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30 September 2020

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

Bioxyne Limited (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 30 September 2020.

Highlights

- **Product revenues down 9% on same quarter prior year**
- **Cost saving focus continues with quarter profit at $100k+**
- **Cash flow close to break even for second successive quarter**
- **COVID-19 continues to slow sales in Malaysia, Indonesia**
- **First shipment of new colostrum powder product into south east Asia and successful registration in Malaysia**

Results

The Company's core wholesale sales of *Lactobacillus fermentum* PCC® continued to provide the major portion of revenue with COVID-19 continued to weigh on those markets where the Company is Direct Selling.

Sales revenue for Q1 FY 2021 was $842,500 (Q1 FY 2020: $929,646), a reduction of 9% over the same quarter in the prior year.

The unaudited result for the quarter was a profit of $107,318 (Q1 FY19: Loss of $81,201), the positive turnaround attributable to cost reductions in response to COVID-19 impact on product sales.

Operating cash was a small outflow of $24,000, after a positive $116,000 in Q4 financial year 2020. Cash at the end of the quarter $1,685,973.

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Operations

Wholesale sales of *Lactobacillus fermentum* PCC® remain reasonably consistent with new orders in line with previous years. These product sales have not been impacted by COVID-19.

The direct sales business in Indonesia is continuing with its sales traction from the previous quarter, notwithstanding the challenges presented by COVID-19.

The Company has taken the opportunity to focus on converting all raw materials and manufacturing work in progress to finished goods to move the inventory to our operations and those of our distributors in Asia.

The Company completed and shipped the first run of a new enhanced colostrum powder product – ColosNZ for south east Asia. The product also achieved registration in Malaysia.

The Bioxyne retail product suite comprises:

Progastrim™ (PCC®) - clinically tested proprietary owned probiotic, for general health and immune support
Mymana – colostrum and fortified milk formula for nutrition and immune support
ColosNZ – enhanced 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 focus
In view of the challenges presented by COVID-19 the Company is continuing to focus on managing its costs.

Corporate

Cash on hand as at 30 September 2020 amounted to $1.68 million.

Payments to related parties and their associates during the quarter of $56,000 comprise director and non-executive director salaries, fees and superannuation.

The Company continues to look for acquisitions of businesses or products which would build shareholder value.

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This quarterly activity 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

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Name of entity	
Bioxyne Limited	
ABN	**Quarter ended ("current quarter")**
97 084 464 193	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	590	590
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(297)	(297)
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs	(89)	(89)
	(f) administration and corporate costs	(228)	(228)
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		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(24)**	**(24)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(2)	(2)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(2)**	**(2)**

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	1,748	1,748
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(24)	(24)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	(36)	(36)
4.6	**Cash and cash equivalents at end of period**	**1,686**	**1,686**

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	874	840
5.2	Call deposits	812	908
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)**	**1,686**	**1,748**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

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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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

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)	
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,686
8.3	Unused finance facilities available at quarter end (Item 7.5)	24
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)**	12 months +

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:

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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 October 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.

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