quickly expanded into a multi national business focused on alternative therapeutics and investigational medicines. Our corporate head office is in Sydney, and our operations extend to licensed manufacturing, warehousing, import/export, sales and distribution centers in the Gold Coast (Australia), Nagoya (Japan), Manchester (UK), and Prague (Czechia).

Our business model is focused on manufacture of final dose form / finished products, sales and distribution in each of the territories we serve. We work with raw materials and API suppliers in 5 continents and are a market leader in manufacturing scope and quality.

The BLS logo is derived from a Japanese Maple Leaf, symbolising health, happiness and a long life well lived. While the Japanese Maple is not a medicinal plant, our company purpose is to redefine medicine by taking a holistic approach to healthcare for a healthier and happier tomorrow.

Outside of Australia the BLS Group operates a health and wellness products and brands business focussed on naturally derived active nutraceuticals, wellness and lifestyle supplements and cannabidiol (CBD) based novel foods. It primarily operates in the UK, Europe and Japan, and engages in the following activities:

- (a) owner of Dr Watson® brand in the UK, Japan, Australia and New Zealand – Dr Watson is an internationally recognized health, lifestyle, and prescription products brand. Dr Watson products consist of cannabis-based food supplements, lifestyle products, cosmetics, functional mushrooms and nootropics, and prescription medicines in Australia;
- (b) contract manufacture and wholesale of raw materials and cannabinoid extracts in Japan, UK and Europe;
- (c) white label manufacture of third-party wellness and supplements brands in Japan, UK and Europe in company-owned facilities;
- (d) research and development for third party customers; and
- (e) direct sales via online and wholesale sales of BLS-owned consumer brands, such as Dr Watson® (drwatsoncbd.com, nolcbn.com, drwatsoncbd.de)

Corporate: <https://bioxyne.com>

Australia: <https://bls.com.au>; <https://blsclinics.com.au>

International: <https://breathelifesciences.com>

Dr Watson (UK and EU only): drwatsoncbd.com; drwatsoncbd.de; nolcbn.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 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,369	4,676
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,649)	(4,099)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs (including directors fees)	(798)	(1,375)
(f) administration and corporate costs	(635)	(1,542)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	25
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	(706)	(2,315)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(10)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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) cash on acquisition of subsidiary		
2.6 Net cash from / (used in) investing activities	-	(10)

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 Loan to Breathe Life Sciences		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities		

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,231	3,846
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(706)	(2,315)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(10)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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		4
4.6	Cash and cash equivalents at end of period	1,525	1,525

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	1,298	731
5.2	Call deposits	227	1,500
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)	1,525	2,231

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**

157

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.

--

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

8.1	Net cash from / (used in) operating activities (Item 1.9)	(706)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,525
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.16

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

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

--

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?

--

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

--

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

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

Date: 29 January 2024.....

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.