



ACN 084 464 193

**NOTICE OF GENERAL MEETING
Explanatory Memorandum and Proxy Form**

Time: 2.00pm (Sydney time)

Date: 5 May 2023

**To be held at the office of Addisons at Level 12, 60 Carrington Street,
Sydney NSW 2000**

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Shareholders should refer to the Independent Expert's Report attached to this Notice of Meeting (at Annexure A of the Explanatory Memorandum). The Independent Expert has determined that the Acquisition is not fair but reasonable to Non-Associated Shareholders of Bioxyne for reasons set out in the Independent Expert's Report.

Bioxyne Limited
ACN 084 464 193

Registered Office: Level 5
50 Clarence St
Sydney NSW 2000

NOTICE OF GENERAL MEETING

Bioxyne Limited (ASX:BXN) (**Bioxyne, BXN** or the **Company**) is pleased to provide this Notice of Meeting and the accompanying Explanatory Memorandum in relation to a General Meeting to be held on 5 May 2023.

As announced on 20 March 2023, the Company executed a Sale Agreement with the Majority BLS Shareholders (who together hold approximately 82.94% of the issued share capital of BLS) to acquire 100% of the issued capital of Breathe Life Sciences Pty Limited (ACN 647 597 822) (**BLS**) (**Acquisition**). As part of the Acquisition, certain approvals are required from the Shareholders of the Company.

Notice is hereby given that a General Meeting (**Meeting**) of the Shareholders of Bioxyne will be held on 5 May 2023, commencing at 2.00pm (Sydney time).

The Meeting will be held at the office of Addisons at Level 12, 60 Carrington Street, Sydney NSW 2000.

Shareholders will be provided with the opportunity to ask questions at the Meeting.

All resolutions at the Meeting will be decided on a poll. Shareholders are encouraged to record their vote by proxy in advance of the Meeting using the personalised Proxy Form enclosed with this Notice. Further details on how to vote via Proxy are set out in this Notice, following the description of the business of the Meeting.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form.

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IMPORTANT NOTICE

You should read the Notice of Meeting (including the Explanatory Memorandum) in its entirety before making a decision as to how to vote at the Meeting. A copy of the Notice of Meeting has been lodged with ASX.

KEY DATES

Date and time for lodgement of proxies:	2.00 pm (Sydney time) on 3 May 2023
Date and time of Meeting:	2.00 pm (Sydney time) on 5 May 2023

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of Bioxyne Limited (ACN 084 464 193) will be held on 5 May 2023 at 2.00 pm (Sydney time).

The Meeting will be held at the office of Addisons at Level 12, 60 Carrington Street, Sydney NSW 2000.

The attached “**Explanatory Memorandum**” provides additional information on matters to be considered at the General Meeting and forms part of this Notice. Terms and abbreviations used in this Notice are defined in the Glossary in Section 10 of the Explanatory Memorandum.

ACQUISITION RESOLUTIONS

1. **RESOLUTION 1 – APPROVAL OF THE ISSUE OF SHARES TO THE BLS SHAREHOLDERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to Resolution 2 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 1,230,000,000 Shares under Listing Rule 7.1 on the terms and conditions set out in the Explanatory Memorandum.”

2. **RESOLUTION 2 – APPROVAL OF ACQUISITION OF VOTING POWER OF UP TO 32.39% BY BREATHE INTERNATIONAL LIMITED AND MR SAMUEL WATSON**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to Resolution 1 being passed, for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for the issue of up to 576,268,527 Shares to Breathe International Limited (**BIL**) and up to 37,732,857 Shares to BIL’s wholly-owned subsidiary, Zonetech Wellness Limited, and the resulting acquisition by BIL and Mr Samuel Watson of a maximum Voting Power of 32.39% in Bioxyne following Completion of the Acquisition, as set out in the Explanatory Memorandum.”*

3. **RESOLUTION 3 – ELECTION OF DIRECTOR – MR SAMUEL WATSON**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1 and 2 being passed, for the purposes of clause 10.1(c) of the Constitution and for all other purposes, approval is given for the election of Mr Samuel Watson as a Director, subject to and with effect from Completion.”

4. **RESOLUTION 4 – ELECTION OF DIRECTOR – MR JASON HINE**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1 and 2 being passed, for the purposes of clause 10.1(c) of the Constitution and for all other purposes, approval is given for the election of Mr Jason Hine as a Director, subject to and with effect from Completion.”

5. **RESOLUTION 5 – APPROVAL OF EQUITY INCENTIVE PLAN**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.2 Exception 13(b) and for all other purposes, approval is given for the establishment of the Equity Incentive Plan and the issue of equity securities under that Plan, on the terms and conditions set out in the Explanatory Memorandum.”

6. **RESOLUTION 6 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO MR SAMUEL WATSON**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1, 2, 3 and 5 being passed, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of 20,000,000 Performance Rights to Mr Samuel Watson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

7. **RESOLUTION 7 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO MR JASON HINE**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolutions 1, 2, 4 and 5 being passed, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue of 6,666,667 Performance Rights to Mr Jason Hine (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

8. **RESOLUTION 8 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER THE EQUITY INCENTIVE PLAN**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 5 being passed, for the purposes of section 200B and 200E of the Corporations Act and for all other purposes, approval is given for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions set out in the Explanatory Memorandum.”

ORDINARY BUSINESS RESOLUTION

9. **RESOLUTION 9 – APPROVAL TO ISSUE 6,000,000 SHARES TO MR NAM HOAT CHUA**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 6,000,000 Shares to Mr Nam Hoat Chua (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”

VOTING EXCLUSION STATEMENTS

The Company will disregard any votes cast on the Resolutions by or on behalf of the following persons:

RESOLUTION	VOTING EXCLUSIONS
<p>Resolution 1 – Approval of Issue of Shares to the BLS Shareholders</p>	<p>The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:</p> <ul style="list-style-type: none"> • a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or • an Associate of that person or those persons. <p>However, this does not apply to a vote cast in favour of Resolution 1 by:</p> <ul style="list-style-type: none"> • a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or • a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 1; and ○ the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.
<p>Resolution 2 – Approval of Acquisition of Voting Power by Breathe International Limited</p>	<p>A vote on this Resolution 2 must not be cast (in any capacity) by or on behalf of Breathe International Limited, Mr Samuel Watson or their Associates.</p> <p>However, this does not apply if the vote:</p> <ul style="list-style-type: none"> • is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution; and • is not cast on behalf of Breathe International Limited, Mr Samuel Watson or any of their Associates.
<p>Resolution 5 – Approval of Equity Incentive Plan</p>	<p>The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:</p> <ul style="list-style-type: none"> • a person who is eligible to participate in the Equity Incentive Plan; or • an Associate of that person or those persons. <p>However, this does not apply to a vote cast in favour of Resolution 5 by:</p> <ul style="list-style-type: none"> • a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on Resolution 5 in that way; or • the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with

RESOLUTION	VOTING EXCLUSIONS
	<p>a direction given to the Chair to vote on Resolution 5 as the Chair decides: or</p> <ul style="list-style-type: none"> • a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and ○ the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way. <p>In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:</p> <ul style="list-style-type: none"> • the proxy is either a member of the KMP or a Closely Related Party of such member; and • the appointment does not specify the way the proxy is to vote on Resolution 5. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> • the proxy is the Chair; and • the appointment expressly authorises the Chair to exercise the proxy even though Resolution 5 is connected directly or indirectly with remuneration of a member of the KMP.
<p>Resolutions 6 & 7 – Approval to Issue Performance Rights to Mr Samuel Watson and Mr Jason Hine</p>	<p>The Company will disregard any votes cast in favour of Resolutions 6 or 7 by or on behalf of:</p> <ul style="list-style-type: none"> • any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Plan; or • an Associate of that person or those persons. <p>However, this does not apply to a vote cast in favour of either of Resolutions 6 or 7 by:</p> <ul style="list-style-type: none"> • a person as proxy or attorney for a person who is entitled to vote on Resolution 6 or 7, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or • the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 6 or 7, in accordance with a direction given to the Chair to vote on Resolution 6 or 7 as the Chair decides: or • a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 6 or 7; and ○ the holder votes on Resolution 6 or 7 in accordance with directions given by the beneficiary to the holder to vote in that way. <p>In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 or 7 if:</p>

RESOLUTION	VOTING EXCLUSIONS
	<ul style="list-style-type: none"> • the proxy is either a member of the KMP or a Closely Related Party of such member; and • the appointment does not specify the way the proxy is to vote on Resolution 6 or 7. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> • the proxy is the Chair; and • the appointment expressly authorises the Chair to exercise the proxy even though Resolutions 6 and 7 are connected directly or indirectly with remuneration of a member of the KMP.
<p>Resolution 8 – Approval of Potential Termination Benefits under the Equity Incentive Plan</p>	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if:</p> <ul style="list-style-type: none"> • the proxy is either a member of the KMP or a Closely Related Party of such member; and • the appointment does not specify the way the proxy is to vote on Resolution 8. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> • the proxy is the Chair; and • the appointment expressly authorises the Chair to exercise the proxy even though Resolution 8 is connected directly or indirectly with remuneration of a member of the KMP. <p>Further, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 8 must not be cast (in any capacity) by or on behalf of any Relevant Person (as defined in the Explanatory Memorandum) or an Associate of a Relevant Person, unless the vote:</p> <ul style="list-style-type: none"> • is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 8; and • is not cast on behalf of a Relevant Person or an Associate of a Relevant Person.
<p>Resolution 9 – Approval to Issue Shares to Mr Nam Hoat Chua</p>	<p>The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:</p> <ul style="list-style-type: none"> • the person who is to receive the Shares the subject of the Resolution and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company); or • an associate of that person or those persons. <p>However, this does not apply to a vote cast in favour of Resolution 9 by:</p> <ul style="list-style-type: none"> • a person as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or • the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or • a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

RESOLUTION	VOTING EXCLUSIONS
	<ul style="list-style-type: none"> ○ the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 9; and ○ the holder votes on Resolution 9 in accordance with directions given by the beneficiary to the holder to vote in that way. <p>In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 9 if:</p> <ul style="list-style-type: none"> • the proxy is either a member of the KMP or a Closely Related Party of such member; and • the appointment does not specify the way the proxy is to vote on Resolution 9. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> • the proxy is the Chair; and • the appointment expressly authorises the Chair to exercise the proxy even though Resolution 9 is connected directly or indirectly with remuneration of a member of the KMP.

INFORMATION ABOUT VOTING

Determination of Membership and Voting Entitlement

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a Shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7.00pm (Sydney time) on 3 May 2023.

How to Vote

Shareholders will be provided with a reasonable opportunity to ask questions about the Resolutions at the Meeting.

All Resolutions at the Meeting will be decided on a poll. Shareholders are encouraged to record their vote by proxy in advance of the Meeting using the personalised Proxy Form enclosed with this Notice. Further details on how to vote via Proxy are set out below. Shareholders in attendance at the Meeting will be asked to register when joining the Meeting and will then be provided with an opportunity to vote on each Resolution.

You may vote at the Meeting by attending the Meeting or by proxy, attorney or representative.

(a) Voting at the Meeting

Votes at the Meeting may be given personally or by proxy, attorney or representative.

All Resolutions at the Meeting will be decided on a poll. Shareholders are therefore strongly encouraged to lodge a directed proxy in advance of the Meeting via: <https://investor.automic.com.au/#/loginsah>. Upon a poll, every person who has lodged a proxy, or who is present in person, corporate representative or attorney will have one vote for each Share held by that person.

(b) Voting by proxy

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote at the Meeting on the Shareholder's behalf by completing, signing and returning the enclosed Proxy Form by the time and in accordance with the instructions set out in the Proxy Form.

The proxy need not be a Shareholder. A Shareholder entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise one-half of the votes. Fractions will be disregarded.

To be effective, Proxy Forms must be received by the Company by no later than 2.00pm (Sydney time) on 3 May 2023.

Shareholders are encouraged to lodge their Proxy Form online via <https://investor.automic.com.au/#/loginsah>, or by completing and submitting their Proxy Forms via email to meetings@automicgroup.com.au.

A Proxy Form submitted via email must be signed by the Shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.

Shareholders can direct their proxy to vote for, against, or to abstain from voting on, a Resolution by marking the appropriate box in the enclosed Proxy Form.

Where the boxes 'for', 'against' or 'abstain' opposite the items for Resolutions are not completed, this will be deemed an express authorisation for the person appointed as proxy to exercise the proxy as they see fit.

Shareholders and their proxies should be aware that if a proxy holder votes, they must cast all directed proxies as directed, and any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

The Chair intends to vote all undirected and available proxies in favour of each item of business, subject to any voting exclusions that apply to the proxy. Shareholders will be informed of the proxy position at the Meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(c) Voting by corporate representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be emailed to info@bioxyne.com, with the corporate shareholder's request to register for the Meeting.

(d) Voting by attorney

A Shareholder entitled to vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be emailed to info@bioxyne.com with your request to register for the Meeting.

Chair's voting intentions

If you intend to appoint the Chair of the Meeting as your proxy, you are encouraged to direct the Chair on how to vote by marking the appropriate box for each Resolution on the Proxy Form.

If you appoint the Chair of the Meeting as your proxy, or the Chair of the Meeting is taken to be appointed as your proxy, and you have not specified the way to vote on an item of business, the Proxy Form authorises the Chair to vote as they decide. Subject to any voting restrictions and exclusions, the Chair intends to vote all available proxies in favour of all Resolutions.

Enquiries

If you have any questions in relation to the Resolutions to be considered at the Meeting, please call the Company Secretary, Mr Guy Robertson on +61 407 983 270.

If you are in any doubt as to how you should vote, you should seek advice from your professional advisers.



By order of the Board
Guy Robertson
Company Secretary
5 April 2023

IMPORTANT NOTICES

Responsibility for information

The BLS Shareholders have prepared and provided all information relating to BLS and its subsidiaries, directors, officers and employees set out in this document (including Sections 4 and 6.4 of the Explanatory Memorandum) and is responsible for that information. Bioxyne does not assume any responsibility for the accuracy or completeness of such information.

The Independent Expert has prepared the Independent Expert's Report and takes responsibility for that report. Neither Bioxyne, BLS nor any of their respective subsidiaries, directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of Bioxyne and BLS, in relation to the information that they have provided to the Independent Expert. Shareholders should read the Independent Expert's Report carefully to understand the scope of the report, the methodology of the assessment, the sources of information and the assumptions made.

Bioxyne is responsible for the balance of the information in this Notice of Meeting but accepts no responsibility for any errors, omissions or misstatements in the Notice of Meeting that are attributable to errors, omissions or misstatements in publicly available information or third party sources or otherwise. Subject to the Corporations Act, neither Bioxyne nor any of its subsidiaries, directors, officers, employees or advisers makes any representation or warranty, express or implied, as to the accuracy or completeness of such information.

ASIC and ASX

Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Notice of Meeting.

Forward looking statements

Some of the statements appearing in this document may be in the nature of forward looking statements. These are identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", and other similar words that involve risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected.

None of Bioxyne, its subsidiaries, directors, officers, employees or advisers, or any person named in this document or involved in the preparation of this document, makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfillment of any forward looking statement, and you are cautioned not to place any reliance on those statements.

The forward looking statements in this document reflect views held only as at the date of this document. Bioxyne has no obligation to disseminate after the date of this document any updates or revisions to any such statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless required under the Corporations Act to update or correct this document or pursuant to Bioxyne's continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

Privacy and personal information

Bioxyne may be required to collect personal information about you for the purposes of the Meeting. That personal information may include your name, contact details and details of your holding, together with contact details of individuals appointed as proxies, representatives of bodies corporate or attorneys at the Meeting. The collection of some of this information is required or authorised to be collected under the Corporations Act.

Information may be disclosed to Bioxyne and its related bodies corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to implement the Acquisition. If the information outlined above is not collected, Bioxyne may be hindered in, or prevented from, conducting the Meeting or implementing the Acquisition effectively, or at all. If you appoint an individual as your proxy, corporate representative

or attorney to vote at the Meeting you should inform that individual of the matters outlined above and that Bioxyne has collected their personal information from you.

If you are an individual, you have certain rights to access or correct the personal information collected about you. You may also contact the Share Registry if you wish to exercise those rights to update your personal information held by the Share Registry. Bioxyne will otherwise collect, hold, use and disclose your personal information in accordance with its Privacy Policy (which is available on its website, www.bioxyne.com), which sets out how you can access and correct the personal information that Bioxyne holds about you and how to lodge a complaint relating to Bioxyne's treatment of your personal information (and how Bioxyne will deal with your complaint).

No financial product advice

This document is not a financial product or investment advice nor is it a recommendation in respect of Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders and other persons should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation, financial and other advice appropriate to their jurisdiction and circumstances. Bioxyne is not licensed to provide financial product advice in respect of the Shares.

Financial information presentation

Investors should be aware that certain financial data included in this Notice of Meeting is 'non-IFRS financial information' under Regulatory Guide 230 "Disclosing non-IFRS financial information", published by ASIC. Bioxyne believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the Combined Group. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are therefore cautioned not to place undue reliance on non-IFRS financial information included in this Notice of Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum should be read in conjunction with the Notice of Meeting. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the Glossary in Section 10 of this document.

1. SUMMARY OF IMPORTANT INFORMATION

This Section 1 provides a summary of important information about the Acquisition and the Acquisition Resolutions. This Section also provides an overview of the key information about Bioxyne, BLS and the Combined Group. Shareholders should read the entire Notice of Meeting and Explanatory Memorandum before deciding on how to vote on the Resolutions. In particular, Section 9 provide further information in relation to each Resolution (including the Ordinary Business Resolution).

Summary of information	Where to find more information	
Information about the Acquisition		
<p>What is the Acquisition?</p>	<p>As per Bioxyne's ASX announcements on 19 December 2022 and 20 March 2023, the Acquisition involves Bioxyne acquiring 100% of the issued shares in BLS in consideration for the issue of a total of 1,230,000,000 Shares in Bioxyne to the BLS Shareholders at a deemed issue price of \$0.03 per Share (Consideration Shares).</p> <p>The Consideration Shares will represent approximately 64.89% of the total issued Shares in Bioxyne immediately after Completion and will be subject to voluntary escrow for a period of 12 months from Completion.</p>	<p>Sections 2.1 and 5.13</p>
<p>What is Bioxyne acquiring through the Acquisition?</p>	<p>Bioxyne is acquiring all of the shares in BLS (and, indirectly, all of wholly-owned subsidiaries of BLS) to create the Combined Group (which will have all of the businesses, comprising assets and trading liabilities of BLS and its subsidiaries).</p> <p>Information about BLS can be found in Section 4.</p>	<p>Section 4</p>
<p>What are the conditions to the Acquisition being completed?</p>	<p>Completion is conditional upon the satisfaction of each of the following Conditions Precedent (unless waived in accordance with the Sale Agreement):</p> <ul style="list-style-type: none"> • all remaining BLS Shareholders who are not already party to the Sale Agreement having agreed to sell all of the BLS Shares that they hold to Bioxyne, and to accede to the Sale Agreement as a "Seller" by executing and delivering to Bioxyne a deed of accession in a form agreed; • Bioxyne having a net working capital of at least \$2,000,000 on its balance sheet as at 31 December 2022; • BLS having a net working capital of at least \$750,000 on its balance sheet as at 31 December 2022; 	<p>Sections 2.9 and 8.1</p>

Summary of information	Where to find more information	
	<ul style="list-style-type: none"> • Bioxyne Shareholders approving the Acquisition Resolutions at this General Meeting by the requisite majorities; • each government agency having issued or provided (and not withdrawn, revoked or varied) such consents, waivers, relief, modifications and/or approvals as are required to implement the Acquisition, in each case either unconditionally or subject to conditions acceptable to Bioxyne and the BLS Shareholders' Representative (both acting reasonably); • each Key Employee having entered into a new or amended employment agreement with Bioxyne or the relevant BLS Group entity, on terms (including restraint provisions) satisfactory to Bioxyne (acting reasonably); • each other employee of any BLS Group entity (other than the Key Employees) that is identified by Bioxyne, having entered into a restraint on terms satisfactory to Bioxyne (acting reasonably); and • between the date of the Sale Agreement and Completion, no Material Adverse Change having occurred in respect of the BLS Group. <p>If any Condition Precedent is not satisfied (or waived) by the Long Stop Date (being 31 May 2023, unless extended by agreement), either party may terminate the Sale Agreement.</p>	
<p>What will happen to my Shares if the Acquisition proceeds?</p>	<p>Nothing will happen to the Shares held by existing Shareholders as a result of the Acquisition, except that their proportionate ownership of Bioxyne will be diluted significantly by the issue of the Consideration Shares as a result of the Acquisition.</p> <p>On Completion of the Acquisition, the BLS Shareholders will collectively own approximately 64.89% of Bioxyne's expanded share capital,¹ and the current Bioxyne Shareholders will collectively own approximately 32.11% of the expanded share capital.</p>	<p>Sections 2.8, 5.5 and 5.6</p>
<p>How will the structure of Bioxyne's ownership change if the Acquisition proceeds?</p>	<p>As mentioned above, on Completion of the Acquisition, the BLS Shareholders will, in aggregate, hold approximately 64.89% of the Shares in Bioxyne.²</p>	<p>Sections 5.5, 5.6 and 9.2</p>

¹ Excluding the 34,494,701 Shares that one of the BLS Shareholders, Global CR Holdings Limited, already owns in Bioxyne.

² See footnote 1.

Summary of information	Where to find more information	
	<p>In particular, three of the BLS Shareholders will each hold more than 5% of the total Shares in Bioxyne upon Completion, being:</p> <ul style="list-style-type: none"> • Breathe International Limited (BIL) – 30.40%; • Global CR Holdings Limited – 9.68% (which includes the 34,494,701 Shares which it already owns in Bioxyne); and • Ian Edward Owles – 6.99%. <p>In addition, BIL’s total Voting Power in Bioxyne will be 32.39%. BIL is currently controlled by Mr Samuel Watson.</p>	
<p>Will there be management changes if the Acquisition proceeds?</p>	<p>Following Completion of the Acquisition, apart from the election of Samuel Watson and Jason Hine to the Board (subject to Resolutions 3 and 4 being passed):</p> <ul style="list-style-type: none"> • Samuel Watson will be appointed as Joint Chief Executive Officer (CEO) of the Bioxyne Group; • Jason Hine will be appointed as Chief Operating Officer (COO) of the Bioxyne Group; • Guy Robertson, a current executive director will resign from the Board. He will continue as the Group Chief Financial Officer (CFO)/Company Secretary, • Peter Hughes-Hallett, a current non-executive director of Bioxyne will resign from the Board. He will continue as a director of Bioxyne International Pty Limited, a 51% subsidiary of Bioxyne; and • Jakub Czarnecki, who is the current Chief Financial Officer (CFO) of BLS will continue in that role. <p>The senior management team of the Combined Group immediately following Completion will comprise:</p> <ul style="list-style-type: none"> • Joint CEO (Asia Pacific) - Nam Hoat Chua (from Bioxyne); • Joint CEO (Rest of the World) – Samuel Watson (from BLS); • COO – Jason Hine (from BLS); • Group CFO/Company Secretary – Guy Robertson (Bioxyne – continuing); and • CFO BLS – Jakub Czarnecki (from BLS). 	<p>Section 5.9</p>
<p>Will Bioxyne remain listed on the ASX if the Acquisition proceeds?</p>	<p>Yes, Bioxyne will remain listed on the ASX after Completion.</p>	<p>N/A</p>

Summary of information	Where to find more information	
<p>Will the Shares issued under the Acquisition be escrowed?</p>	<p>The BLS Shareholders will enter into voluntary escrow agreements for 100% of the Consideration Shares issued to them under the Acquisition for a period of 12 months from the date of Completion.</p>	<p>Section 5.13</p>
<p>What will happen if the Acquisition does not proceed?</p>	<p>If the Acquisition does not proceed, Bioxyne will not acquire BLS and no new Shares will be issued. In those circumstances, the Board intends to continue to focus on Bioxyne's existing core businesses. The Board will continue to look for acquisition opportunities as it believes that this would accelerate the path to profitability and add to shareholder value.</p>	
<p>Reasons to vote in favour of the Acquisition Resolutions</p>	<p>The Board is of the view that the Acquisition is in the best interests of Shareholders and recommends that Shareholders vote in favour of the Acquisition Resolutions in order for the Acquisition to proceed, for the following key reasons:</p> <ul style="list-style-type: none"> • Bioxyne believes the Acquisition will be highly accretive to the equity value of Bioxyne and that combining Bioxyne's business with that of BLS would enable the Combined Group to further develop its product range and capitalise on the complementary geographies of the two entities. • The Board expects that post-Acquisition, Bioxyne would be able to broaden its scale of operations in the health and wellness supplements industry while realising efficiencies in the post-Acquisition integration of the two businesses. • The Board believes the Acquisition will provide an increase in both size and scale of Bioxyne's operations and a route to improved profitability for the Combined Group. The complementary product range, and geographical representation, should deliver synergistic benefits for the Combined Group where the combined value exceeds the sum of its parts. <p>Shareholders should also note that there are risks associated with the Acquisition, the material ones of which are summarised in Section 7. See also Section 5.4 for information about the key dependencies of the Combined Group's proposed strategy and business model.</p>	<p>Sections 2.6 and 5.3</p>
<p>Potential reasons to vote against the Acquisition Resolutions</p>	<ul style="list-style-type: none"> • As a Shareholder, you may form the view that the Acquisition as currently proposed and structured is not in your best interests. • There are inherent risks associated with the Acquisition and you may consider that these risks outweigh the potential benefits from the Acquisition. 	<p>Sections 2.7 and 7</p>

Summary of information	Where to find more information	
	<ul style="list-style-type: none"> You may want to maintain your current investment profile. The profile, capital structure and size of the Combined Group after the Acquisition is implemented will be significantly different from that of Bioxyne as it currently stands. Some Bioxyne Shareholders may prefer to continue to invest in a listed company with the specific characteristics, operational focus and scale of the current Bioxyne, and not seek an exposure to the business of BLS. As a Shareholder, you may not agree with the value attributed to BLS in the Acquisition. If the Acquisition is implemented, your proportionate shareholding in Bioxyne will be diluted significantly. As a Shareholder, you may not want your proportionate ownership of Bioxyne to be diluted in this way or to this extent. 	
<p>What is the Independent Expert’s opinion?</p>	<p>The Independent Expert has determined that the Acquisition is not fair but reasonable to Shareholders.</p> <p>In forming this opinion, the Independent Expert assessed whether the proposal is “fair” by comparing the value of BLS Shares being acquired and the value of the consideration, being BXN Shares.</p> <p>The Independent Expert assessed whether the Acquisition is “reasonable” by considering the implications of the Acquisition and any available alternative proposals.</p>	Annexure A
<p>What are the recommendations of the Directors?</p>	<p>The Directors unanimously recommend that Shareholders who are not excluded from voting, vote in favour of the Resolutions at the Meeting. As the Directors may participate in the Incentive Plan, they make no recommendation to Shareholders in respect of voting on Resolutions 5 and 8.</p> <p>Other than where a Director is excluded from voting on a Resolution (as set out in the Notice of Meeting), each Director intends to vote the Shares the Director holds or controls in favour of each of the Resolutions at the Meeting.</p>	Section 9
Key information about Bioxyne, BLS and the Combined Group		
<p>What is the Combined Group?</p>	<p>On Completion, Bioxyne will acquire BLS (and indirectly, its wholly-owned subsidiaries) and create the Combined Group.</p> <p>The Combined Group will comprise of:</p> <ul style="list-style-type: none"> Bioxyne and its current subsidiaries; and BLS and its wholly-owned subsidiaries, 	Section 5

Summary of information	Where to find more information	
	with Bioxyne as the ultimate holding company of the Combined Group.	
<p>What is the strategy of the Combined Group?</p>	<p>Following Completion, the intention of Bioxyne and BLS is that the Combined Group focuses on:</p> <ul style="list-style-type: none"> • expanding the scale and scope of its 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 with a view to expanding its business options in high-growth markets and enhancing its service offerings. 	Section 5.2
<p>What are the key risks for the Combined Group</p>	<p>There are a number of risks associated with the Acquisition and the Combined Group that may affect the Combined Group's financial performance, financial position, cash flows, distributions, growth prospects and Bioxyne's share price.</p> <p>The following are some of these key risks:</p> <ul style="list-style-type: none"> • Contractual/Completion risk: Completion is subject to the fulfilment of certain Conditions Precedent. To enable the Acquisition to proceed, all of the Conditions Precedent will need to be satisfied (unless waived). See Section 2.9 for further information. • Due diligence risk: There is a risk that the due diligence conducted by Bioxyne in connection with the Acquisition has not identified issues that would have been material to the decision by Bioxyne to acquire BLS. A material adverse issue which was not identified prior to the Acquisition could have an adverse impact on the financial performance or operations of BLS and the Combined Group. • Integration risk: The Acquisition has the potential for integration risk. As two separate businesses merge, there is the potential for the integration of technology, processes, information, departments and organisations to fail. Bioxyne believes it has the appropriate practices and processes, supported by a risk-aware culture and enabling technology, which will mitigate any integration risk. However, integration can be a complicated process that requires multiple levels of coordination, with each level posing its own risks. 	Section 7

- **Failure to achieve expected synergies:** The Board believes the Acquisition will provide an increase in both the size and scale of Bioxyne's operations and increased profitability for the Combined Group. However, there can be no guarantee that the expected synergies between the two businesses will be realised.
- **Concentration of shareholding:** Following Completion, the existing BLS Shareholders will, in aggregate, hold approximately 64.89% of the Shares and, accordingly, may separately or together be able to influence the election of Directors, the appointment of new management and the potential outcome of all matters submitted to a vote of the Shareholders. In particular, the largest BLS Shareholder, Breathe International Limited, will obtain and have a Voting Power in Bioxyne immediately post-Completion of 32.39%.
- **Maintaining licences and permits:** The Combined 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 Combined Group is cognisant of submitting renewal applications by the required deadlines, and is not aware of any reasons why a regulatory authority would refuse such renewals, however, the Combined Group cannot guarantee that the licences and permits will always be renewed. In addition, there is no guarantee that the Combined Group will be granted any licence and permit which is subject to pending applications already made or which have not yet been applied for.
- **Reliance on key relationships:** Bioxyne and BLS currently rely on various key customer and supplier relationships in certain parts of their respective businesses. Post-Acquisition, the loss or impairment of any of these relationships could have a material adverse effect on the Combined Group's results or operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may take a substantial amount of time to implement, may not be available or may be less financially advantageous than the current arrangements.
- **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. The

proposed senior management team of the Combined Group has a detailed understanding of the health and wellness direct selling industry. There can be no assurance that there will be no detrimental impact on the performance of the Combined Group or its growth potential if one or more of these employees or Directors cease their employment or office and suitable replacements are not identified and appointed in a timely manner. There is also a risk that the Combined Group cannot attract, retain or develop the relevant skilled individuals it requires to successfully execute its business plan. Should this occur, it is likely to have a materially adverse impact on the Combined Group's operations, financial performance and future prospects.

- **Growth prospects and expansion plans:** A significant factor to the Combined 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. A failure of the Combined Group to execute its expansion plans would affect its financial performance. The Combined Group's financial prospects are also dependent on sufficient public and customer demand for health and wellness supplements.
- **Regulatory risk:** The Combined Group must abide by the regulations set by the governing bodies that oversee it in each relevant jurisdiction. Any changes to, or the establishment of, regulations may affect the business of the Combined Group or have a significant effect on the costs of operations, presenting legal and administrative hurdles for the Combined Group.
- **COVID-19 pandemic:** While the effects are dissipating in 2023, the global economy has been adversely affected by the COVID-19 pandemic, and the health and wellness direct selling industry is not immune from its effects. The Combined Group will actively pursue its strategic plan and objectives, however, further restrictions globally, and the uncertainty surrounding the pandemic in other target countries, pose a risk to the Combined Group's future activities, operations and financial performance.

Summary of information	Where to find more information	
What is the Combined Group's aggregated historical pro forma performance?	A summary of the Combined Group's aggregated historical pro forma financial information for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 is set out in Section 6.5.	Section 6
Where can I find more financial information about the Combined Group?	Section 6 contains a summary of the financial information in relation to Bioxyne, BLS and the Combined Group.	Section 6
Who will sit on the Board of Bioxyne after the Acquisition is Completed?	<p>On Completion, the Board will comprise:</p> <ul style="list-style-type: none"> • Anthony Ho – Independent Non-Executive Chairman • Nam Hoat Chua – Executive Director • Samuel Watson – Executive Director (subject to approval of Resolution 3) • Jason Hine – Executive Director (subject to approval of Resolution 4) 	Section 5.8
Who will manage the Combined Group after the Acquisition is Completed?	<p>On Completion, the key management team of the Combined Group will comprise:</p> <ul style="list-style-type: none"> • Nam Hoat Chua – Joint CEO – Asia Pacific • Samuel Watson – Joint CEO – Rest of World • Jason Hine – Chief Operating Officer • Guy Robertson – Group Chief Financial Officer/Company Secretary • Jakub Czarnecki – Chief Financial Officer, BLS 	Section 5.9
What significant benefits are payable to the Directors and other persons connected to the Acquisition, and what significant interests do they hold?	<p>The proposed remuneration of the Joint Chief Executive Officers is outlined in Section 5.10.</p> <p>The shareholdings and performance rights of the Proposed Directors and the Directors who will remain on the Board post-Acquisition are also outlined in Section 5.10.</p>	Section 5.10
What employee incentives are in place?	<p>Bioxyne does not currently have any employee incentive plans in place.</p> <p>Subject to Shareholder approval of Resolution 5, Bioxyne will establish an Equity Incentive Plan. Bioxyne currently intends to issue the following Performance Rights under this Plan:</p> <ul style="list-style-type: none"> • to Mr Samuel Watson (subject to Resolution 6 being passed) – 20,000,000 Performance Rights; • to Mr Jason Hine (subject to Resolution 7 being passed) – 6,666,667 Performance Rights; and 	Sections 5.5, 9.4 and 9.5

Summary of information	Where to find more information	
	<ul style="list-style-type: none"> to employees of the BLS Group – 40,200,000 Performance Rights in total. <p>The Performance Rights are proposed to be issued to align executives' interests with Shareholders by providing equity exposure while at the same time helping control the cash cost of employee salaries and also to aid in the retention of those employees post-Acquisition.</p>	
Information about Shareholder approvals required for the Acquisition		
What am I being asked to vote on?	Shareholders are being asked to vote on the Resolutions 1 to 9 (inclusive) set out in this Notice of Meeting. Resolutions 1 to 8 (inclusive) relate to the Acquisition.	Notice of Meeting
Why is Shareholder approval required for the Acquisition?	Resolutions 1 to 8 (inclusive) seek the approval of Shareholders for the following in relation to the Acquisition: <ul style="list-style-type: none"> approval for the issue of the Consideration Shares to the BLS Shareholders for the purposes of Chapter 6 of the Corporations Act and ASX Listing Rule 7.1 (Resolutions 1 and 2); the election of the two nominees of the BLS Shareholders to the Board, Samuel Watson and Jason Hine, as Executive Directors (Resolutions 3 and 4); and the establishment of an Equity Incentive Plan and the issue of Performance Rights to Samuel Watson and Jason Hine under that Plan (Resolutions 5 to 8), <p>(collectively referred to as the Acquisition Resolutions).</p> <p>Resolution 9 is an Ordinary Business Resolution and is not related to the Acquisition.</p>	Notice of Meeting and Section 9
What are the intentions of the Chairman as proxy?	The Chairman intends to vote all undirected proxies over which he has control in favour of all of the Resolutions (subject to any voting exclusions that might apply).	Notice of Meeting, Voting Exclusion Statements and Information About Voting
Where and when will the Meeting be held?	The Meeting will be held: <ul style="list-style-type: none"> at the office of Addisons at Level 12, 60 Carrington Street, Sydney NSW 2000; on 5 May 2023 at 2.00pm (Sydney time). 	Notice of Meeting

Summary of information		Where to find more information										
What are the voting approval thresholds for the Resolutions?	All of the Resolutions are ordinary resolutions, requiring simple majority approval. This means that more than 50% of the votes cast on a Resolution, by Shareholders who are eligible to vote on the Resolution, must be cast in favour of the Resolution in order for it to be passed.	N/A										
Who is eligible to vote on the Resolutions?	In accordance with the <i>Corporations Regulations 2001</i> (Cth), the Board has determined that the Shareholders entitled to attend and vote at the Meeting shall be those persons who are recorded in Bioxyne's share register at 7.00pm (Sydney time) on 3 May 2023. There are also voting exclusions which apply to certain Resolutions. See the Voting Exclusion Statements section for more information.	Information About Voting and Voting Exclusion Statements										
Is voting compulsory?	Voting is not compulsory. However, your vote is important. If you cannot attend the Meeting you are strongly encouraged to complete and return the Proxy Form that is enclosed with the Notice of Meeting. If you hold Shares through a broker or nominee holder you should contact them as soon as possible to instruct them to vote on your behalf. If you require any assistance in completing or lodging your Proxy Form, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or contact your legal, financial or other professional adviser.											
Acquisition timetable												
	<table border="1"> <tbody> <tr> <td>Date of this Notice of Meeting and Explanatory Memorandum</td> <td>5 April 2023</td> </tr> <tr> <td>Deadline for receipt of Proxy Forms by Bioxyne</td> <td>3 May 2023</td> </tr> <tr> <td>Record date for determining eligibility to vote at Meeting</td> <td>3 May 2023</td> </tr> <tr> <td>Meeting date and time</td> <td>2pm AEST 5 May 2023</td> </tr> <tr> <td>Expected date of Completion of Acquisition and issue of Consideration Shares</td> <td>15 May 2023</td> </tr> </tbody> </table>	Date of this Notice of Meeting and Explanatory Memorandum	5 April 2023	Deadline for receipt of Proxy Forms by Bioxyne	3 May 2023	Record date for determining eligibility to vote at Meeting	3 May 2023	Meeting date and time	2pm AEST 5 May 2023	Expected date of Completion of Acquisition and issue of Consideration Shares	15 May 2023	N/A
Date of this Notice of Meeting and Explanatory Memorandum	5 April 2023											
Deadline for receipt of Proxy Forms by Bioxyne	3 May 2023											
Record date for determining eligibility to vote at Meeting	3 May 2023											
Meeting date and time	2pm AEST 5 May 2023											
Expected date of Completion of Acquisition and issue of Consideration Shares	15 May 2023											

Summary of information		Where to find more information
Further questions		
What should I do if I have further questions about the Acquisition or the Resolutions?	If you have any queries about any matter contained in this document please contact Bioxyme for more information or alternatively seek independent professional advice on any aspects of which you are not certain.	N/A

2. OVERVIEW OF THE ACQUISITION

This Section 2 sets out a brief overview of the Acquisition and should be read in conjunction with the entire Notice of Meeting and Explanatory Memorandum before Shareholders decide how to vote on the Resolutions.

2.1 Acquisition of BLS

On 19 December 2022, Bioxyne announced that it had entered into a Binding Term Sheet with Breathe International Limited, Global CR Holdings Limited, Ian Edward Owles, Kirkman Trading Limited and BPMGMT Ltd (**Majority BLS Shareholders**), under which Bioxyne agreed to acquire 100% of the issued share capital of BLS from all shareholders of BLS (subject to certain conditions precedent being satisfied).

On 20 March 2023, Bioxyne entered into a binding Sale Agreement with the Majority BLS Shareholders to acquire 100% of the issued share capital of BLS. The Majority BLS Shareholders hold approximately 82.94% of the issued share capital of BLS. However, one of the Conditions Precedent to Completion of the Acquisition is that the remaining BLS Shareholders must agree to become a party to the Sale Agreement as a "Seller" of their BLS Shares to Bioxyne on the terms of the Sale Agreement. This Sale Agreement replaced the Binding Term Sheet, including extending the long stop date for Completion of the Acquisition to 31 May 2023.

The BLS Shareholders will be issued 1,230,000,000 Shares in consideration for the sale of all of their shares in BLS at a deemed issue price of \$0.03 per Share (**Consideration Shares**).

The Consideration Shares will represent approximately 64.89% of the total issued Shares in Bioxyne immediately after Completion. The Consideration Shares will rank equally with the existing Shares on issue.

2.2 Independent Expert's Report

The Company engaged the Independent Expert, Hall Chadwick Corporate (NSW) Limited, to prepare an Independent Expert's Report on the proposed Acquisition. As set out in the Independent Expert's Report, the Independent Expert conducted a valuation of BLS and Bioxyne. In doing so, the Independent Expert considered a range of valuation methods, and selected the capitalisation of revenues methodology to apply a value to BLS, and market value of shares and capitalisation of revenues methodologies to value BXN.

The Independent Expert concluded that the valuation of BXN Shares on a controlling interest basis is between \$0.0121 to \$0.0288, with a mid-point value of \$0.0203 per Share, as at the date of the Independent Expert's Report.

In the Independent Expert's opinion, the Acquisition is **not fair but reasonable** to the Non-Associated Shareholders of BXN.

Refer to the Independent Expert's Report attached at Annexure A for further information.

2.3 Combined Group aggregated historical proforma performance

An overview of the aggregated audited historical financial performance of Bioxyne combined with the unaudited financial performance of the BLS Group is set out in Section 6.

2.4 Changes to the Board

Post-Completion, Anthony Ho will continue as Bioxyne's Independent Chairman and Nam Huat Chua will remain as an Executive Director.

Under the Sale Agreement, the BLS Shareholders are entitled to nominate two Directors to the Board as at Completion. The BLS Shareholders have nominated Samuel Watson and Jason Hine as Directors to the Board. The appointments of Samuel Watson and Jason Hine as Directors are

subject to and will take effect upon Completion and are subject to Resolutions 3 and 4 (respectively) being passed. The profiles of Mr Watson and Mr Hine are set out in Section 5.8.

Guy Robertson and Peter Hughes-Hallett are in support of the Acquisition, and have each agreed to resign as Directors effective on Completion (and subject to Resolutions 3 and 4 being passed).

2.5 Changes to senior management team

Following Completion, the senior management team of the Combined Group will comprise of the following:

- Joint Chief Executive Officers – Samuel Watson and Nam Hoat Chua;
- Chief Operating Officer – Jason Hine;
- Group Chief Financial Officer and Company Secretary – Guy Robertson; and
- Chief Financial Officer BLS – Jakub Czarnecki.

Profiles of the senior management team are set out in Sections 5.8 and 5.9.

2.6 What are some reasons for Shareholders to vote in favour of the Acquisition Resolutions?

Bioxyne believes the Acquisition will be highly accretive to the equity value of Bioxyne and that combining Bioxyne's business with that of BLS would enable the Combined Group to further develop its product range and capitalise on the complementary geographies of the two entities.

The Board believes that BLS will bring an immediate and significant revenue uplift to Bioxyne and fast track its route to profitability. Additionally, the Directors expect Bioxyne would be able to broaden its scale of operations in the health and wellness supplements industry while realising efficiencies in the post-Acquisition integration of the two businesses.

The Board is of the opinion that the opportunity structured and presented under the Acquisition represents an opportunity for Bioxyne to own a business with the ability to generate greater revenue in a growing market in the best interests of the existing Shareholders.

The Board believes the Acquisition will provide an increase in both size and scale of Bioxyne's operations and a route to improved profitability for the Combined Group. The complementary product range, and geographical representation, should deliver synergistic benefits for the Combined Group where the combined value exceeds the sum of its parts.

BLS provides a diversified revenue stream with good potential. Post-Completion, existing Shareholders will benefit from the synergies created in product diversity, operational capability and geographical location. These benefits should deliver increased shareholder value for all post-Completion Shareholders.

Shareholders should also note that there are risks associated with the Acquisition, the material ones of which are summarised in Section 7.

2.7 What are some reasons for Shareholders to vote against the Acquisition Resolutions?

As a Shareholder, you may form the view that the Acquisition as currently proposed and structured is not in your best interests.

There are inherent risks associated with the Acquisition and you may consider that these risks outweigh the potential benefits from the Acquisition. See Section 7 for further information on the material risks associated with the Acquisition and the Combined Group.

You may want to maintain your current investment profile. The profile, capital structure and size of the Combined Group after the Acquisition is implemented will be significantly different from that of Bioxyne as it currently stands. Some Bioxyne Shareholders may prefer to continue to invest in a listed company with the specific characteristics, operational focus and scale of the current Bioxyne, and not seek an exposure to the business of BLS.

As a Shareholder, you may not agree with the value attributed to BLS in the Acquisition.

If the Acquisition is implemented, your proportionate shareholding in Bioxyne will be diluted significantly (see Sections 5.5 and 5.6 for more information). As a Shareholder, you may not want your proportionate ownership of Bioxyne to be diluted in this way or to this extent.

See also the Independent Expert's Report for the Independent Expert's opinion on the Acquisition.

2.8 Capital structure of Bioxyne immediately after Completion

Immediately after Completion of the Acquisition, the capital structure of Bioxyne will be as follows.

	Before Acquisition		After Acquisition	
	Number	Percentage	Number	Percentage
Current Bioxyne Shareholders				
VIG Limited	80,562,003	12.10%	80,562,003	4.06%
Nam Hoat Chua	57,574,013	8.65%	57,574,013	3.04%
Peng-Hyang Ng	51,500,000	7.74%	51,500,000	2.59%
Paramount Star Investments Ltd	36,000,000	5.41%	36,000,000	1.81%
Custodian Nominee Co Ltd	34,836,169	5.23%	34,836,169	1.75%
Global CR Holdings Limited <Buffalo A/C>	34,494,701	5.18%	34,494,701	1.74%
Other Bioxyne Shareholders	370,678,512	55.69%	370,678,512	18.67%
Total Shares held by current Bioxyne Shareholders	665,645,398	100.00%	665,645,398	35.11%
BLS Shareholders				
Breathe International Limited	NIL	NIL	576,268,527	30.40%
Global CR Holdings Limited atf Buffalo Trust	34,494,701	5.18%	183,544,787*	9.68%*
Ian Edward Owles	NIL	NIL	132,488,966	6.99%
Kirkman Trading Ltd	NIL	NIL	82,805,604	4.37%
BPMGMT Limited	NIL	NIL	79,493,379	4.19%
Zonetech Wellness Ltd	NIL	NIL	37,732,857	1.99%
Other BLS Shareholders	NIL	NIL	172,160,581	9.08%
Total Shares to be issued to BLS Shareholders	34,494,701	5.18%	1,230,000,000**	64.89%**
Total Shares on issue Post Acquisition			1,895,645,398	100%

* Representing the sum of 149,050,086 Consideration Shares to be issued to Global CR Holdings Limited plus the 34,494,701 Shares currently held by Global CR Holdings Limited.

** Not including the 34,494,701 Shares currently held by Global CR Holdings Limited.

Assuming Resolutions 5, 6 and 7 are passed, Bioxyne will also have on issue 55,266,667 Performance Rights. Of these Performance Rights, 15,066,667 will relate to short term incentives and 40,200,000 will only vest on completion of year 3 following achievement of certain milestones.

2.9 Conditions Precedent to Completion of the Acquisition and termination rights

Completion of the Acquisition is conditional on, amongst other things, the satisfaction of each of the following conditions precedent (unless waived in writing) (together the **Conditions Precedent**).

- (a) **(Remaining BLS Shareholders accession)** all remaining BLS Shareholders who are not already party to the Sale Agreement having agreed to sell all of the BLS Shares that they hold to Bioxyne, and to accede to the Sale Agreement as a "Seller" by executing and delivering to Bioxyne a deed of accession in a form agreed;
- (b) **(BXN Net Working Capital)** Bioxyne having a net working capital of at least \$2,000,000 on its balance sheet as at 31 December 2022;
- (c) **(BLS Net Working Capital)** BLS having a net working capital of at least \$750,000 on its balance sheet as at 31 December 2022;
- (d) **(Shareholder approval)** Bioxyne Shareholders approving the Resolutions at this General Meeting by the requisite majorities;
- (e) **(Regulatory approvals)** each government agency having issued or provided (and not withdrawn, revoked or varied) such consents, waivers, relief, modifications and/or approvals as are required to implement the Acquisition, in each case either unconditionally or subject to conditions acceptable to Bioxyne and the BLS Shareholders' Representative (both acting reasonably);
- (f) **(Key Employees)** each Key Employee having entered into a new or amended employment agreement with Bioxyne or the relevant BLS Group entity, on terms (including restraint provisions) satisfactory to Bioxyne (acting reasonably); and
- (g) **(Other employees)** each other employee of any BLS Group entity (other than the Key Employees) that is identified by Bioxyne, having entered into a restraint on terms satisfactory to Bioxyne (acting reasonably); and
- (h) **(No Material Adverse Change)** between the date of the Sale Agreement and Completion, no Material Adverse Change having occurred in respect of the BLS Group.

The Sale Agreement contains the following termination rights:

- (a) **(Non-satisfaction of Conditions Precedent)** Any party (**terminating party**) may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to the other parties if a Condition Precedent:
 - (i) is not satisfied or waived by the Long Stop Date (or, if waived subject to conditions, those conditions are not satisfied or waived unconditionally by the Long Stop Date);
 - (ii) is satisfied but does not remain satisfied in all respects and at all times before Completion and that Condition Precedent has not been waived; or
 - (iii) is not capable of being satisfied by the Long Stop Date and that Condition Precedent has not been waived,

but only where the terminating party has complied with its obligations under the Sale Agreement to use best endeavours to satisfy the relevant Conditions Precedent it is responsible for.

(b) **(Breach of agreement) If:**

- (i) there is a breach by any BLS Shareholder of any of the relevant pre-Completion obligations in the Sale Agreement or a material breach of any other provision of the Sale Agreement (including any warranty) by a BLS Shareholder and such breach is not remedied within five business days after written notice of the breach, or by 5pm (Sydney time) on the business day before the Long Stop Date, if earlier, then Bioxyne may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to the BLS Shareholders; or
- (ii) there is a material breach of any provision of the Sale Agreement by Bioxyne and such breach is not remedied within five business days after written notice of the breach, or by 5pm (Sydney time) on the business day before the Long Stop Date, if earlier, then the BLS Shareholders may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to Bioxyne.

(c) **(Insolvency event) If:**

- (i) an insolvency event occurs in relation to any BLS Group entity or a BLS Shareholder, Bioxyne may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to the BLS Shareholders; or
- (ii) an insolvency event occurs in relation to Bioxyne, the BLS Shareholders may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to Bioxyne.

3. INFORMATION ABOUT BIOXYNE

This Section 3 provides overview information about Bioxyne and its subsidiaries.³

3.1 Overview of Bioxyne's key business components

Previous names for Bioxyne include Probiomics Limited, VRI Biomedical Limited, VRI Biomedical Pty Ltd, and Vasse Research Institute Pty Ltd.

Probiomics Limited (ASX:PCC) (formerly known as VRI BioMedical Limited) was incorporated in 1998 and listed on the ASX in December 2000, to fund research and development of a portfolio of projects in mucosal immunology.

In late 2003, Probiomics resolved to focus primarily on the commercialisation and further development of its proven probiotic technology, with its lead probiotic, PCC®, a novel and patent protected strain of *Lactobacillus fermentum*. Probiomics' proprietary probiotic strain PCC® has been patented in a range of countries around the world, and there is strong clinical evidence that PCC® maintains intestinal health by inhibiting harmful micro-organisms, restoring a healthy balance of friendly ("good") bacteria, and boosting the immune system.

In 2003 Probiomics acquired Hunter Immunology Limited, an unlisted public company. Hunter was formed to develop a range of orally-administered vaccine to reduce the severity of exacerbations in patients with Chronic Obstructive Pulmonary Disease (COPD).

Research efforts by Hunter's clinical team and the Newcastle Mucosal Immunology Group led to the development of HI-164OV and its subsequent clinical evaluation. HI-164OV, is an enteric-coated tablet containing killed bacteria that had demonstrated positive Phase IIa data, particularly in patients with moderate to severe COPD.

The phase IIb trial for HI-164OV however was not successful and Probiomics – now Bioxyne sold the HI-164 project and the company Hunter Immunology Pty Ltd to Mariposa Health Limited (MHL) in December 2013. Bioxyne retains a small investment in MHL (fully written down) and a royalty on gross revenue subject to the successful commercialisation of HI-164OV. The royalty agreement is currently being renewed.

Bioxyne continued to focus on the development of its PCC® product both in wholesale and retail, re-launching Progastrim (for gut and immune health) and ProTract (for infant atopic dermatitis).

In April 2017 Bioxyne entered the Direct Sales business with the acquisition of Global Treasure (New Zealand) Limited, and New Zealand Nutritional Research Institute Pty Limited. Bioxyne quickly expanded with Direct Selling licences in Malaysia held by Bioxyne International Sdn Bhd and Indonesia held by PT Gamata Utama. Bioxyne then expanded its product range to include the following:

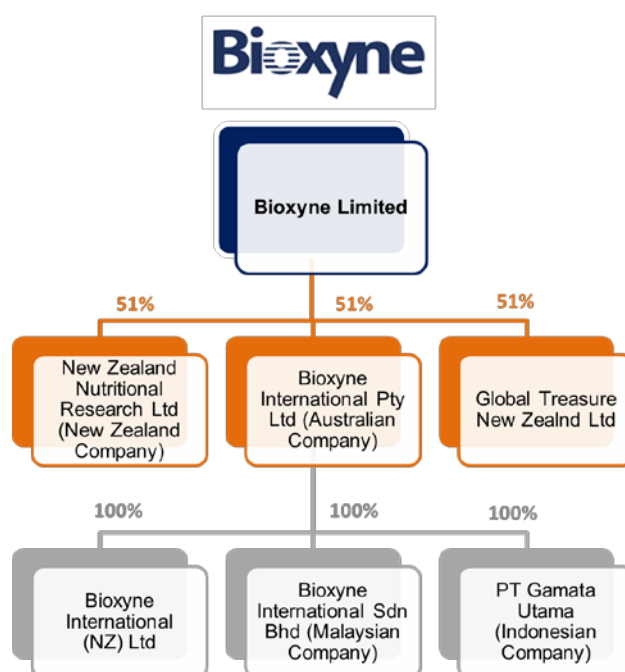
- (a) **Lactobacillus Fermentum PCC®** - patented strain of probiotics wholesale to contract manufacturers for use with their clients' consumer probiotics;
- (b) **Progastrim™ (PCC®)** - clinically tested proprietary patented probiotic, for general gut health and immune support;
- (c) **Mymana™** – colostrum and fortified milk formula for nutrition and immune support;
- (d) **ColosNZ PRO™** – enhanced colostrum and fortified milk formula for nutrition and immune support;
- (e) **Col-Coffee™** - three in one instant coffee mix with colostrum;

³ For the purposes of this Section 3, a reference to "Bioxyne" includes its subsidiaries as applicable.

- (f) **BK18™** – NZ dairy-based formula with probiotics and vitamins for general health and immune support;
- (g) **Allura™** – weight management and beauty drink for women; and
- (h) **Mustang™** – weight management and vitality shake for men.

Bioxyne’s direct selling business was adversely impacted by COVID-19 in 2020 and 2021, however in October 2022 Bioxyne entered an agreement to jointly grow its Asian direct selling business by selling a 49% interest in its direct selling subsidiaries. This was a strategic sale to a Singapore based private equity group, Paramount Star Investments Limited, which through its business interests in Greater Asia is enabling Bioxyne to accelerate development of its direct selling business. The consideration was \$1,000,000 in cash, and a further \$1,000,000 invested in Bioxyne through a placement of 25,000,000 new Bioxyne Shares at \$0.04 per share.

The current group structure of the Bioxyne Group is as follows:



3.2 Overview of Bioxyne Business Model

Bioxyne currently has two separate income streams:

A. Wholesale sales PCC®

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 supply agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide direct selling company. Bioxyne receives royalty from Chr. Hansen (Denmark) on sales made pursuant to its global distribution agreement, excluding the direct sales market that includes Nu-Skin Enterprises.

This business has been the core of Bioxyne business to date and it has undertaken further product development to include PCC® into its health supplements.

B. Direct Sales

Since 2017, through the acquisition of the direct selling business as outlined above, Bioxyne also contract manufactures a range of health supplements which it sells in Malaysia and Indonesia through its direct selling channels and elsewhere in Asia on a wholesale basis to third party distributors.

3.3 Securities on issue

As at the date of this Notice of Meeting:

- there are a total of 665,645,398 Shares in Bioxyne on issue held by 803 Shareholders;
- the top 20 Shareholders hold 77.33% of all issued Shares; and
- there are no other securities on issue in Bioxyne.

3.4 Substantial shareholders

At the date of this Notice of Meeting, Bioxyne's substantial shareholders are as follows:

Holder Name	Number of Shares held	% of all issued Shares held
VIG Limited	80,562,003	12.10%
Nam Hoat Chua	57,574,013	8.65%
Peng-Hyang Ng	51,500,000	7.74%
Paramount Star Investments Limited	36,000,000	5.41%
Custodian Nominee Co	34,836,169	5.23%
Global CR Holdings Limited <Buffalo A/C>	34,494,701	5.18%

3.5 Publicly available Information

Bioxyne's Shares are listed for quotation on the ASX and the Company is obliged to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act.

Announcements made by Bioxyne to the ASX announcements platform are available from the ASX website at www.asx.com.au and the Company's website at www.bioxyne.com.

4. INFORMATION ABOUT BREATHE LIFE SCIENCES (BLS)

This Section 4 contains information about BLS and its subsidiaries, directors, officers and employees. The information in this Section 4 has been prepared by the BLS Shareholders and is the responsibility of the BLS Shareholders. Bioxyne and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

4.1 What is BLS?

Breathe Life Sciences is an Australian incorporated international life sciences company founded in 2019 with direct selling operations in the United Kingdom, Europe, Japan, and Australia.

BLS specialises in direct selling of wellness brands and health products, such as the Dr Watson® brand, manufacture and sale of bulk raw materials including cannabinoid isolates and bespoke distillates (patented and patent-pending formulations), as well as white label manufacturing for several globally established wellness brands and retail distributors.

4.2 Breathe Life Sciences UK, EU & Japan

BLS offers a wide variety of manufacturing services for cannabinoid-based products, multivitamins and minerals, mushroom supplements and probiotics.

Breathe Life Sciences UK Ltd, a wholly-owned subsidiary of BLS, operates across the UK and Europe with manufacturing, warehousing and distribution capabilities in London, Manchester, and Prague (Czech Republic).

BLS has three operating subsidiaries in Japan, including Mirai Solutions K.K., Dr Watson Japan K.K., and BLS Japan K.K. BLS business operations in Japan are in Nagoya, where BLS has one of the only food and vape accredited CBD labs and manufacturing facilities.

BLS is a market leading supplier of cannabis raw materials in the UK, EU, and Japan, working with several national brands and with national retail chains. In its manufacturing operations BLS maintains high compliance and quality standards, holding ISO-7 accreditations and using GMP compliant equipment.

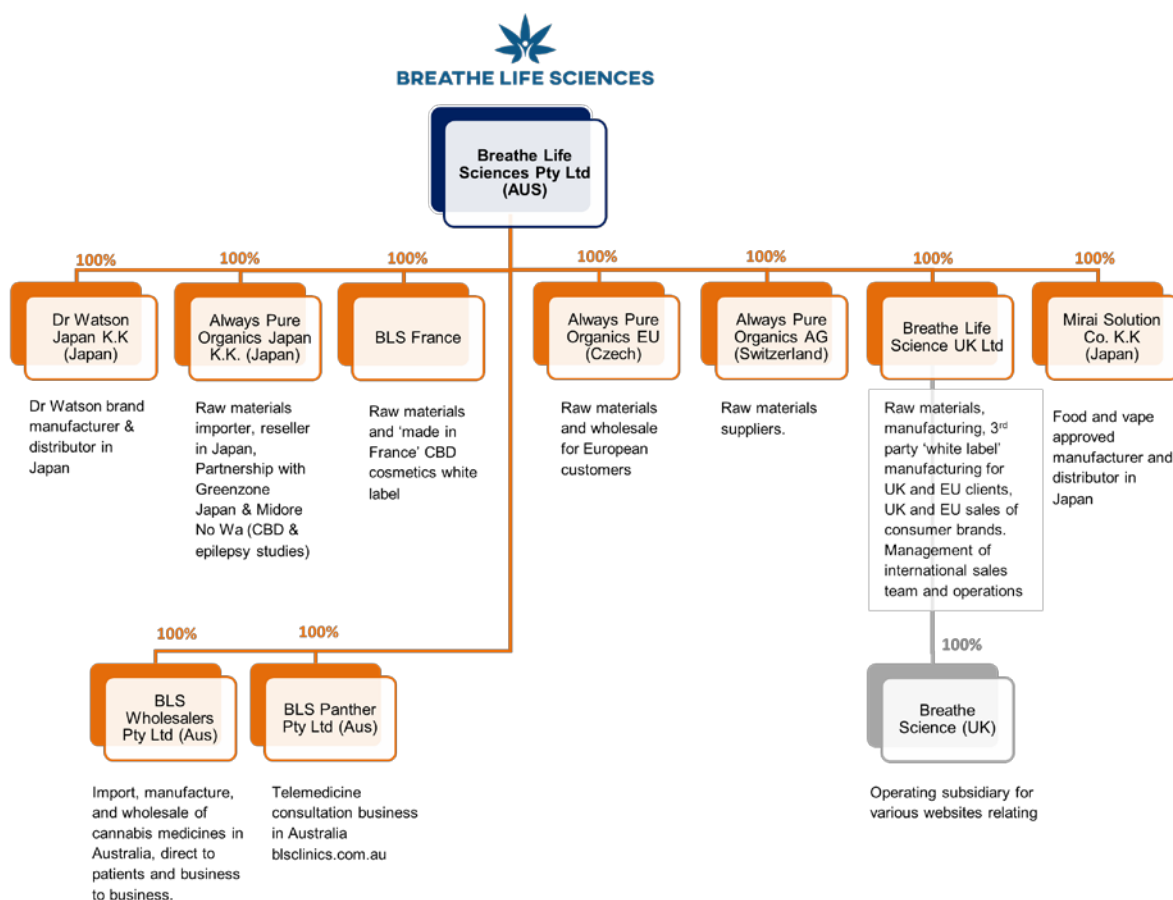
BLS has 5 brands under its umbrella which are established in the UK, Europe and Japan. BLS Brands Include Dr Watson, Always Pure Organics, Apothecary, Vitae, Essentials.

The BLS Group comprises the following legal entities:

- Australia – Breathe Life Sciences Pty Ltd, BLS Wholesalers Pty Ltd and BLS Panther Pty Ltd (note that BLS Panther is not currently an operating entity, but is intended to be used in conducting a complementary telemedicine consultation business);
- UK – Breathe Life Sciences UK Ltd and Breathe Sciences Ltd (UK);
- Europe – Always Pure Organics AG (Switzerland) and Always Pure Organics EU (Czech Republic); and
- Japan – Mirai Solutions K.K., Dr Watson Japan K.K. and BLS Japan K.K.

Further information in relation to the activities of each entity is outlined in the structure diagram at section 4.3 below.

4.3 Structure of BLS Group



4.4 BLS Business Model

BLS has seen rapid growth with the consolidation of a number of operations under the BLS umbrella following its incorporation and re-organisation in February 2021.

BLS has a number of revenue streams which are categorised as follows:

- Online and wholesale sales of BLS-owned retail brands: Dr Watson®, NOL®, Apothecary™, Essentials™, Sativa Wellness®, Bao Botanicals™, and Vitae™.
- White label manufacturing of third party brands in the UK, Europe, and Japan for some of the market leading CBD and mushroom product companies and wellness brands including 12 CBD based product brands registered with Food Standards Agency (FSA) in the UK.
- Manufacturing and wholesale of raw materials and cannabis extracts, such as patented cannabis distillates, isolates, and extracts in Japan, UK, and Europe.
- Research and development and contracted R&D for third party clients. Expertise in UK and Japan in product development, quality testing with in-house HPLC (high performance liquid chromatography), and supply chain economies.

4.5 Directors of BLS

Samuel Watson BSc. Fin.& Econ – Group CEO & Chairman

Samuel is Chairman of BLS' founding shareholder, Breathe International Limited (backed by UK Government Future Fund), he is also the founding investor and shareholder of DocTime, the market leading telemedicine company in Bangladesh serving 4m+ patients.

Ian Owles MPS, CFMP – Chief Operating Officer Australia

Ian is a 3rd generation pharmacist with 40 years' experience in biotechnology & pharma. Ian is responsible for BLS' licenses, manufacturing, and medicinal operations in Australia. Through his online pharmacy, Australian Online Compounding Chemist (AOCC), BLS dispenses prescription medicines direct to patients.

4.6 BLS Shareholding

As at the date of this Notice of Meeting, the issued share capital of BLS consists of 185,675,840 fully paid ordinary shares listed below:

Breathe Life Sciences Pty Ltd (BLS) Shareholders		
Shareholder	Number Held	% Held
Breathe International Limited (BIL)*	86,991,173	46.85%
Global CR Holdings Limited atf Buffalo Trust	22,500,000	12.12%
Ian Edward Owles	20,000,000	10.77%
Kirkman Trading Ltd	12,500,000	6.73%
BPMGMT Ltd	12,000,000	6.46%
Other BLS Shareholders	31,684,667	17.06%
Total BLS Shareholders	185,675,840	100%

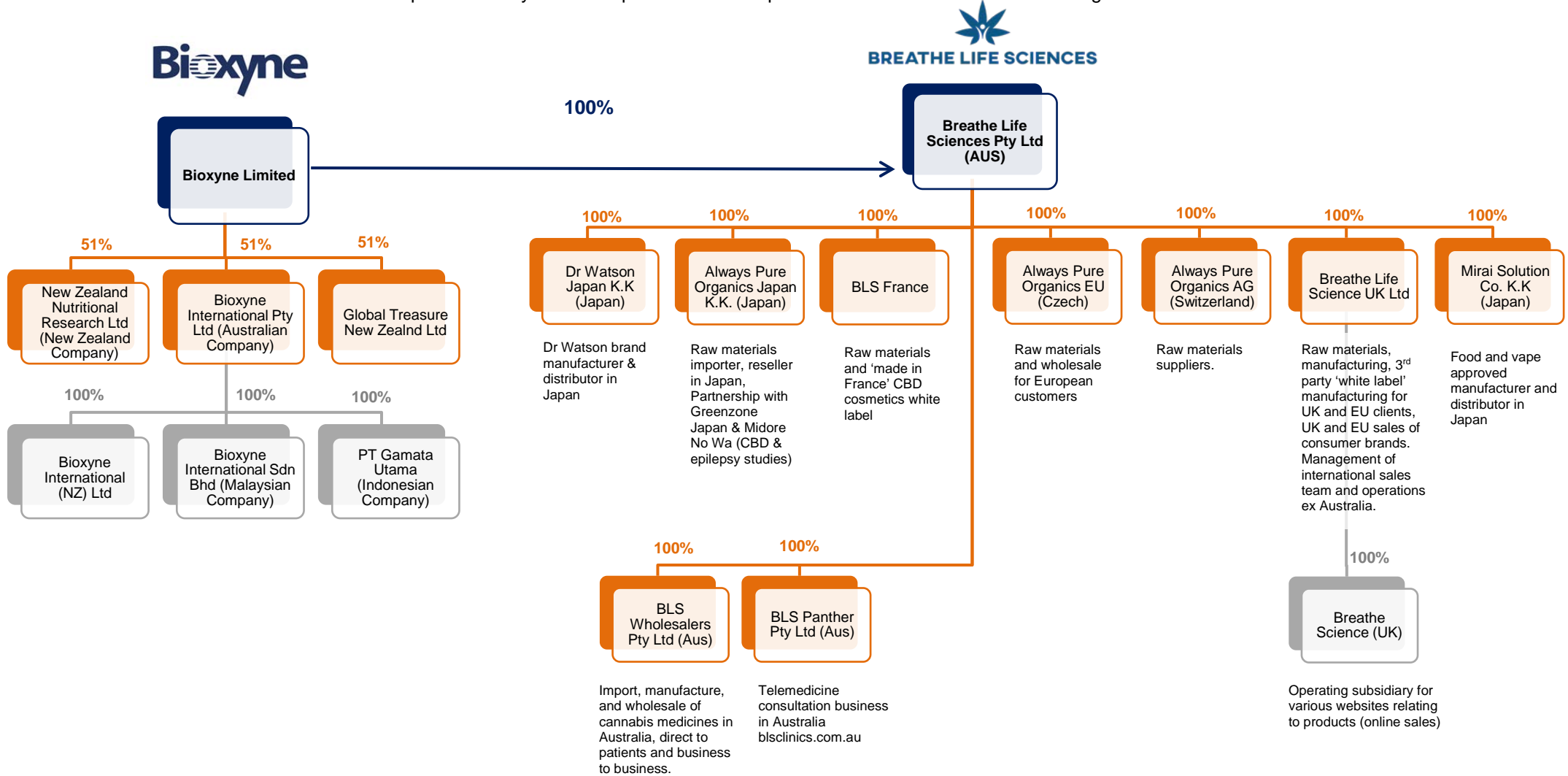
* Samuel Watson holds 75% of the shares in BIL.

BLS has 32 shareholders as at the date of this Notice of Meeting.

5. INFORMATION ABOUT THE COMBINED GROUP

5.1 Combined Group corporate structure

The structure of the Combined Group immediately after Completion of the Acquisition is outlined in the structure diagram below:



5.2 Combined Group strategy

Following Completion, the strategy of Bioxyne and BLS is for the Combined Group to focus on the creation of Shareholder value:

- expanding the scale and scope of its 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 with a view to expanding its business options into high-growth markets and enhancing its service offerings.

The significant prospects for growth and expansion of the business model include the continued development by the Combined Group of the emerging high growth health and wellness cannabinoid-based brands, products and related services. In parallel with this, the Combined Group intends to leverage its position to take advantage of significant legislative reform on the medicinal cannabis products market globally.

The ability for the Combined Group to expand into jurisdictions outside of the markets it currently operates in will be subject to legal and technical advice concerning any regulatory or technological impediments and/or compliance requirements to the Combined Group providing its current products or services into those jurisdictions and, if there are compliance requirements, complying with such requirements. In the event the Combined Group identifies regulatory or technological impediments that lead to a decision not to proceed in a particular jurisdiction, this could affect the Combined Group's ability to generate revenue and profit.

The statements set out in this Section 5.2 are statements of current intentions only, which may change as new information becomes available or prevailing circumstances change. Any decisions will only be reached after implementation when all material facts and circumstances are known to the Board of the Combined Group.

5.3 Synergies between Bioxyne and BLS

The Board is of the view that the synergies between Bioxyne and BLS include:

- leveraging complementary skills and experience of key staff in each company to assist in the growth and development of the other's businesses;
- leveraging intellectual property and customer relationships to de-risk the supply chain for the Combined Group;
- cost savings through core business and non-core business procurement at a larger scale than pre-Acquisition;
- merging of ongoing research and development projects to remove duplication and combine current findings and outcomes; and
- harmonising systems and processes used by the two companies to drive operational efficiencies and cost savings.

5.4 Key dependencies of the business model

The key dependencies of the Combined Group strategy and business model include:

- the successful completion of the Acquisition;
- the continuing ability of Bioxyne and BLS to attract customers to its business post-Acquisition;

- the acceptance of the internet as a commerce platform for individuals, devices and enterprises to procure products and services from Bioxyne and BLS;
- the continued retention and incentivisation of key personnel;
- the maintenance and continued protection of Bioxyne's and BLS's respective intellectual property rights;
- the stability of the regulatory framework applicable to Bioxyne's and BLS's businesses; and
- the continuing ability of Bioxyne and BLS to hold Federal and State licenses to operate in accordance with prevailing legislation across jurisdictions where it operates.

5.5 What will Bioxyne's capital and ownership structure be post Completion?

A. Securities on issue after Completion

The following table sets out the capital structure of Bioxyne immediately following Completion:

Security	Shares	Performance Rights
Number	1,895,645,398	55,266,667

The issue of performance rights is subject to Shareholder approval at the Meeting.

B. Top 10 shareholders of Bioxyne immediately after Completion

Bioxyne Shareholders	Before Acquisition		After Acquisition	
	Number	Percentage	Number	Percentage
Breathe International Limited	-	-	576,268,527	30.40%
Global CR Holdings Limited	34,494,701	5.18%	183,544,787	9.68%
Ian Edward Owles	-	-	132,488,966	6.99%
Kirkman Trading Ltd	-	-	82,805,604	4.37%
VIG Limited	80,562,003	12.10%	80,562,003	4.25%
BPMGMT Ltd	-	-	79,493,379	4.19%
Nam Hoat Chua	57,574,013	8.65%	57,574,013	3.04%
Peng-Hyang Ng	51,500,000	7.74%	51,500,000	2.72%
Paramount Star Investments Ltd	36,000,000	5.41%	36,000,000	1.90%
Custodian Nominee Co Ltd	34,836,169	5.23%	34,836,169	1.84%

5.6 What is the dilutive impact of Shares on existing Shareholders following Acquisition?

As part of the Acquisition, 1,230,000,000 Consideration Shares will be issued to the BLS Shareholders as consideration for the acquisition by Bioxyne of BLS. As such, immediately following Completion of the Acquisition, the 665,645,398 Shares on issue as at the date of this Notice of Meeting are expected to comprise 35.11% of Bioxyne's expanded share capital.

An indicative impact of the dilution to existing Shareholders as a result of the Acquisition is as follows:

Current % Shareholding	% Shareholding post-Acquisition
10%	3.51%
6%	2.11%
5%	1.76%
4%	1.40%
3%	1.05%
2%	0.70%

Current % Shareholding	% Shareholding post-Acquisition
1%	0.35%
0.5%	0.18%

In addition, Bioxyne may wish to raise further capital after Completion. Any further capital raisings will have a further dilutive effect on the holdings of an existing Shareholder.

5.7 How will the Combined Group be financed?

It is expected that the Combined Group's operations in the short term will be financed out of existing cash balances and operating cash flows.

Bioxyne's commercial objectives will continue to evolve as strategic opportunities present themselves as the Combined Group capitalises on the synergies created by the Acquisition. Some of those objectives may require additional capital. While no capital raising is anticipated at this stage Bioxyne may seek to raise further capital to fund its ongoing working capital requirements and the expansion of its businesses in the years ahead.

Bioxyne has to date been a loss-making entity, however following the sale of 49% of the Direct Sales business in Asia Pacific and the opportunity to grow this business as a result, and the potential of BLS it is considered that the Combined Group will be profitable going forward.

Pro forma net cash

As at 31 December 2022 the Combined Group had pro forma cash and cash equivalents of approximately \$4 million (based on unaudited financial statements).

Transaction costs

Certain costs will be incurred by Bioxyne in connection with the Acquisition, including for due diligence, legal and other professional adviser's fees, the Independent Expert's fees, printing and registry costs, which are estimated at \$100,000.

The costs incurred by BLS in connection with the acquisition include due diligence, legal and other service provider costs estimated at \$50,000.

5.8 Who will be the directors of Bioxyne immediately after the Acquisition?

Anthony Ho – Independent Non-Executive Chairman

Mr Ho was appointed as a Director of Bioxyne on 30 October 2012.

Mr Ho is an experienced company director having held executive directorships with several ASX listed companies. He has extensive corporate, general management, and governance experience across diverse industries that include horticulture, wholesale/retail, services, biotech, and mining.

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

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

Previous directorships held by Mr Ho in the last three years include:

- non-executive chairman of Credit Intelligence Limited (ASX: CI1) from June 2018 to April 2020; and

- non-executive chairman of Energy Transition Minerals Limited (ASX: ETM), formerly Greenland Minerals Limited (ASX: GGG).

Samuel Watson – Executive Director and Joint Chief Executive Officer

Mr Watson has a BSC Finance and Economics from the New York Stern School of Business.

Mr Watson founded Breathe Life Sciences 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 Director of Zonetech Wellness Limited, a venture capital firm actively investing in early stage high growth technology and life sciences businesses, and Associate Director of Chancery Finance a litigation funding business.

Mr N H Chua – Executive Director and Joint Chief Executive Officer

Mr Chua was appointed as a Director on 13 June 2017. Mr Chua was Vice President of Asia Pacific for New Image Limited (previously listed on NZX), 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 prior to it being listed on the NZX.

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

Mr Jason Hine - Executive Director and Chief Operating Officer

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

Mr Hine was previously the GM Commercial Operations for ECS Botanics, 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.

5.9 Who will be the senior management of the Combined Group?

Mr N H Chua – Joint Chief Executive Officer (Asia Pacific)

Mr Chua's profile is set out in Section 5.8 above.

Mr Samuel Watson – Joint Chief Executive Officer (Rest of the World)

Mr Watson's profile is set out in Section 5.8 above.

Mr Jason Hine – Chief Operating Officer

Mr Hine's profile is set out in Section 5.8 above.

Mr Peter Hughes-Hallett – Direct sales lead Asia Pacific

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 – Group Chief Financial Officer/Company Secretary

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 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.

Mr Robertson is currently a director of Hastings Technology Metals Ltd (ASX:HAS), Metal Bank Limited (ASX:MBK), Artemis Resources Limited (ASX:ARV) and Greentech Metals Limited (ASX:GRE).

Mr Jakub Czarnecki – Chief Financial Officer, BLS

Mr Czarnecki is a chartered financial accountant with 10+ years' experience in boosting profitability through implementation of strategic financial policy.

5.10 Employment Terms of Directors and Key Management Personnel

Each of the Directors has executed letters of appointment with Bioxyne which:

- for Mr Watson and Mr Hine, are subject to Resolutions 3 and 4 being passed;
- provide for Directors fees as outlined below;
- unless continuing, are effective from Completion and continues until the date they cease to hold office as a Director;
- provide they may resign as a Director at any time by written notice; and
- contain provisions that are customary for appointment letters of this nature.

Indemnity of Proposed Directors

Bioxyne has agreed to indemnify the Proposed Directors against all liabilities to another person (other than Bioxyne or a related body corporate) that may arise from their position as an officer of Bioxyne, to the extent permitted by law. They will be indemnified on the same terms as all existing officers of Bioxyne.

Equity Interests and benefits of Directors and Proposed Directors

Director	Pre Completion		Post Completion	
	Shareholding	% Holding	Shareholding	% Holding
Anthony Ho	28,090,750	4.22%	28,090,750	1.48%
Samuel Watson ¹	0	0	614,001,384 ³	32.39%
NH Chua	57,574,013	8.65%	57,574,013	3.04%
Jason Hine ²	0	0	1,324,890	0.07%

¹ Samuel Watson's contract provides for the grant of 20,000,000 Performance Rights (refer to Section 9.5).

² Jason Hine's contract provides for the grant of 6,666,667 Performance Rights (refer to Section 9.5).

³ Via the shareholding of Breathe International Limited and Zonetech Wellness Limited (refer to Section 9.2).

Name	Role	Base (FAR) ¹	Incentives	Termination	Restraint
Anthony Ho	Chairman	\$65,700	Nil	-	-
Samuel Watson	Joint CEO	\$300,000	STI – Annual up to 50% of FAR in shares– based on milestones LTI – 3 year – Up to 50% of FAR (annually) – in shares based on milestones	6 months' notice	12 months
N H Chua	Joint CEO	\$120,000	Nil	3 months' notice	-
Jason Hine		\$220,000	STI – Annual up to 22.7% of FAR in shares – based on milestones LTI – 3 year – Up to 22.7% of FAR (annually) – in shares based on milestones	3 months' notice	3 months
Guy Robertson	Group CFO	\$96,000	-	-	-

¹ FAR = Fixed Annual Remuneration

5.11 Corporate Governance of the Combined Group

The Board is responsible for the corporate governance of Bioxyne, and believes it is important that the Combined Group is properly managed to protect and enhance Shareholder interests. Bioxyne intends to remain listed on ASX.

The ASX Corporate Governance Council has developed and released the ASX Recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. Bioxyne is required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period.

It should be noted that, if the Resolutions are passed by Shareholders at this Meeting, then following Completion of the Acquisition and the issue of new Shares, the Board will be reconstituted to comprise of one independent chairman (Mr Ho) and three executive directors (Messrs Watson, Chua and Hine). The Board intends to recruit a suitably qualified independent non-executive director after Completion of the Acquisition.

It is intended that Bioxyne's existing charters, policies and procedures will remain effective immediately following Completion. Those corporate governance charters and policies reflect the ASX Recommendations to the extent the Board considers it reasonable for Bioxyne to comply with them. Assuming Completion occurs, the Board proposes that the whole Board will fulfill the functions of the Nomination and Remuneration Committee and the Audit and Risk Committee.

5.12 Dividend policy of the Combined Group

The future payment of dividends by Bioxyne, if any, subject to any contractual, legal or regulatory restrictions, is at the complete discretion of the Board, and the Board does not provide any assurance of the future level of dividends that may be paid by Bioxyne.

The ability of Bioxyne to pay dividends will depend on a number of factors, many of which are beyond the control of Bioxyne. In determining whether to declare future dividends, the Board is required by the Corporations Act to consider Bioxyne's future cash flow requirements and will also have regard to Bioxyne's earnings, overall financial condition and capital requirements, taxation considerations (including the level of any franking credits that may be available), the general business environment, and any other factors that the Board may consider to be relevant.

In the short term it is the Board's (and the Proposed Directors') current intention to reinvest future cash flows generated in the further growth of the Combined Group. The payment of a dividend by

Bioxyne is at the discretion of the Board and will be dependent on a number of factors including the Combined Group's operating results, cash flows, future capital requirements, and financial condition.

No assurances can be given by any person, including any Director, about the payment of any dividend and the level of franking on any such dividend.

5.13 Escrow of Consideration Shares

The BLS Shareholders have agreed to a 12 month voluntary escrow of the Consideration Shares from the date of Completion, and Bioxyne will enter into escrow deeds with each BLS Shareholder.

As a result of Bioxyne entering into escrow deeds with each BLS Shareholder, Bioxyne will acquire a Relevant Interest in the Consideration Shares pursuant to section 608 of the Corporations Act as Bioxyne will control the exercise of the power to dispose of the Consideration Shares.

On 28 March 2023, Bioxyne obtained ASIC relief in relation to Bioxyne acquiring a Relevant Interest in the Consideration Shares as a result of entering into the escrow deeds.

6. FINANCIAL INFORMATION

6.1 Introduction

This Section 6 contains a summary of the historical financial information that the Directors consider is relevant for:

- Bioxyne, for the financial years ended 30 June 2020 (**FY20**), 30 June 2021 (**FY21**) and 30 June 2022 (**FY22**), as set out in Section 6.3 (**Bioxyne Historical Financial Information**);
- BLS, for FY20, FY21 and FY22, as set out in Section 6.4 (**BLS Historical Financial Information**); and
- the Combined Group on Completion, comprising the pro-forma historical financial information for FY20, FY21 and FY22, as set out in Section 6.5 (**Combined Group Pro Forma Historical Financial Information**).

6.2 Basis of Preparation

The Bioxyne Historical Financial Information, the BLS Historical Financial Information and the Combined Group Pro Forma Financial Information are presented in an abbreviated form and do not include all of the presentations and disclosures usually provided in financial statements prepared in accordance with the Corporations Act.

The Bioxyne Historical Financial Information has been extracted from the audited financial reports of Bioxyne for FY20, FY21 and FY22, which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act. These have been prepared in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of Australian Accounting Standards.

The BLS Historical Financial Information has been extracted from the unaudited financial reports of BLS for FY20, FY21 and FY22.

The Combined Group Pro Forma Financial Statements have been prepared in order to give investors a guide as to the performance and position as if the Acquisition had taken place at 30 June 2022 and in the circumstances noted in this Notice of Meeting, and does not purport to state the actual financial performance and position at the time the Acquisition is effected and implemented.

Investors should be aware that past performance is not an indication of future performance.

6.3 Bioxyne Historical Financial Information

Set out below is a summary of the following financial information in relation to Bioxyne:

- the historical consolidated Statements of Comprehensive Income/Loss for FY20, FY21 and FY22;
- the historical consolidated Statements of Financial Position as at the end of FY20, FY21 and FY22; and
- the historical consolidated Statements of Cash Flows for FY20, FY21 and FY21,

(collectively, **Bioxyne Historical Financial Information**).

The Bioxyne Historical Financial Information summarises selected financial data derived from Bioxyne's audited financial statements. Bioxyne's consolidated financial statements for FY20, FY21 and FY22 were audited by RSM Australia Pty Ltd.

Bioxyne is listed on ASX and is obligated to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act.

Announcements made by Bioxyne to the ASX Company's announcement platform are available from the ASX website at www.asx.com.au.

(a) Bioxyne – Statements of Comprehensive Income/Loss

Bioxyne Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 30 June

	2020	2021	2022
	\$	\$	\$
Revenue from continuing operations			
Sale of goods	2,259,264	2,110,377	2,416,351
Other income	140,595	112,457	104,300
Cost of goods sold	(1,044,181)	(1,029,043)	(1,127,640)
Expenses			
Research and development	(130,243)	(89,726)	-
Personnel costs	(442,289)	(391,728)	(351,865)
Business development	(311,236)	(171,618)	(295,328)
Marketing	(41,361)	(42,199)	(21,296)
Professional fees	(167,705)	(143,374)	(176,954)
Compliance costs	(126,134)	(104,514)	(119,276)
Non-executive director fees	(212,126)	(236,127)	(285,297)
General and administration	(175,633)	(200,152)	(246,261)
Depreciation-right-of-use assets	(71,815)	(49,899)	-
Impairment of Intangibles	(212,462)	-	-
Impairment of inventory	(50,737)	(224,423)	(132,660)
Foreign exchange loss	-	(34,072)	-
Borrowing costs	(7,032)	(1,684)	(582)
Loss before income tax	(593,095)	(495,725)	(236,508)
Income tax	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	(593,095)	(495,725)	(236,508)
Loss is attributable to:			
Members of Bioxyne Limited	(593,095)	(495,725)	(236,508)
Earnings per share			
<i>From continuing operations</i>	Cents	Cents	Cents
- Basic loss per share	(0.09)	(0.08)	(0.04)
- Diluted loss per share	(0.09)	(0.08)	(0.04)

(b) Bioxyne – Statements of Financial Position

Bioxyne Limited
Consolidated Statement of Financial Position
As at 30 June

	2020	2021	2022
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	1,747,886	1,602,210	2,168,009
Trade receivables	304,429	335,334	17,848
Current tax receivables	13,641	28,813	9,412
Other current assets	236,299	174,539	312,444
Inventories	767,942	369,517	310,230
Total Current Assets	3,070,197	2,510,413	2,817,943
Non-Current Assets			
Intangible assets	30,269	30,269	30,269
Plant and equipment	169,255	130,358	74,649
Right-of-use assets	65,618	7,530	-
Other financial assets	-	-	-
Total Non-Current Assets	265,142	168,157	104,918
Total Assets	3,335,339	2,678,570	2,922,861
LIABILITIES			
Current Liabilities			
Trade and other payables	658,657	731,728	961,684
Lease liabilities	47,462	-	-
Provisions	20,000	13,019	19,826
Total Current Liabilities	726,119	744,748	981,510
Total Non-Current Liabilities			
Total Liabilities	-	-	-
Net Assets	726,119	744,748	981,510
	2,609,220	1,933,822	1,941,351
EQUITY			
Contributed equity	62,177,536	62,177,536	62,177,536
Reserves	123,924	(55,749)	188,288
Accumulated losses	(59,745,101)	(60,240,826)	(60,477,334)
Capital and reserves attributable to owners of Bioxyne Limited	2,556,359	1,880,961	1,888,490
Non-controlling interests	52,861	52,861	52,861
Equity	2,609,220	1,933,822	1,941,351

(c) Bioxyne – Statements of Cash Flow

Bioxyne Limited
Consolidated Statement of Cash Flow
For the year ended 30 June

	2020	2021	2022
	\$	\$	\$
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)	2,816,647	2,095,015	2,889,689
Payments to suppliers and employees (inclusive of goods and services tax)	(2,812,841)	(2,060,547)	(2,493,099)
	3,806	34,468	396,590
Research and development tax rebate	13,757	-	23,035
Interest received	34,492	18,665	15,391
Net cash inflow from operating activities	48,249	53,134	435,016
Cash flow from investing activities			
Payment for plant and equipment	(33,662)	-	(5,787)
Net cash outflow from investing activities	(33,662)	-	(5,787)
Cash flows from financing activities			
Repayment of lease liabilities	(52,325)	(46,783)	-
Net cash outflow from financing activities	(52,325)	(46,783)	-
Net increase in cash and cash equivalents	(33,932)	6,351	429,229
Cash and cash equivalents at the beginning of the financial year	1,767,909	1,747,886	1,602,210
Foreign exchange adjustment to cash balance	13,909	(152,027)	136,570
Cash and cash equivalents at end of the year	1,747,886	1,602,210	2,168,009

6.4 **BLS Historical Financial Information**

Set out below is a summary of the following financial information in relation to BLS:

- the historical consolidated Statements of Comprehensive Income/Loss for FY20, FY21 and FY22;
- the historical consolidated Statements of Financial Position as at the end of FY20, FY21 and FY22; and
- the historical consolidated Statements of Cash Flows for FY20, FY21 and FY22,

(collectively, **BLS Historical Financial Information**).

The BLS Historical Financial Information summarises selected financial data derived from BLS's unaudited financial statements. The Directors of Bioxyme are satisfied through due diligence, that the financial statements of BLS are fairly presented.

(a) BLS – Statements of Comprehensive Income/Loss

Breathe Life Sciences Pty Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 30 June

	2020	2021	2022
	\$	\$	\$
Revenue from continuing operations			
Sale of goods	476,167	964,071	2,818,602
Other income	-		158,920
Cost of goods sold	(119,499)	(451,085)	(2,096,387)
Expenses			
Research and development	-	-	-
Personnel costs	(177,062)	(315,370)	(505,497)
Rent	(40,579)	(140,473)	(120,562)
Business development	-	(65,079)	(27,057)
Marketing	(68,408)	(40,955)	(34,895)
Professional fees	(164,256)	(264,874)	(518,113)
Compliance costs	-	-	-
Non-executive director fees	-	-	-
General and administration	(39,670)	(84,367)	(227,334)
Depreciation-right-of-use assets	-	-	-
Impairment of inventory	-	-	-
Foreign exchange loss	(3,756)	(45,180)	18,451
Borrowing costs	(2,895)	(7,082)	(18,348)
Loss before income tax	(165,599)	(473,449)	(621,243)
Income tax	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	(165,599)	(473,449)	(621,243)
Loss is attributable to:			
Members of Breathe Life Sciences Pty Limited	(165,599)	(473,449)	(621,243)

(b) BLS – Statements of Financial Position

Breathe Life Sciences Pty Limited
Consolidated Statement of Financial Position
As at 30 June

	2020	2021	2022
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	-	216,596	183,511
Trade receivables	-	143,777	327,024
Current tax receivables	-	-	1,345
Other current assets	-	-	95,001
Inventories	-	71,677	59,153
Total Current Assets	-	432,050	666,034
Non-Current Assets			
Intangible assets	-	-	14,094
Plant and equipment	-	4,900	75,942
Total Non-Current Assets	-	4,900	90,036
Total Assets	-	436,950	756,070
LIABILITIES			
Current Liabilities			
Trade and other payables	-	131,399	224,378
Total Current Liabilities	-	131,399	224,378
Non-Current Liabilities			
Shareholder loans	165,499	104,659	381,983
Total Non-Current Liabilities	165,499	104,659	381,983
Total Liabilities	165,499	235,998	606,361
Net Assets	(165,499)	200,952	149,709
EQUITY			
Contributed equity	100	840,000	1,410,000
Accumulated losses	(165,599)	(639,048)	(1,260,291)
Capital and reserves attributable to owners of Breathe Life Sciences Pty Limited	(165,499)	200,952	149,709

(c) BLS – Statements of Cash Flow

Breathe Life Sciences Pty Limited
Consolidated Statement of Cash Flow
For the year ended 30 June

	2020	2021	2022
	\$	\$	\$
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)	392,229	483,672	2,553,914
Payments to suppliers and employees (inclusive of goods and services tax)	(383,792)	(446,336)	(2,855,397)
	8,437	37,336	(301,383)
Net cash inflow from operating activities	8,437	37,336	(301,383)
Cash flow from investing activities			
Payment for plant and equipment	-	(4,900)	(83,926)
Net cash outflow from investing activities	-	(4,900)	(83,926)
Cash flows from financing activities			
Loans from/(repayments to) shareholders	(8,437)	(60,840)	277,324
Issue of capital	-	245,000	75,000
Net cash outflow from financing activities	(8,437)	184,160	352,324
Net increase in cash and cash equivalents	-	216,596	(33,085)
Cash and cash equivalents at the beginning of the financial year	-	-	216,596
Cash and cash equivalents at end of the year	-	216,596	183,511

6.5 Combined Group Pro Forma Financial Information

Set out below is a summary of the following financial information in relation to the Combined Group:

- the proforma consolidated Statements of Comprehensive Income/Loss for FY20, FY21 and FY22;
- the proforma consolidated Statements of Financial Position as at the end of FY20, FY21 and FY22; and
- the pro-forma consolidated Statements of Cash Flows for FY20, FY21 and FY22,

(collectively, **Combined Group Pro Forma Financial Information**).

(a) Combined Group – Pro Forma Statements of Comprehensive Income/Loss

Combined Group

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year Ended 30 June

	2020	2021	2022
	\$	\$	\$
Revenue from continuing operations			
Sale of goods	2,735,431	3,074,448	5,234,953
Other income	140,595	112,457	263,220
Cost of goods sold			
Expenses			
Research and development	(130,243)	(89,726)	-
Personnel costs	(619,351)	(707,098)	(857,362)
Rent	(40,579)	(140,473)	(120,562)
Business development	(311,236)	(236,697)	(322,385)
Marketing	(109,769)	(83,154)	(56,191)
Professional fees	(331,961)	(408,248)	(695,067)
Compliance costs	(126,134)	(104,514)	(119,276)
Non-executive director fees	(212,126)	(236,127)	(285,297)
General and administration	(215,303)	(284,519)	9473,595)
Travel & accommodation	(25,641)	(23,055)	(69,023)
Depreciation-right-of-use assets	(71,815)	(49,899)	-
Impairment of intangibles	(212,462)	-	-
Impairment of inventory	(50,737)	(224,423)	(132,660)
Foreign exchange loss	(3,756)	(79,252)	18,451
Borrowing costs	(9,927)	(8,766)	(18,930)
Loss before income tax	(758,694)	(969,174)	(857,751)
Income tax	-	-	-
Other comprehensive income for the year	(758,694)	(969,174)	(857,751)
Total comprehensive loss for the year			
Loss is attributable to Combined Group	(758,694)	(969,174)	(857,751)

(b) Combined Group – Pro Forma Statements of Financial Position

**Combined Group
Consolidated Statement of Financial Position
As at 30 June**

	2020	2021	2022
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	1,747,886	1,818,806	2,351,520
Trade receivables	304,429	479,111	344,872
Current tax receivables	13,641	28,813	10,757
Other current assets	236,299	174,539	407,445
Inventories	767,942	441,194	369,383
Total Current Assets	3,070,197	2,942,463	3,483,977
Non-Current Assets			
Intangible assets	30,269	30,269	44,363
Plant and equipment	169,255	135,258	150,591
Right-of-use assets	65,618	7,530	-
Total Non-Current Assets	265,142	173,057	194,954
Total Assets	3,335,339	3,115,520	3,678,931
LIABILITIES			
Current Liabilities			
Trade and other payables	658,657	863,067	1,186,062
Lease liabilities	47,462	-	-
Provisions	20,000	13,019	19,826
Total Current Liabilities	726,119	876,086	1,205,888
Non-Current Liabilities			
Loans	165,499	104,659	381,983
Total Non-Current Liabilities	165,499	104,659	381,983
Total Liabilities	891,618	980,746	1,587,871
Net Assets	2,443,721	2,134,774	2,091,060
EQUITY			
Contributed equity	62,177,536	62,177,536	62,177,536
Reserves	124,024	784,251	1,598,288
Accumulated losses	(59,910,700)	(60,879,874)	(61,737,625)
Capital and reserves attributable to owners of Bioxyne Limited	2,390,860	2,081,913	2,038,199
Non-controlling interests	52,861	52,861	52,861
Equity	2,443,721	2,134,774	2,091,060

(c) Combined Group – Pro Forma Statements of Cash Flow

**Combined Group
Consolidated Statement of Cash Flow
For the year ended 30 June**

	2020	2021	2022
	\$	\$	\$
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)	3,208,876	2,578,687	5,443,603
Payments to suppliers and employees (inclusive of goods and services tax)	(3,196,633)	(2,506,883)	(5,348,496)
	12,243	71,804	95,107
Research and development tax rebate	13,757	-	23,035
Interest received	34,492	18,665	15,391
Net cash inflow from operating activities	56,686	90,470	133,533
Cash flow from investing activities			
Payment for plant and equipment	(33,662)	(4,900)	(89,713)
Net cash outflow from investing activities	(33,662)	(4,900)	(89,713)
Cash flows from financing activities			
Loans from/(repayments to) shareholders	(8,437)	(60,840)	(277,324)
Issue of capital	-	245,000	75,000
Repayment of lease liabilities	(52,325)	(46,783)	-
Net cash outflow from financing activities	(60,762)	137,377	352,324
Net increase in cash and cash equivalents	(33,932)	222,947	396,144
Cash and cash equivalents at the beginning of the financial year	1,767,909	1,747,886	1,818,806
Foreign exchange adjustment to cash balance	13,909	(152,027)	136,570
Cash and cash equivalents at end of the year	1,747,886	1,818,806	2,351,520

7. RISK FACTORS

Before deciding how to vote on the Resolutions, you should carefully consider the risk factors discussed in this Section 7 and other information contained in this Notice of Meeting and the Independent Expert's Report attached as Annexure A to this Notice of Meeting, and seek independent professional advice.

This Section 7 provides a summary of risks only. It does not consider the individual investment objectives, financial situation, taxation position or particular needs of Shareholders.

Additional risks and uncertainties not currently known to Bioxyne, or which Bioxyne considers to be immaterial, may also have an adverse effect on the value of Shares. The information set out below does not purport to be, nor should it be construed as representing, an exhaustive summary of all possible risks.

7.1 Introduction

This Section 7 outlines the key, but not all, risks associated with an investment in the Combined Group and the value of the Shares and other risks of which Shareholders should be aware.

These risks include risks specific to the Acquisition, risks to the Combined Group and general risks. In this Section 7, where the context requires, a reference to Bioxyne includes a reference to the Combined Group.

7.2 Risks specific to the Acquisition

A. *Contractual / completion risk*

Completion is subject to the fulfilment of certain Conditions Precedent, as set out in Section 2.9. The ability of Bioxyne to complete the Acquisition will depend on the performance by the relevant parties of their obligations under the Sale Agreement. If any party defaults in the performance of their obligations, it may be necessary for the parties to terminate the Sale Agreement (see Section 2.9 for more information about each party's termination rights).

If the Acquisition does not proceed, then Bioxyne will have incurred costs, estimated at approximately \$100,000, which it will not recover.

B. *Due diligence risk*

Bioxyne has performed certain due diligence on BLS and its subsidiaries. There is a risk that due diligence conducted has not identified issues that would have been material to the decision by Bioxyne to acquire BLS. A material adverse issue which was not identified prior to Completion could have an adverse impact on the financial performance or operations of BLS and hence the Combine Group. As is usual in the conduct of acquisitions, the due diligence process undertaken by Bioxyne identified a number of risks associated with the Acquisition, which Bioxyne had to evaluate and manage. The mechanisms used by Bioxyne to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by Bioxyne may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated, and hence they may have a material adverse impact on Bioxyne's earnings and financial position.

C. *Risk of high volume of Share sales*

Subject to Completion, Bioxyne will have issued a significant number of new Shares to various parties. Some of the BLS Shareholders that receive Shares as a result of the Acquisition may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to the 12 month escrow period).

In the longer term there is a risk that an increase in the number of people wanting to sell their Shares may have an adverse impact on the market price of Shares. There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a

result, Shareholders may, upon selling their Shares, receive a market price for their securities that is less than the price of Shares offered.

7.3 Risks specific to the Combined Group

A. *Integration risk*

The Acquisition has the potential to involve integration risk. As two separate (though similar) businesses merge, there is the potential for the integration of technology, processes, information, departments and organisations to be unsuccessful.

Bioxyme believes it has the appropriate practices and processes, supported by a risk-aware culture and enabling technology, which will mitigate any integration risk. However, Shareholders should be aware that integration can be a complicated process that requires multiple levels of coordination, with each level posing its own risks.

B. *Failure to achieve expected synergies*

The Board believes the Acquisition will provide an increase in both the size and scale of Bioxyme's operations and increased profitability for the Combined Group.

The complementary product range and geographical representation should deliver synergistic benefits for the Combined Group where the combined value exceeds the sum of its parts.

However, there can be no guarantee that the expected synergies between the two companies will be realised. A failure of the Combined Group to achieve the expected synergies could mean that the Acquisition may not be any more successful than Bioxyme's current business strategy.

C. *Concentration of shareholding*

Following Completion, the existing BLS Shareholders will, in aggregate, hold approximately 64.89% of the Shares and, accordingly, may separately or together be able to influence the election of Directors, the appointment of new management and the potential outcome of all matters submitted to a vote of the Shareholders. In particular, the largest BLS Shareholder, Breathe International Limited, will obtain have a Voting Power in Bioxyme immediately post-Completion of 32.39%.

Given this concentration of shareholding, there is a risk that Bioxyme's business strategy will be subject to substantial change, and if that occurs there is no guarantee that any such changes will be any more successful than Bioxyme's current business strategy.

D. *Dilution risk*

There are currently 665,645,398 Shares on issue in Bioxyme. Upon Completion, Bioxyme proposes to issue:

- Shares to the BLS Shareholders as part consideration for the Acquisition; and
- awards of Performance Rights to integrate, incentivise and reward members of the BLS senior executive team as well as non-executive employees of BLS and Bioxyme who will be integrated into the Combined Group.

Immediately following Completion, the 665,645,398 Shares on issue as at the date of this Notice of Meeting are expected to only comprise around 35.11% of Bioxyme's share capital.

There is a risk that the interests of Shareholders will be further diluted as a result of any future capital raisings or equity issues that may be undertaken after Completion in order to the fund the development or expansion of the Combined Group's business.

E. Maintaining licences and permits

The Combined 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 Combined Group is cognisant of submitting renewal applications by the required deadlines, and is not aware of any reasons why a regulatory authority would refuse such renewals, however, the Combined Group cannot guarantee that the licences and permits will always be renewed.

There is no guarantee that the Combined Group will be granted any licence and permit which is subject to pending applications already made or which have not yet been applied for. The processing time for the approval of applications varies considerably and there is no guarantee that each licence or permit will be granted expeditiously or will be granted on such terms that are required by the Combined Group to continue to operate its businesses. There is also no guarantee that any licence or permit that has already been issued will not be suspended or revoked during the term of the relevant licence or permit, or that the licence or permit will be renewed, or renewed on such terms that are necessary for the Combined Group to continue to operate its businesses. If any denial, suspension, revocation or non-renewal of a licence or permit occurs, this will adversely affect the Combined Group's ability to generate revenue, which will reduce its overall profitability and adversely affect its financial performance.

F. Reliance on key relationships

Bioxyne and BLS currently rely on various key customer and supplier relationships in certain parts of their respective businesses. Post-Acquisition, the loss or impairment of any of these relationships could have a material adverse effect on the Combined Group's results or operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may take a substantial amount of time to implement, may not be available or may be less financially advantageous than the current arrangements.

G. 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. The proposed senior management team of the Combined Group has a detailed understanding of the health and wellness direct selling industry. There can be no assurance that there will be no detrimental impact on the performance of the Combined Group or its growth potential if one or more of these employees or Directors cease their employment or office and suitable replacements are not identified and appointed in a timely manner. There is also a risk that the Combined Group cannot attract, retain or develop the relevant skilled individuals it requires to successfully execute its business plan. Should this occur, it is likely to have a materially adverse impact on the Combined Group's operations, financial performance and future prospects.

H. Competition

The health and wellness direct selling industry has many competitors in the countries in which it operates. The Combined Group will exercise all reasonable due diligence in its business decisions and operations, however it will have no influence or control over the activities or actions of its competitors and other third parties, which may, positively or negatively, affect the operating and financial performance of the Combined Group.

Some of the Combined Group's competitors and potential competitors may have significantly more financial resources than the Combined Group, which may lead to reduced margins and loss of revenue or loss of market share. Further, revenues in the future may be reduced as the industry consolidates and seeks revenue accretion at the expense of profit margin.

I. Growth prospects and expansion plans

A significant factor to the Combined 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. A failure of the Combined Group to execute its

expansion plans would affect its financial performance. The Combined Group's financial prospects are also dependent on sufficient public and customer demand for health and wellness supplements.

Aggressive competition by competitors in the markets in which the Combined Group operates would also result in a reduction of product prices that may adversely affect the Combined Group's performance.

To achieve its growth strategy, the Combined Group needs to be able to produce and launch its products internationally, which is dependent on the regulatory market in each country in which the Combined Group operates. There is no guarantee that the laws of any of the target countries will be accommodating and whether the Combined Group will find success in these markets.

J. Uncertain revenue and profitability

Future sales of health and wellness products by the Combined Group and its profitability are contingent on:

- ongoing support of its existing customers;
- general economic conditions; and
- regulatory factors.

These risks may affect the profitability of the Combined Group and its financial prospects. Consequently, the level of any future sales by the Combined Group cannot be accurately determined and no guarantee is given that future sales targets will be achieved or that the Combined Group will be profitable.

K. Regulatory risk

The Combined Group must abide by the regulations set by the governing bodies that oversee it in each relevant jurisdiction. Any changes to, or the establishment of, regulations may affect the business of the Combined Group or have a significant effect on the costs of operations, presenting legal and administrative hurdles for the Combined Group.

L. COVID-19

While the effects are dissipating in 2023, the global economy has been adversely affected by the COVID-19 pandemic, and the health and wellness direct selling industry is not immune from its effects. The Combined Group will actively pursue its strategic plan and objectives, however, further restrictions globally, and the uncertainty surrounding the pandemic in other target countries, pose a risk to the Combined Group's future activities, operations and financial performance.

7.4 General Risks

A. General equity market risks

There can be no certainty that an active market in the Shares will develop. The price at which Shares trade on the ASX may be affected by a number of factors, including the financial and operating performance of the Combined Group and external factors over which the Combined Group and the Board of Bioxyne have no control.

These external factors include actual, expected and perceived general economic conditions, changes in government policy or regulation, significant events such as natural disasters or acts of terrorism, epidemics and pandemics, investor attitudes, changes in taxation, movements in interest rates, movements in stock markets, and general conditions in the markets in which the Combined Group will operate.

In addition, investors should consider the historical volatility of Australian and overseas share markets.

B. General industry risks

There is a risk that incidents beyond the control of the Combined Group could occur which would have the effect of reducing consumer or regulatory confidence in the direct selling health and wellness industry generally. This reputational risk could result from incidents involving the Combined Group, business partners or other non-related industry participants.

C. Economic conditions

The performance of the Combined Group is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below. The Directors make no forecast in regard to:

- the future demand for the Combined Group's products and services;
- general financial issues which may affect policies, exchange rates, inflation and interest rates;
- deterioration in economic conditions which may lead to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Combined Group's operating and financial performance;
- the strength of the equity and share markets in Australia and throughout the world;
- financial failure or default by any entity with which a member of the Combined Group is or may become involved in a contractual relationship; or
- industrial disputes in Australia and overseas.

D. Geopolitical factors

The Combined Group may be affected by the impact that geopolitical factors have on the world or Australian economy or on financial markets and investments generally or specifically. This may include international wars, terrorism and government responses to such activities.

E. Currency fluctuations

Entities related to Bioxyne operate in international jurisdictions, which means the Combined Group will operate and be affected by multiple currencies and their future fluctuations. This unpredictable volatility this may affect the future profitability of the Combined Group.

F. Government policies and legislation

The Combined Group may be affected by changes to government policies and legislation, including those relating to domestic and international taxation regimes, grants for research and development, technology companies and international incentive programs. As noted above, the Combined Group may also be affected by changes to government policies and legislation in relation to the regulation and licensing of its products.

G. Litigation

The Combined Group may in the ordinary course of business become involved in litigation and disputes (e.g. with suppliers or customers). Any litigation or dispute could be costly and damaging to the Combined Group's reputation and business relationships, which could have an adverse effect on its financial performance and industry standing.

H. Taxation

Any changes to the current rate of company income tax or any changes to the tax treatment of the Combined Group's operations will impact on Shareholder returns. Any changes to the current rates of income tax applying to different types of Shareholders will impact Shareholder returns. In addition,

any change in tax rules could have an adverse impact on the level of dividend imputation and franking.

1. Accounting standards

Changes in accounting standards or their interpretation may adversely affect the Combined Group's reported financial performance and/or financial position.

8. ADDITIONAL INFORMATION

This Section 8 provides additional information regarding the Acquisition.

8.1 Sale Agreement

As announced by Bioxyne on 20 March 2023, Bioxyne has entered into the Sale Agreement with the Majority BXN Shareholders to acquire the entire share capital of BLS. The key terms of the Sale Agreement are set out below.

Topic	Summary
Transaction	<p>Subject to the Conditions Precedent, each BLS Shareholder agrees to sell to Bioxyne, and Bioxyne agrees to buy from the relevant BLS Shareholder, on Completion, the legal and beneficial title to, and rights and interests in, all of that BLS Shareholder's BLS Shares on the terms and conditions of the Sale Agreement.</p> <p>The BLS Shares must be sold to Bioxyne free from all encumbrances, with all rights attaching or accruing to them on and from the date of Completion.</p>
Consideration	<p>The consideration to be paid for the acquisition of all of the BLS Shares will be the issue of 1,230,000,000 fully paid Shares in Bioxyne (Consideration Shares) to the BLS Shareholders (in proportion to their shareholding in BLS), at a deemed issue price of \$0.03 per Share.</p> <p>Bioxyne will apply for quotation on ASX of the Consideration Shares within 5 business days from the date of Completion.</p> <p>Each BLS Shareholder has agreed that the Consideration Shares to be issued to it will be subject to escrow for a period of 12 months from their date of issue (refer to Section 5.13 for more information).</p>
Conditions Precedent	<p>Completion is conditional on, amongst other things, the satisfaction of each of the following conditions precedent (unless waived in writing) (together the Conditions Precedent).</p> <ul style="list-style-type: none">(a) (Remaining BLS Shareholders accession) all remaining BLS Shareholders who are not already party to the Sale Agreement having agreed to sell all of the BLS Shares that they hold to Bioxyne, and to accede to the Sale Agreement as a "Seller" by executing and delivering to Bioxyne a deed of accession in a form agreed;(b) (BXN Net Working Capital) Bioxyne having a net working capital of at least \$2,000,000 on its balance sheet as at 31 December 2022;(c) (BLS Net Working Capital) BLS having a net working capital of at least \$750,000 on its balance sheet as at 31 December 2022;(d) (Shareholder approval) Bioxyne Shareholders approving the Resolutions at this General Meeting by the requisite majorities;(e) (Regulatory approvals) each government agency having issued or provided (and not withdrawn, revoked or varied) such consents, waivers, relief, modifications and/or approvals as are required to implement the Acquisition, in each case either unconditionally or subject to conditions acceptable to Bioxyne and the BLS Shareholders' Representative (both acting reasonably);

Topic	Summary
	<p>(f) (Key Employees) each Key Employee having entered into a new or amended employment agreement with Bioxyne or the relevant BLS Group entity, on terms (including restraint provisions) satisfactory to Bioxyne (acting reasonably);</p> <p>(g) (Other employees) each other employee of any BLS Group entity (other than the Key Employees) that is identified by Bioxyne, having entered into a restraint on terms satisfactory to Bioxyne (acting reasonably); and</p> <p>(h) (No Material Adverse Change) between the date of the Sale Agreement and Completion, no Material Adverse Change having occurred in respect of the BLS Group.</p> <p>Each of the Conditions Precedent in paragraphs (a), (c), (f), (g) and (h) above is for the benefit of Bioxyne only, and may only be waived by Bioxyne in writing in its absolute discretion.</p> <p>The Condition Precedent in paragraph (b) above is for the benefit of the BLS Shareholders only, and may only be waived by the BLS Shareholders in writing in its absolute discretion.</p> <p>Each of the other Conditions Precedent is for the benefit of both Bioxyne and the BLS Shareholders, and may only be waived in writing by both Bioxyne and the BLS Shareholders.</p>
Termination	<p>The Sale Agreement contains the following termination rights.</p> <p>(i) (Non-satisfaction of Conditions Precedent) Any party (terminating party) may at any time prior to Completion terminate the Sale Agreement immediately by giving written notice to the other parties if a Condition Precedent:</p> <ul style="list-style-type: none"> (i) is not satisfied or waived by the Long Stop Date (or, if waived subject to conditions, those conditions are not satisfied or waived unconditionally by the Long Stop Date); (ii) is satisfied but does not remain satisfied in all respects and at all times before Completion and that Condition Precedent has not been waived; or (iii) is not capable of being satisfied by the Long Stop Date and that Condition Precedent has not been waived, <p>but only where the terminating party has complied with its obligations under the Sale Agreement to use best endeavours to satisfy the relevant Conditions Precedent it is responsible for.</p> <p>(j) (Breach of agreement) If:</p> <ul style="list-style-type: none"> (i) there is a breach by any BLS Shareholder of any of the relevant pre-Completion obligations in the Sale Agreement or a material breach of any other provision of the Sale Agreement (including any warranty) by a BLS Shareholder and such breach is not remedied within five business days after written notice of the breach, or by 5pm (Sydney time) on the business day before the Long Stop Date, if earlier, then Bioxyne may at any time prior to Completion terminate the Sale

Topic	Summary
	<p>Agreement (and the Acquisition) immediately by giving written notice to the BLS Shareholders; or</p> <p>(ii) there is a material breach of any provision of the Sale Agreement by Bioxyme and such breach is not remedied within five business days after written notice of the breach, or by 5pm (Sydney time) on the business day before the Long Stop Date, if earlier, then the BLS Shareholders may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to Bioxyme.</p> <p>(k) (Insolvency event) If:</p> <p>(i) an insolvency event occurs in relation to any BLS Group entity or a BLS Shareholder, Bioxyme may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to the BLS Shareholders; or</p> <p>(ii) an insolvency event occurs in relation to Bioxyme, the BLS Shareholders may at any time prior to Completion terminate the Sale Agreement (and the Acquisition) immediately by giving written notice to Bioxyme.</p>
<p>Pre-Completion obligations</p>	<p>From the date of the Sale Agreement until the earlier of Completion and termination of the Sale Agreement, the BLS Shareholders must procure each BLS Group company to:</p> <ul style="list-style-type: none"> • comply with each of the Pre-Completion Business Obligations, except to the extent expressly permitted under the Sale Agreement; • consult in good faith with and keep Bioxyme (and persons authorised by Bioxyme) informed and updated (including providing full details) of anything which might have, or has, a material adverse effect on the BLS business or the BLS Group; and • notify Bioxyme as soon as reasonably practicable upon becoming aware of any matter which would or might constitute a breach of any Pre-Completion Business Obligation except to the extent expressly permitted under the Sale Agreement. <p>“Pre-Completion Business Obligations” include the BLS Shareholders ensuring that:</p> <ul style="list-style-type: none"> • the BLS business is conducted in the ordinary and usual course and in a manner consistent with past practice in the 12 months prior to the date of the Sale Agreement; • each BLS Group company: <ul style="list-style-type: none"> ○ protects and maintains each of its assets, including complying with all requirements and orders of any government agency where non-compliance would or might impose an encumbrance or other liability, restriction or disability on any of its assets; ○ to the extent it is within its power and control, preserves good relationships with material customers, distributors, employees and suppliers; ○ to the extent it is within its power and control, maintains and protects the profitability and value of the BLS Group business;

Topic	Summary
	<ul style="list-style-type: none"> ○ complies with applicable laws and maintains and complies with the terms of all authorisations which are material to the operation of the BLS Group business; and ○ uses best endeavours to retain its employees, except that the BLS Shareholders must not, and must procure that no BLS Group company will, provide or agree to provide a bonus or gratuitous payment or benefit to any employee; ● each BLS Group company does not, and does not agree to: <ul style="list-style-type: none"> ○ alter its capital structure; ○ dispose of or encumber any asset, except certain permitted encumbrances; ○ undertake or agree to undertake any capital expenditure or other expenditure in a single transaction or a series of related transactions which is in excess of \$50,000 on any one occurrence or \$100,000 in aggregate value (excluding the purchase of raw materials for on sale); ○ borrow any money or obtain any form of advance, credit or financial accommodation (not including any cash-backed bank guarantee or performance bond) or vary the terms and conditions of any existing borrowings, advances, credit or financial accommodation; ○ amend, assign, novate terminate or fail to renew any existing material agreement, arrangement or commitment; ○ enter into or agree to enter into any material new agreement, arrangement or commitment; ○ contravene any law; ○ commence, conduct or settle any claim; ○ cancel any existing insurance policy or do or omit to do anything which would make any such policy void or voidable or may result in an increase in the premium payable under any such policy or adversely affect its ability to procure equivalent insurance in the future; or ○ make or declare any dividend or distribution, or make any in specie distribution.
<p>Warranties and indemnities</p>	<p>In consideration of Bioxyne agreeing to buy the BLS Shares from the BLS Shareholders:</p> <ul style="list-style-type: none"> ● each Majority BLS Shareholder provides warranties in relation to title, capacity, authority and the BLS Group in favour of Bioxyne; and ● each other BLS Shareholder provides warranties in relation to its own title and capacity, and its BLS Shares in favour of Bioxyne. <p>Subject to customary limitations, the Majority BLS Shareholders indemnify Bioxyne for all claims, liabilities and loss that may be suffered or incurred, or brought, made or recovered against any Bioxyne Group company arising out of a breach by any BLS Shareholder of any warranty.</p> <p>In addition, subject to customary limitations, the Majority BLS Shares provide the indemnities in favour of Bioxyne for loss arising out of or in connection with:</p> <ul style="list-style-type: none"> ● any breach of, or non-compliance with, any law or authorisations occurring prior to Completion;

Topic	Summary
	<ul style="list-style-type: none"> • any failure to obtain or maintain any authorisations required to conduct the BLS Group business in the jurisdictions in which it is conducted prior to Completion; • any other fact, matter or circumstance arising in relation to any BLS Group company or the BLS Group business prior to Completion; or • any: <ul style="list-style-type: none"> ○ tax arising out of or in connection with any tax demand to the extent that it relates to any period, or part period, up to and including Completion or any act, event or omission up to and including Completion; and ○ tax cost related to a tax demand (whether or not it gives rise to a tax claim) to the extent that it relates to any period, or part period, up to and including Completion or any act, event or omission up to and including Completion.
Restraints	<p>Each of the BLS Shareholders, Samuel Watson and Ian Edward Owles has agreed that:</p> <ul style="list-style-type: none"> • they will not, and will not procure or induce any other person to, engage in or be involved in or interested in any Restrained Business (being a business or activity which is the same as, substantially similar to, or is or is reasonably likely to be in direct competition with the BLS Group business or any material part of it) that solicits, canvasses, approaches, accepts any approach from or provides any goods or services to, any client or customer in or from any part of the Restraint Area (being up to worldwide), irrespective of where the Restrained Business is operated from or located; • during the Restrained Period (being up to 36 months from the date of Completion), it will not, and will not procure or encourage any other person to: <ul style="list-style-type: none"> ○ solicit, canvass, approach or accept any approach from any person that is a customer or client of the BLS Group business with a view to obtaining the custom of that person in a Restrained Business; or ○ interfere, directly or indirectly, with the relationship between any Bioxyne Group company (including any BLS Group company) and its customers and clients in connection with the BLS Group business; • during the Restrained Period, it will not, and will not procure or encourage any other person to: <ul style="list-style-type: none"> ○ solicit, canvass, approach or accept any approach from any BLS Group employee or any other employee of, or contractor, service provider or supplier engaged by, any Bioxyne Group company (including any BLS Group company) to work in the BLS Group business, for the purpose of engaging their services or goods in connection with any Restrained Business; or ○ interfere, directly or indirectly, with the relationship between any Bioxyne Group company (including any BLS Group company) and its employees, contractors, service providers and suppliers in connection with the BLS Group business.

8.2 Independent Expert's Report

In accordance with the requirements of ASIC Regulatory Guide 74 ("Acquisitions approved by members"), Bioxyne engaged the Independent Expert to prepare and provide the Independent Expert's Report, which contains an analysis of whether the Acquisition is fair and reasonable to the Shareholders.

The Independent Expert's Report contains a valuation of BLS and of Bioxyne, and compares the likely advantages and disadvantages of the Acquisition.

The Independent Expert has determined that the Acquisition is not fair but reasonable to Non-Associated Shareholders. For a summary of the Independent Expert's findings, please refer to section 4 of the Independent Expert's Report attached at Annexure A.

The Independent Expert has given, and has not before the date of this Notice of Meeting withdrawn, its consent to the inclusion of the Independent Expert's Report in this Notice of Meeting and to the references to the Independent Expert's Report in this Notice of Meeting being made in the form and context in which each such reference is included.

8.3 No requirement to satisfy ASX re-admission requirements

Bioxyne has consulted ASX with respect to the Acquisition and ASX has provided in-principle confirmation that it will not require Bioxyne to seek approval of its shareholders under ASX Listing Rule 11.1.2 and will not require Bioxyne to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

9. FURTHER INFORMATION IN RELATION TO EACH RESOLUTION

This Section 9 provides further information in relation to each Resolution. It should be read in conjunction with the rest of the Notice of Meeting and Explanatory Memorandum.

ACQUISITION RESOLUTIONS

9.1 Resolution 1 – Approval of the issue of Shares to the BLS Shareholders

Resolution 1 seeks approval from Shareholders for the issue of 1,230,000,000 new Shares (being the **Consideration Shares**) to the BLS Shareholders. Resolution 1 is subject to Resolution 2 being passed, which means that unless both Resolutions 1 and 2 are passed, Bioxyne will not be able to proceed with the issue of the Consideration Shares to BLS Shareholders and the Acquisition will not be able to proceed.

ASX Listing Rule 7.1 provides that an ASX-listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue securities if the number of securities issued, when aggregated with the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of that 12-month period (**15% Capacity**). Under ASX Listing Rule 7.1A, eligible ASX-listed companies have the opportunity to extend their issuance capacity to 25% in a 12-month period (**Additional 10% Capacity**), with shareholder approval. Bioxyne obtained shareholder approval for an Additional 10% Capacity at its 2022 Annual General Meeting.

If Resolution 1 is passed, Bioxyne will be able to issue the Consideration Shares to the BLS Shareholders without utilising any of Bioxyne's 15% Capacity or Additional 10% Capacity. If Resolution 1 is not passed, Bioxyne will not be able to issue the Consideration Shares and the Acquisition will not be able to Complete, as the number of Consideration Shares required to be issued to the BLS Shareholders under the Acquisition is greater than Bioxyne's 15% Capacity and Additional 10% Capacity when combined.

The following information is provided in relation to Resolution 1 for the purposes of Listing Rule 7.3:

- (l) Name of persons to whom securities will be issued: The Consideration Shares will be issued to the BLS Shareholders.
- (m) Number and class of securities to be issued: 1,230,000 fully paid ordinary shares are proposed to be issued under this Resolution 1, if approved. The Consideration Shares are fully paid ordinary securities, which will rank equally with other existing Shares on their issue.
- (n) Issue date: The Consideration Shares will be issued at Completion of the Acquisition which is scheduled to occur on or around 15 May 2023, subject to satisfaction of the Conditions Precedent, but in any event will be issued no later than 3 months after the date of the Meeting, subject to Completion.
- (o) Consideration and issue price: The consideration that Bioxyne will receive for the issue of the Consideration Shares is 100% of the shares in BLS. However, the Consideration Shares will be issued at a deemed issue price of \$0.03 per Share.
- (p) Purpose of issue and intended use of funds raised: The Consideration Shares are being issued as consideration for the purchase by Bioxyne of 100% of the shares in BLS. As such, no funds are being raised by the issue.
- (q) Summary of material terms of agreement: A summary of the material terms of the Sale Agreement, under which the Consideration Shares are to be issued, is set out in Section 8.1.
- (r) Reverse takeover statement: The Consideration Shares are not being issued under, or to fund, a reverse takeover.

- (s) Voting exclusion: A voting exclusion statement for Resolution 1 is contained in the Notice of Meeting at page 6.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution 1.

9.2 Resolution 2 – Approval of acquisition of Voting Power of up to 32.39% by Breathe International Limited and Mr Samuel Watson

A. Requirement for Shareholder approval – relevant statutory provisions in Chapter 6 of the Corporations Act

Pursuant to section 606 of the Corporations Act, a person must not acquire a Relevant Interest in voting shares in an ASX-listed company if the person does so through a transaction entered into by or on behalf of the person, and it causes their or someone else's Voting Power in the company to increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%, unless certain limited exceptions apply.

A person's Voting Power in a company is defined as all of the votes attaching to voting shares of the company in which that person and its Associates have a Relevant Interest, as a proportion of the total votes attaching to all of the voting shares in the company.

Under section 608(1) of the Corporations Act, a person has a Relevant Interest in securities if they are the holder of the securities, have power to exercise, or control the exercise of, a right to vote attached to the securities or have power to dispose of, or control the exercise of a power to dispose of, the securities. It is immaterial whether the power or control is direct or indirect, and it does not matter how remote the Relevant Interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Under section 608(3) of the Corporations Act, a person has the same Relevant Interests in any securities held by any of the following entities:

- a body corporate in which the person's Voting Power is above 20%;
- a body corporate that the person controls.

In determining who is an Associate for the purposes of calculating a person's Voting Power, section 12(2) of the Corporations Act provides that:

- a person will be an Associate of another person if they have, or propose to enter into, a relevant agreement for the purpose of controlling or influencing the composition of a company's board or the conduct of a company's affairs; or
- a person will be an Associate of another person if they are acting, or propose to act, in concert in relation to the affairs of a company.

Under item 7 of section 611 of the Corporations Act, an acquisition previously approved by a resolution passed at a general meeting of a listed company is exempt from the prohibition in section 606 as described above, provided that:

- no votes are cast in favour of the resolution by the person proposing to make the acquisition and their Associates, or by the persons (if any) from whom the acquisition is to be made and their Associates; and
- shareholders are given all information known to the person making the acquisition or their Associates, or known to the company, that was material to the decision on how to vote.

B. Acquisition of Voting Power by Breathe International Limited and Mr Samuel Watson

In total, BLS Shareholders are expected to own between approximately 64.89% of the issued Shares immediately post-Completion of the Acquisition (not including the Shares already held by Global CR Holdings Limited – see Section 2.8), as a result of being issued the Consideration Shares pursuant to the Acquisition. Current Shareholders are expected to own approximately 35.11% of the issued Shares post-Acquisition.

The issue of the Consideration Shares under the Acquisition will result in one BLS Shareholder, Breathe International Limited, increasing its Voting Power in Bioxyne from 0% to approximately 32.39%. This arises as a result of the following:

- Breathe International Limited will be issued 576,268,527 Consideration Shares, which represents approximately 30.40% of the expanded issued Share capital of Bioxyne immediately following Completion of the Acquisition; and
- one of the other BLS Shareholders, Zonetech Wellness Limited (**Zonetech Wellness**), is a wholly-owned subsidiary of Breathe International Limited. Zonetech Wellness will be issued 37,732,857 Consideration Shares under the Acquisition, representing approximately 1.99% of the expanded issued Share capital of Bioxyne immediately following Completion.

As Breathe International Limited will have a Relevant Interest in the Consideration Shares to be issued to Zonetech Wellness, Breathe International Limited's Voting Power in Bioxyne immediately following Completion will be 32.39%, being 30.40% plus 1.99%.

Mr Samuel Watson, through a controlling interest in Breathe International Limited, will have the same Relevant Interest in Bioxyne Shares immediately after Completion as Breathe International Limited, and therefore, will also acquire a Voting Power in Bioxyne of 32.39%.

The BLS Shareholders do not consider that they will be Associates with respect to their interests in Bioxyne following Completion. Under section 12(b) and section 12(c) of the Corporations Act, they may currently be considered Associates due to the Sale Agreement constituting a relevant agreement that could influence the composition of Bioxyne's Board (due to the BLS Shareholders' right to nominate two Directors to the Board) or the conduct of Bioxyne's affairs, and due to the BLS Shareholders acting in concert in relation to Bioxyne's affairs through their common understanding and intentions with respect to Acquisition and by all agreeing to sell their shares in BLS to Bioxyne. However, Completion will effectively bring to an end the rights, obligations and circumstances of the parties that may be said to create an Associate relationship. It is only at Completion that the Consideration Shares will be issued, and the BLS Shareholders will only acquire a Relevant Interest in Bioxyne Shares at that time (at which time, the BLS Shareholders will cease to be Associates).

As such, only Breathe International Limited and Samuel Watson will acquire a Voting Power of more than 20% in Bioxyne as a result of the Acquisition, and therefore, approval under this Resolution is only sought in respect of these persons.

If Resolution 2 is not passed, Bioxyne will not be able to proceed with the issue of new Shares contemplated by the Sale Agreement, and the Acquisition will not proceed.

C. Prescribed information required by the Corporations Act and ASIC Regulatory Guide 74

The information required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74, "Acquisitions approved by members" is set out below and in other sections of this Explanatory Memorandum, where specified.

- Identity of person proposing to make the acquisition: As described at section 9.2B above, the persons proposing to make the acquisition of Voting Power in excess of 20% in Bioxyne are Breathe International Limited and Mr Samuel Watson (as the controller of Breathe International Limited)
- Increase and resulting Voting Power: As Breathe International Limited and Mr Watson do not have any Relevant Interests in any Shares in Bioxyne as at the date of this Notice,

their increase in Voting Power and the resulting Voting Power following the Acquisition will be 32.39%, as described at section 9.2B above.

- (c) Reasons for the proposed acquisition: The Shares are being issued to, amongst others, Breathe International Limited under the Sale Agreement as consideration for the acquisition by Bioxyne of all of the shares in BLS. Upon Completion, Bioxyne will wholly own BLS.

See Section 1 for further information on the directors, management team, benefits and strategy of the Combined Group.

See Section 7 for further information on significant risks and potential disadvantages associated with the Acquisition and the Combined Group.

- (d) Timing of the proposed acquisition: Breathe International Limited will acquire the Shares at Completion, which is anticipated to occur on or about 15 May 2023. The indicative timetable for the Acquisition is set out at the end of Section 1.

- (e) Material terms of the proposed acquisition: See Section 2 for an overview of the Acquisition and Section 8.1 for more detailed information about the Sale Agreement including a summary of its key terms.

- (f) Other relevant agreements: Breathe International Limited, together with the other BLS Shareholders, has agreed to enter into voluntary escrow agreements with Bioxyne for the 12-month period following Completion. See Section 5.13 for further information.

Other than as disclosed in this Explanatory Memorandum, there are no other material agreements that are relevant to the Acquisition.

- (g) Breathe International Limited's intentions regarding the future of Bioxyne: Other than as disclosed elsewhere in this Notice of Meeting, Breathe International Limited (together with the other Majority BLS Shareholders) has advised Bioxyne that they:

- (i) have no current intention of making any changes to the business of Bioxyne;
- (ii) do not propose to inject further capital into Bioxyne;
- (iii) do not intend to change the employment arrangements of Bioxyne;
- (iv) do not propose to transfer any assets between Bioxyne and the Majority BLS Shareholders;
- (v) have no intention to otherwise redeploy the fixed assets of Bioxyne; and
- (vi) do not intend to change the financial or dividend distribution policies of Bioxyne.

These intentions mentioned in this Section are based on the facts and information regarding Bioxyne, its business and the general business environment which are known to Breathe International Limited and the Majority BLS Shareholders as at the date of this Notice of Meeting. Any future decisions regarding these matters will only be made based on all material information and circumstances at the relevant time. Accordingly, the statements set out above are statements of present intention only which, if circumstances change or new information becomes available in the future, could change accordingly.

- (h) Directors' interests: None of the current Board members have a material personal interest in the outcome of Resolution 2 other than their interests arising solely in their capacity as Shareholders (to the extent they hold Shares).

- (i) Proposed directors: As a result of the Acquisition, Mr Samuel Watson and Mr Jason Hine are proposed to be appointed as directors of Bioxyne. Details of the qualifications and professional experience of Messrs Watson and Hine are set out at section 5.8 above.

As mentioned above, Mr Watson controls Breathe International Limited. Mr Hine has no interest in, or association with, Breathe International Limited.

As a result of his control of Breathe International Limited, Mr Watson has an interest in the acquisition and Sale Agreement as Mr Watson will acquire a Relevant Interest in the Consideration Shares that will be issued to Breathe International Limited and Zonetech Wellness under the Sale Agreement (being 614,001,384 Shares). Mr Watson is also proposed to be issued the Performance Rights under Resolution 6 (see Section 9.5 below).

Mr Hine is a BLS Shareholder and will receive 1,324,890 Consideration Shares under the Sale Agreement, representing a Voting Power of 0.07% in Bioxyne immediately after Completion. Mr Hine is also proposed to be issued the Performance Rights under Resolution 7 (see section 9.5 below).

D. Related party transactions – reliance on arm’s length exception

Section 228(2) of the Corporations Act defines “related parties” of a public company as:

- directors of the public company;
- directors (if any) of an entity that controls the public company;
- if the public company is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity; or
- spouses of the persons referred to in the bullet points above.

In addition, section 228(4) of the Corporations Act provides that an entity controlled by a related party referred to above is a related party of the public company, unless the entity is also controlled by the public company.

Section 228(6) of the Corporations Act also provides that an entity is a related party if it has reasonable grounds to believe that it is likely to become a related party of the public company at any time in the future. As such, Mr Samuel Watson and Mr Jason Hine, being Proposed Directors, are considered to be related parties of Bioxyne, and any entity that they control will also be a related party of Bioxyne. The issue of Consideration Shares under the Acquisition to Messrs Watson and Hine (or any entity that they control) could constitute giving a financial benefit.

For a public company to give a financial benefit to a related party, the public company must obtain the approval of the public company’s members in the manner set out in sections 217 to 227 of the Corporations Act unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act states that member approval is not needed to give a financial benefit on terms that:

- would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm’s length; or
- are less favourable to the related party than the terms referred to in the bullet point directly above.

Given that the Acquisition is a commercially negotiated, arm’s length transaction where each of Bioxyne and BLS are unrelated, uninfluenced and act in their own interests, Bioxyne relies upon the exception at section 210 of the Corporations Act and does not seek member approval for the purposes of section 208 of the Corporations Act for the giving of a financial benefit to Messrs Watson and Hine.

E. Independent Expert's Report

The Independent Expert's Report assesses whether the Acquisition is fair and reasonable to the Non-Associated Shareholders. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Acquisition. This assessment is designed to assist Shareholders in reaching their voting decision.

The Independent Expert has prepared the Independent Expert's Report and has determined that the Acquisition is not fair but reasonable to Non-Associated Shareholders.

It is recommended that all Shareholders read the Independent Expert's Report in full, which is set out at Annexure A.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution 2.

9.3 Resolutions 3 and 4 – Election of Directors – Samuel Watson and Jason Hine

Resolutions 3 and 4 seek the approval of the Shareholders to the election of Mr Samuel Watson and Mr Jason Hine as Directors under rule 10.1© of the Constitution, subject to and with effect from Completion. Messrs Watson and Hine are the two BLS nominees to be appointed to the Board in accordance with the Sale Agreement subject to and with effect from Completion.

Resolutions 3 and 4 are both subject to the approval by Shareholders of Resolutions 1 and 2. As such, in the event that Resolutions 1 and 2 are not passed, Resolutions 3 and 4 will not be put to Shareholders.

Under rule 10.1(c) of the Constitution, the Shareholders may by resolution appoint any person as a Director, provided such appointment does not result in the number of Directors exceeding 12 in total, being the maximum number of Directors currently fixed in accordance with the Constitution.

Qualifications, skills and experience

An overview of the qualifications, skills and experience of Mr Watson and Mr Hine is included at section 5.8 above.

Independence

Having regard to the ASX Recommendations, the Board considers that:

- Mr Watson will not be an independent Director due to him holding a substantial Voting Power in, and being an executive of, Bioxyne post-Completion; and
- Mr Hine will not be an independent Director due to him being an executive of Bioxyne post-Completion.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolutions 3 and 4.

9.4 Resolution 5 – Approval of Equity Incentive Plan

A. Background

This Resolution 5 seeks Shareholder approval of the Bioxyne Equity Incentive Plan (**Incentive Plan**) and the issue of Equity Securities under the Incentive Plan for the purposes of Listing Rule 7.2, exception 13(b) and for all other purposes.

The Company has previously adopted an Employee Option Plan (**Option Plan**) which was first approved by Shareholders at the Company's Annual General Meeting held on 28 November 2014,

and a Performance Rights Plan (**Rights Plan**) which was first approved by Shareholders at a General Meeting held on 1 August 2017.

No Options have been exercised since the Option Plan was approved and no Performance Rights have vested since the Rights Plan was approved, and as at the date of this Notice, there are no Options or Performance Rights on issue.

Subject to approval by Shareholders of Resolution 5, the Board has resolved to replace the Option Plan and the Rights Plan with the Incentive Plan, which will allow the Company to issue Options and restricted shares, in addition to Performance Rights (all of which are referred to as **Incentive Securities**), for the purpose of attracting, motivating and retaining key employees, directors, contractors and consultants and to provide them with the opportunity to participate in the future growth of the Company.

B. Listing Rule 7.1 and Listing Rule 7.2, exception 13(b)

As described at section 9.1 above, Listing Rule 7.1 limits the number of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the total number of fully paid ordinary shares it had on issue at the beginning of the 12 month period (**15% Capacity**).

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of equity securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of equity securities under the scheme.

If Resolution 5 is passed, the Company will be able to issue Incentive Securities under the Incentive Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% Capacity under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to issue Incentive Securities under the Incentive Plan to eligible participants without using the Company's 15% Capacity, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

Any future issues of Equity Securities under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 6 and 7 for the issue of Incentive Securities under the Incentive Plan to Mr Samuel Watson and Mr Jason Hine, who will be Directors of the Company if Resolutions 3 and 4 are approved.

C. Specific information required by Listing Rule 7.2, exception 13(b)

The following information is disclosed as required under Listing Rule 7.2, exception 13(b):

- (a) Summary of terms: The material terms of the Incentive Plan are summarised in Schedule 1.
- (b) Securities issued under plan: No Incentive Securities have been issued under the Incentive Plan.
- (c) Maximum number of Equity Securities: The maximum number of Equity Securities proposed to be issued under the Incentive Plan (subject to the approval of Resolution 5) shall not exceed 5% of the Company's Equity Securities on issue as at the date of this Notice, subject to adjustment in the event of a reorganisation of capital and subject to applicable laws and the Listing Rules. Based on the number of Equity Securities on issue as at the date of this Notice, 5% equates to a maximum of 33,282,270 Equity Securities.
- (d) Voting exclusion: A voting exclusion statement in relation to Resolution 5 is included in the Notice of Meeting.

Directors' Recommendation

The Directors are entitled to participate in the Incentive Plan (subject to Shareholder approval), and accordingly make no recommendation to Shareholders in respect of voting on Resolution 5.

9.5 Resolutions 6 & 7 – Issue of Performance Rights to Mr Samuel Watson and Mr Jason Hine

A. Background

The Company has agreed:

- to issue to Mr Samuel Watson, subject to Shareholder approval of Resolutions 1, 2, 3, 5 and 6; and
- to issue to Mr Jason Hine, subject to Shareholder approval of Resolutions 1, 2, 4, 5 and 7,

(collectively, the **Proposed Directors**), the following performance rights under the Incentive Plan (together the **Performance Rights**), on the terms and conditions set out in Schedule 2:

	Samuel Watson	Jason Hine
2023 Performance Rights	10,000,000*	3,333,333*
2024 Performance Rights	5,000,000	1,666,667
2025 Performance Rights	5,000,000	1,666,667

*Short Term Incentive represents 50% of the number, Long term Incentive (LTI) represents 50% of this number

The 2023 to 2025 LTI Performance Rights are subject to the following vesting conditions.

The 2023 to 2025 LTI Performance Rights are subject to certain performance milestones (**Performance Conditions**) which are set out below. Upon achievement of the Performance Conditions prior the end of the relevant Performance Period, the Performance Rights will vest in the percentages set out below.

%	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	
Revenue Milestones: in the event no Share Price Milestones are triggered in the Performance Period: Note: these alternate milestones are not cumulative but award will be pro rata.	
	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.

The Performance Rights will be issued pursuant to the Company's Equity Incentive Plan, subject to its approval under Resolution 5. A summary of the Plan is set out in Schedule 1.

B. Applicable provisions of the Corporations Act and Listing Rules

Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following person to acquire equity securities under an employee incentive scheme:

- a director of the Company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to above is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Rights to the Proposed Directors falls within Listing Rule 10.14.1 (as the Performance Rights will not be issued to each Proposed Director unless they are elected as a Director of the Company) and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

If the requisite approvals are obtained under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required. This means that the issue of the Performance Rights, if approved, will not reduce the Company's capacity to issue Equity Securities without Shareholder approval in reliance on the 15% Capacity in the 12 month period following their issue.

Accordingly, Resolutions 6 and 7 seek Shareholder approval to the issue of the Performance Rights to the Proposed Directors under and for the purposes of Listing Rule 10.14.

Chapter 2E of the Corporations Act

As noted at Section 9.2D above, for a public company to give a financial benefit to a related party, the public company must obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act and give the benefit within 15 months following such approval. This requirement is subject to a number of exceptions set out in sections 210 to 216 of the Corporations Act. In particular, section 211 provides an exception from the requirement to obtain Shareholder approval if the financial benefit:

- is remuneration to a related party as an officer or employee; and
- to give the remuneration is reasonable given the circumstances of the company and the related party's circumstances, including the responsibilities required of the officer.

The issue of the Performance Rights to the Proposed Directors constitutes giving a financial benefit and the Proposed Directors will be related parties of the Company as they will be directors of the Company at the time the Performance Rights are issued to them.

The Board (which does not currently include Mr Watson or Mr Hine, as their election as directors is subject to Shareholder approval of Resolutions 3 and 4 respectively) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights because the Performance Rights and their terms are considered reasonable remuneration in the circumstances of the Company and the Proposed Directors (including the responsibilities that will be involved in their employment) and were negotiated on an arm's length basis.

In particular, the Directors note that:

- (e) the Board has determined, where possible, to pay a base remuneration less than market rates to its executive directors (including the Proposed Directors), with base remuneration to be supplemented by performance incentives to ensure attraction, retention and ongoing incentives for its directors and executives;
- (f) Mr Watson is the proposed joint Chief Executive Officer of the Company post-Acquisition. The number of Performance Rights granted to Mr Watson have been calculated on the basis of a base salary of \$300,000, which the Board considers (as a total remuneration package) to constitute reasonable remuneration;
- (g) Mr Hine will be an executive director of the Company and Chief Operating Officer of the Combined Group post-Acquisition. The number of Performance Rights to be granted to Mr Hine have been based on a base salary of \$220,000, which the Board considers (as a total remuneration package) to constitute reasonable remuneration; and
- (h) the Board is of the view that it is appropriate to continue to incentivise executive directions and align their interests with Shareholders' interests.

Accordingly, Bioxyne relies upon the exception at section 211 of the Corporations Act and does not seek member approval for the purposes of section 208 of the Corporations Act for the giving of a financial benefit to Messrs Watson and Hine in relation to the issue of the Performance Rights.

C. Technical information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 6 and 7:

- (a) Name of person: The Performance Rights will be issued to Mr Watson and Mr Hine (or their nominees) under Resolutions 6 and 7 respectively.
- (b) Category the person fall within: Each of Mr Watson and Mr Hine fall within the category set out in Listing Rule 10.14.1, as they will each be a Director of the Company when the Performance Rights are issued to them.
- (c) Number and class of Performance Rights: As detailed at Schedule 2, the Performance Rights will be unquoted and have no dividend or voting rights unless and until they vest in satisfaction of the relevant performance conditions, at which time Restricted Shares will be issued to the recipient and an application will be made to ASX for quotation of such Restricted Shares.

The maximum number of Performance Rights to be issued is a total of 26,666,667 comprising:

Director	2023 Performance Rights (Tranche 2)	2024 Performance Rights (Tranche 3)	2025 Performance Rights (Tranche 4)
Mr Watson STI (Tranche 1)	5,000,000	To be set in 2024	To be set in 2025
Mr Watson LTI	5,000,000	5,000,000	5,000,000
Mr Hine STI (Tranche 1)	1,666,667	To be set in 2024	To be set in 2025
Mr Hine LTI	1,666,666	1,666,667	1,666,667

Shareholder approval will be sought as required by the Listing Rules for any future grants of Performance Rights to Mr Watson or Mr Hine.

- (d) Current remuneration of issues: The current total remuneration package for each of the Proposed Directors is as follows:
- (i) in respect of Mr Watson, his remuneration comprises a base salary of \$300,000 and will also include, subject to the approval by Shareholders of Resolution 1, 2, 3, 5 and 6:
 - (A) 10,000,000 2023 Performance Rights;
 - (B) 5,000,000 2024 Performance Rights; and
 - (C) 5,000,000 2025 Performance Rights; and
 - (ii) in respect of Mr Hine, his remuneration comprises a base salary of \$220,000 and will also include, subject to the approval by Shareholders of Resolution 1, 2, 4, 5 and 6:
 - (A) 3,333,333 2023 Performance Rights;
 - (B) 1,666,667 2024 Performance Rights;
 - (C) 1,666,667 2025 Performance Rights.
- (e) Previous issues under the Incentive Plan: No securities have previously been issued under the Incentive Plan.
- (f) Material terms: Schedule 1 contains a summary of the Incentive Plan and Schedule 2 contains a summary of the material terms of the Performance Rights.
- (g) Rationale for issue of Performance Rights: The Company has decided to issue the Performance Rights to the Proposed Directors for the following reasons:
- (i) the Board has determined, where possible, to pay a base remuneration less than market rates to its executive directors, with base remuneration to be supplemented by performance incentives to ensure attraction, retention and ongoing incentives for its directors and executives;
 - (ii) the Company believes it is important to retain the services of the Proposed Directors and accordingly, the 2023 Performance Rights are subject to an employment condition requiring the Proposed Directors to remain employed by the Company for a 1 year Performance Period;
 - (iii) the 2024 and 2025 Performance Rights provide incentives based on performance of the Company over an eighteen month period and twelve month period respectively, which the Company expects to correlate with an increase in the value of the Company and therefore an increase in Shareholders' value. Accordingly, the issue of the 2024 and 2025 Performance Rights will align the interests of the Proposed Directors with those of Shareholders;
 - (iv) the issue of Performance Rights is a reasonable and appropriate method to provide remuneration and a performance linked incentive component in the remuneration packages for the Proposed Directors, to motivate and reward their performance as directors and to provide cost effective non-cash remuneration, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Proposed Directors; and
 - (v) the deferred taxation benefit which is available to the Proposed Directors in respect of an issue of Performance Rights and the issue of Restricted Shares upon vesting and exercise of Performance Rights, is also beneficial to the Company as it means the Proposed Directors are not required to immediately

sell Restricted Shares granted on vesting of Performance Rights to fund a tax liability and will instead, continue to hold an interest in the Company.

- (h) Value of Performance Rights: The Company values the Performance Rights at a total of \$428,000 based on a Monte Carlo Simulation Methodology for the share price milestones and a Black Scholes Option Pricing Methodology for the revenue milestones. The valuation was prepared by 22Corporate Advisory.

The valuation inputs were as follows:

- i. Underlying share price \$0.026
- ii. Exercise price Nil
- iii. Term between 0.8 and 2.8 years
- iv. Risk-free rate 3.519% for 2023 and 3.203% for 2024/2025
- v. Dividend Yield Nil
- vi. Volatility 90%
- vii. Performance period between 1 January 2023 and 31 December 2025

Tranche	# of equity instruments	Value per right	Concluded tranche value
Tranche 1	6,666,667	\$0.0135	\$90,000
Tranche 2	6,666,667	\$0.0141	\$94,000
Tranche 3	6,666,667	\$0.0183	\$122,000
Tranche 4	6,666,667	\$0.0183	\$122,000
	26,666,667		\$428,000

- (i) Issue date: It is intended that the Performance Rights will be issued no later than one month after the date of the Meeting.
- (j) Issue price: The issue price of the Performance Rights is nil. The Company will not receive any consideration in respect of the issue of Performance Rights or the issue of Restricted Shares following vesting and exercise of the Performance Rights.
- (k) Loan in connection with Performance Rights: The Company has not and will not make any loan in connection with the acquisition or exercise of the Performance Rights.
- (l) Disclosure of issues under Incentive Plan: The Board confirms that details of any Equity Securities issued under the Incentive Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Equity Securities under the Incentive Plan after Resolutions 6 and/or 7 are approved and who are not named in this Notice of Meeting will not participate in the Incentive Plan until approval is obtained under that rule.

- (m) Voting exclusion: A voting exclusion statement in respect of Resolutions 6 and 7 forms part of the Notice of Meeting.

D. Conditionality and effect of Resolutions 6 and 7

As noted above:

- Resolution 6 is conditional upon Resolutions 1, 2, 3 and 5 being passed; and
- Resolution 7 is conditional upon Resolutions 1, 2, 4 and 5 being passed.

If each of Resolutions 6 and 7 is passed, the Company will proceed with the issue of Performance Rights to each of Mr Watson and Mr Hine within one month after the date of the Meeting.

If:

- Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Watson; and
- Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Hine,

in which case, the Company may need to consider other forms of performance-based remuneration including by the payment of cash, subject to the requirements of the Corporations Act and the Listing Rules.

However, it should be noted that Resolutions 6 and 7 are not inter-dependent.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolutions 6 and 7.

9.6 Resolution 8 – Approval of potential termination benefits under the Equity Incentive Plan

A. Potential termination benefits under Incentive Plan

Under the terms of the Incentive Plan, the Board may in its absolute discretion, waive any Performance Condition attaching to any Incentive Securities if 'special circumstances' (which relevantly include cessation of employment, retirement, serious illness or injury or death) arise in relation to an participant in the Incentive Plan. The Board may also in its absolute discretion determine that all or a number of Incentive Securities will vest upon the death of a participant or the participant ceasing to be employed by the Company or any of its subsidiaries.

Section 200B of the Corporations Act prevents a company from giving a benefit to a person in connection with their retirement or removal from a managerial or executive office in the company or a related body corporate of the company (**Retiree**), unless the company's shareholders approve that benefit under section 200E or unless the benefit falls within certain exemptions set out in the Corporations Act.

A payment will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the Retiree's remuneration or if the nature of the payment falls within one of a number of categories set out in the Corporations Act (for example, payment by way of damages for breach of contract or payment for past services).

The possible accelerated vesting of, or waiver of Performance Conditions attaching to, Incentive Securities do not fall within any of the categories of exception set out in the Corporations Act and accordingly Shareholder approval is sought to give such potential termination benefits (should the Board exercise their discretion).

B. Persons covered by the approval

Approval is being sought in respect of:

- any current or future employees who are (or become) members of the Company's KMP; and
- any current or future employees who hold (currently or in the future) a managerial or executive office in the Company or a related body corporate (this includes individuals who are directors of the Company's subsidiaries),

and either hold that role at the time of termination or were in the role within the three years prior to their termination (such persons, **Relevant Persons**).

C. Value of potential termination benefits

Section 200E of the Corporations Act requires that where shareholders are asked to approve a payment or other benefit to a Retiree that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment, or, if the amount cannot be ascertained at the time of the disclosure, the manner in which the amount is to be calculated and any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The value of termination benefits that the Board may give under the Incentive Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of Incentive Securities that will vest. The following additional factors may also affect the benefit's value:

- the participant's length of service and the status of the Performance Conditions attaching to the relevant Incentive Security at the time the participant's employment or office ceases; and
- the number of unvested Incentive Securities that the participant holds at the time they cease employment or office.

D. Approval is sought for a three year period

If this Resolution 8 is approved by Shareholders, it will have effect in relation to benefits given between the conclusion of this Meeting and the conclusion of the third annual general meeting of the Company after this Meeting.

Directors' Recommendation

The Directors may participate in the Incentive Plan. Accordingly, the Directors make no recommendation to Shareholders in respect of voting on Resolution 8.

ORDINARY BUSINESS RESOLUTION

9.7 Resolution 9 – Approval to issue 6,000,000 Shares to Mr Nam Hoat Chua

As at the date of this Notice of Meeting, the Company owes Mr Nam Hoat Chua, Managing Director, \$150,000 in unpaid remuneration (being 7.5 months of his annual salary of \$240,000 (amended to \$120,000 with effect from 1 January 2023)). Mr Chua has, subject to Shareholder approval, elected to take Shares in Bioxyne, in lieu of cash in settlement of the outstanding remuneration.

In the interests of preserving the Company's cash reserves, the Board (other than Mr Chua) considers that it is appropriate to issue Shares to Mr Chua in settlement of his outstanding remuneration. The Remuneration Shares will be issued at a deemed issue price of \$0.025 per Share, which approximates the market price of the Company's Shares as at the date of this Notice.

This Resolution 9 seeks the approval of Shareholders for the Company to issue 6,000,000 Shares (**Remuneration Shares**) to Mr Chua (or his nominee) to settle Mr Chua's outstanding remuneration in the amount of \$150,000, rather than through a cash settlement.

It is noted that this Resolution 9 is not related to the Acquisition.

Listing Rule 10.11

A. Listing Rule 10.11

Listing Rule 10.11 requires Shareholder approval to be obtained before a listed company issues, or agrees to issue, securities to a related party or certain other persons described in Listing Rules 10.11.2 to 10.11.5, unless one of the exceptions set out in Listing Rule 10.12 applies.

Mr Chua is a related party of Bioxyne as he is a Director of Bioxyne, and if he nominates an entity to be issued the Remuneration Shares, that entity will also be a related party of Bioxyne as it will either be an entity controlled by, or acting in concert with, Mr Chua. None of the exceptions in Listing Rule 10.12 applies to this proposed issue. As such, this Resolution 9 seeks Shareholder approval to issue the Remuneration Shares to Mr Chua (or his nominee).

If this Resolution 9 is passed, the Company will be able to proceed with the proposed issue of the Remuneration Shares and discharge its obligation to pay the outstanding remuneration of \$150,000 to Mr Chua.

If this Resolution 9 is not passed, the Company will not be able to proceed with the proposed issue of the Remuneration Shares and will need to pay the outstanding remuneration owing to Mr Chua using the Company's cash reserves.

In accordance with Listing Rule 7.2, exception 14, approval pursuant to Listing Rule 7.1 is not required to issue the Remuneration Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Remuneration Shares will not be included in the calculation of the Company's annual 15% placement capacity pursuant to Listing Rule 7.1 or its additional 10% placement capacity pursuant to Listing Rule 7.1A.

B. Information required by Listing Rule 10.13

Pursuant to Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Remuneration Shares:

- (a) Name of person: The Remuneration Shares will be issued to Mr Nam Hoat Chua, or his nominee.
- (b) Category the person falls within: Mr Chua falls within the category set out in Listing Rule 10.11.1 as he is a current Director of the Company.
- (c) Number and class of securities: The number of Remuneration Shares proposed to be issued under Resolution 9 is 6,000,000 fully paid ordinary shares.
- (d) Date of issue of securities: The Remuneration Shares will be issued no later than one month after the date of the Meeting.
- (e) Price of securities: The Remuneration Shares will have a deemed issue price of \$0.025 per Share.
- (f) Purpose of issue: The Remuneration Shares will be issued in lieu of cash settlement of Mr Chua's outstanding remuneration of \$150,000. As such, no funds will be raised by the issue.
- (g) Details of remuneration package: Mr Chua's total remuneration package comprises a base salary of \$120,000 per annum. Please see Section 5.10 for more information.
- (h) Material terms of agreement: Other than as set out in this Explanatory Memorandum, there are no other material terms of the agreement for the proposed issue of the Remuneration Shares.
- (i) Voting exclusion statement: A voting exclusion statement in respect of Resolution 9 forms part of the Notice of Meeting.

Chapter 2E of the Corporations Act

As noted at Section 9.2D above, for a public company to give a financial benefit to a related party, the public company must obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act and give the benefit within 15 months following such approval. This requirement is subject to a number of exceptions set out in sections 210 to 216 of the Corporations Act. In particular, section 211 provides an exception from the requirement to obtain Shareholder approval if the financial benefit:

- is remuneration to a related party as an officer or employee; and
- to give the remuneration is reasonable given the circumstances of the company and the related party's circumstances, including the responsibilities required of the officer.

The issue of the Remuneration Shares to Mr Chua (or his nominee) constitutes giving a financial benefit to a related party of the Company.

The Board (with Mr Chua not present or voting) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Remuneration Shares because the Remuneration Shares and their terms are considered reasonable remuneration in the circumstances of the Company and Mr Chua (including the responsibilities involved in his employment).

Directors' Recommendation

The Board (with Mr Chua not present or voting, due to his material personal interest in the outcome of this Resolution) unanimously recommends that Shareholders vote in favour of Resolution 9.

10. GLOSSARY

The following is a glossary of various words and their meanings used in the Notice of Meeting and Explanatory Memorandum:

“**Acquisition**” means the proposed acquisition by Bioxyne of 100% of the share capital of BLS.

“**Acquisition Resolutions**” means Resolutions 1 to 8 (both inclusive).

“**ASIC**” means the Australian Securities and Investments Commission.

“**Associate**” has the meaning given in sections 11 to 16 of the Corporations Act (as applicable).

“**ASX**” means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

“**ASX Recommendations**” means the ASX Corporate Governance Principles and Recommendations 4th Edition.

“**BIL**” or “**Breathe International Limited**” means Breathe International Limited, a company incorporated in the United Kingdom with company number 11539325.

“**Binding Term Sheet**” means the binding terms sheet dated 19 December 2022 between Bioxyne, BLS and the Majority BLS Shareholders.

“**Bioxyne Group**” means Bioxyne and its subsidiaries (and after Completion, will include the BLS Group).

“**BLS**” or “**Breathe Life Sciences**” means Breathe Life Sciences Pty Limited (ACN 647 597 822).

“**BLS Group**” means Breathe Life Sciences and its subsidiaries.

“**BLS Shareholder**” means a holder of BLS Shares.

“**BLS Shareholders’ Representative**” means Samuel Watson.

“**BLS Share**” means a fully paid ordinary share in the capital of BLS.

“**Board**” means the board of Directors of the Company as constituted from time to time.

“**Chair**” means the chair of the Meeting.

“**Closely Related Party**” of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member’s spouse;
- (c) a dependent of the member or the member’s spouse;
- (d) anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of ‘closely related party’ in the Corporations Act.

“**Combined Group**” means the Bioxyne Group following Completion, which will include the BLS Group.

“**Company**” or “**Bioxyne**” or “**BXN**” means Bioxyne Limited (ABN 97 084 464 193) of Suite 506 Level 5, 50 Clarence Street, Sydney, NSW 2000.

“**Completion**” means completion of the Acquisition in accordance with the Sale Agreement.

“**Conditions Precedent**” means the conditions precedent to Completion as detailed in Section 2.9 of the Explanatory Memorandum.

“**Consideration Shares**” means the Shares to be issued to the BLS Shareholders, subject to the approval of Resolutions 1 and 2, as consideration for the purchase of all of the shares in BLS under the Sale Agreement, as particularised at Sections 2.1 and 9.1 of the Explanatory Memorandum.

“**Constitution**” means the constitution of the Company as in force from time to time.

“**Corporations Act**” means *Corporations Act 2001 (Cth)*.

“**Director**” means a director of the Company.

“**Equity Securities**” has the same meaning as in the Listing Rules, and includes a Share, an Option, a right to a Share or Option, a convertible security and any security that ASX decides to classify as an Equity Security.

“**Explanatory Memorandum**” means the explanatory notes and additional information to the Resolutions in the Notice.

“**Equity Incentive Plan**” or “**Incentive Plan**” means the proposed equity incentive plan to be approved under Resolution 5, a summary of which is included in Schedule 1.

“**Incentive Security**” has the meaning give in Section 9.4A of the Explanatory Memorandum.

“**Independent Expert**” means Hall Chadwick Corporate (NSW) Limited.

“**Independent Expert’s Report**” meant the report of the Independent Expert attached at Annexure A to this Explanatory Memorandum.

“**Key Employees**” means Samuel Watson, Jason Hine, Ian Owles, Sangho Chung and Gavin Ogilvie.

“**Key Management Personnel**” or “**KMP**” has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

“**Listing Rules**” or “**ASX Listing Rules**” means the official listing rules issued and enforced by the ASX as amended from time to time.

“**Long Stop Date**” means 31 May 2023 (or such later date as the parties to the Sale Agreement may agree).

“**Majority BLS Shareholders**” has the meaning given in Section 2.1 of the Explanatory Memorandum.

“**Material Adverse Change**” means any events, occurrences or matters that occur or fail to occur that individually, or when aggregated with all other events, occurrences or matters, is or are reasonably likely to have a material adverse impact on the financial condition, results, operations, prospects or business of the BLS Group as a whole.

“**Meeting**” or “**General Meeting**” means the General Meeting convened by the Notice.

“Non-Associated Shareholders” means the BXN Shareholders who are not associated with the proposed issue of Consideration Shares to BLS Shareholders (being the BXN Shareholders other than Global CR Holdings Limited, which is a BLS Shareholder that is an existing BXN Shareholder).

“Notice” or **“Notice of Meeting”** means this notice of General Meeting, including the Explanatory Memorandum and Proxy Form.

“Option” means an option to acquire a Share.

“Ordinary Business Resolution” means Resolution 9.

“Performance Right” means an entitlement to acquire a Share on the terms and conditions determined by the Board (including under the Incentive Plan, if approved).

“Proposed Directors” means Samuel Watson and Jason Hine, who are proposed to join the Board from Completion, subject to Resolutions 3 and 4 respectively being passed.

“Proxy Form” means the proxy form accompanying the Notice.

“Relevant Interest” has the meaning given in sections 608 and 609 of the Corporations Act.

“Resolution” means each resolution to be considered at the Meeting.

“Sale Agreement” means the share sale and purchase agreement between Bioxyne, BLS and BLS Shareholders (whether original or by accession) dated 20 March 2023.

“Share” means a fully paid ordinary share in the issued capital of the Company.

“Share Registry” means Automic Group.

“Shareholder” means the holder of a Share.

“Voting Power” has the meaning given in section 610 of the Corporations Act.

Schedule 1 – Summary of the Bioxyne Equity Incentive Plan

A summary of the key terms of the Bioxyne Equity Incentive Plan (**Plan**) is set out in the table below:

Feature	Description
Eligible Participant	Participants eligible to receive an invitation to participate in the Plan are full time or part-time employees, contractors, consultants, executive directors or non-executive directors (Employees) of the Company or any of its subsidiaries (Group Company) or any prospective Employee or such other person the Board in its discretion determines to be eligible to participate in the Plan.
Incentive Securities	<p>The Plan provides for the grant of the following Incentive Securities:</p> <ul style="list-style-type: none"> - Restricted Rights – a right to the value of a Share which may be settled in the form of cash or a Share, including a Restricted Share as determined by the Board in its discretion, which is fully vested at grant but is subject to Exercise and/or Dealing Restrictions. - Options – an option to acquire a number of Shares (as specified in the relevant Invitation) or to receive a cash amount equivalent to the value of such number of Shares less any Exercise Price (which may be nil) as determined in accordance with the Invitation. - Performance Rights – a conditional right to the value of a Share less any Exercise Price (which may be nil), which may be settled in the form of cash or a Share, as determined by the Board in its discretion.
Invitation	The Board may from time to time make Invitations to Eligible Participants to participate in the Plan. The Board has the discretion to determine which Eligible Participants will receive an Invitation to participate in the Plan, and the type and number of Incentive Securities they will be offered and the terms and conditions of those Incentive Securities.
Acquisition Price	The grant of Incentive Securities may be subject to the payment of an Acquisition Price determined by the Board, which may be nil.
Performance Conditions	The Board in its discretion may determine the Performance Conditions, if any, that must be satisfied during the Performance Period before an Incentive Security may vest.
Gates	The Board may impose conditions that must be met or exceeded before Performance Conditions can be assessed for vesting.
Performance Period	The Board in its discretion may determine the period or periods during which the Company will assess whether the Performance Conditions for the Incentive Securities have been met.
Vesting	<p><i>Restricted Rights</i></p> <p>Restricted Rights are fully vested at grant.</p> <p><i>Options and Performance Rights</i></p> <p>Following the end of the applicable Performance Period, the Board will determine, for the relevant tranche of Performance Rights or Options to which the Performance Period applies, and which have not lapsed under the Plan, the extent to which they will vest (if at all) if the applicable Performance Conditions have been satisfied or waived by the Board. Prior to the end of a Performance Period, the Board may also determine that some or all of the Options or Performance Rights held by a Participant will vest, whether or not</p>

Feature	Description
	<p>a Performance Condition is satisfied. Upon making a determination in either case, the Board will give a Vesting Notice to the Participant.</p> <p><i>Vested Incentive Securities</i></p> <p>Vested Incentive Securities will not become exercisable until any applicable exercise conditions have been satisfied or waived by the Board.</p> <p>Following the valid exercise of a vested Option or Performance Right, the Board will determine the value of the exercised Option or Performance Right and, in its absolute discretion, whether to settle that value in the form of a cash payment and/or the issue or transfer of Shares.</p> <p>The Board may in its absolute discretion determine that all or a number of Incentive Securities will vest upon the death of a Participant, the Participant ceasing to be employed by a Group Company or upon a Change of Control Event.</p>
Exercise Restrictions	<p>The Board may determine a period during which a Participant may not exercise a Restricted Right or a vested Performance Right or Option, which will be set out in an Invitation.</p>
Exercise Period	<p>Vested Incentive Securities may be exercised during the period commencing on the day after the Board gives a Vesting Notice to the Participant, and ending on the Final Exercise Date.</p>
Final Exercise Date	<p>The Final Exercise Date by which a vested Incentive Security must be exercised is the date which is 15 years from the date of grant of the Incentive Security or such other date determined by the Board and specified in an Invitation.</p>
Lapsing	<p>Incentive Securities will automatically lapse:</p> <ul style="list-style-type: none"> - at the end of the Performance Period, if the Performance Conditions have not been met or waived by the Board; or - on the Final Exercise Date, if vested Incentive Securities are not validly exercised. <p>Incentive Securities may also lapse in other circumstances under the Plan including due to clawback or malus, Change of Control, death or cessation of employment of a Participant, breach of Dealing Restrictions or other breach of the Plan. The Board retains a discretion to determine that Incentive Securities do not lapse in these circumstances (excepting clawback or malus).</p>
Shares issued on vesting of an Incentive Security	<p>Shares granted under the Plan or issued or transferred on the exercise of Options or Performance Rights will rank equally in all respects, and carry the same rights and entitlements, as other issued Shares, including dividend and voting rights. Shares will generally be subject to the Dealing Restrictions set out below.</p>
Dealing Restrictions	<p><i>Incentive Securities</i></p> <p>Incentive Securities may not be transferred, disposed or otherwise dealt with except with the prior written consent of the Board or in limited circumstances such as death, serious injury or illness, severe financial hardship or natural disaster.</p> <p><i>Restricted Shares</i></p> <p>Shares acquired by participants under the Plan will also be subject to Dealing Restrictions, being that such Restricted Shares may not be sold or</p>

Feature	Description
	<p>otherwise dealt with if the dealing would breach the Company's Securities Trading Policy, Division 3 of Part 7.10 of the Corporations Act or any specific Dealing Restriction set out in the relevant Invitation. The Company will impose a Holding Lock on any Restricted Shares held by a Participant.</p> <p>Participants must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any unvested Incentive Securities.</p>
Forfeiture of Restricted Shares	<p>The Participant's ownership of a Restricted Share will be forfeited if the Participant enters into any arrangement in respect of the share in breach of any Dealing Restriction. Restricted Shares may also be forfeited in other circumstances under the terms of the Plan including due to clawback or malus, upon Change of Control or upon cessation of employment.</p>
Dividend and voting entitlements	<p>Incentive Securities do not carry dividend or voting entitlements.</p> <p>Shares and Restricted Shares received upon exercise of Incentive Securities will carry dividend and voting entitlements.</p>
Quotation	<p>Incentive Securities will not be quoted on ASX.</p> <p>The Company will apply for official quotation of any Shares (including Restricted Shares) issued under the Plan, in accordance with the Listing Rules.</p>
Participation rights	<p><i>Incentive Securities</i></p> <ul style="list-style-type: none"> - New Issues – Incentive Security holders are not entitled to participate in any new issue unless they are entitled to and exercise their Incentive Securities and receive Shares prior to the record date for the new issue. - Bonus Issues – where the Company makes a bonus issue of shares to its shareholders, the number of underlying Shares over which an Incentive Security is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Incentive Security. - Reorganisation of capital – in the event of any reorganisation of capital (including consolidation, sub-division, buy back or cancellation), the rights of a Participant will be adjusted to the extent necessary to comply with the Listing Rules or as otherwise determined by the Board to ensure that the holders of Incentive Securities are neither advantaged nor disadvantaged. <p><i>Restricted Shares</i></p> <p>Restricted Shares carry the same rights as ordinary shares in respect of new issues, bonus issues and reorganisations of capital.</p>
Administration	<p>The Plan will be administered by the Board and the Board retains broad discretions under the Plan, subject to the Listing Rules, to waive or modify the application of the Rules in relation to any or all Participants or any Incentive Securities.</p>
Clawback and malus	<p>The Board retains a discretion to determine any treatment in relation to Incentive Securities, including to:</p> <ul style="list-style-type: none"> - reduce or extinguish a Participant's entitlement to Incentive Securities; - deem all or some Incentive Securities to have lapsed or been forfeited or else remain on foot but subject to conditions; - amend the terms and conditions applicable to the Incentive Securities;

Feature	Description
	<ul style="list-style-type: none"> - determine that Dealing Restrictions and/or any restriction period applicable to Shares acquired under the Plan be extended; - require that the Participant repay to the Company as a debt the value of all or some of any Incentive Securities received under the Plan, or all or part of the net proceeds of sale where Shares acquired under the Plan have been sold; and/or - adjust the Participant's incentive entitlements or participation in the Plan in the current year or any future year, <p>in any of the following circumstances:</p> <ul style="list-style-type: none"> - if a Participant at any time: <ul style="list-style-type: none"> o acts, or has acted, fraudulently or dishonestly or made a material misstatement on behalf of a Group Company; o has engaged in serious misconduct or gross negligence; o is responsible for material financial losses; o is responsible for exposing employees, the community or the environment to excessive risks, including risks to health and safety; o acts, or fails to act, in a way that could reasonably be regarded to have contributed to or is likely to contribute to, material reputational damage to any Group Company; o is in breach of any of his or her duties or obligations to any Group Company or is in breach of the terms of his or her employment; o is in breach of the Code of Conduct or other policies of the Company; o is convicted of an offence involving serious criminal conduct, allegations of dishonesty, fraud or wilful misconduct; or - after a Participant ceases to be employed by a Group Company, the Board becomes aware of circumstances which if known at the time of cessation would have resulted in Incentive Securities being forfeited; or - any other circumstances exist that may warrant the Board making such a determination.
Change of Control	<p>If a Change of Control Event occurs (such as a takeover or due to scheme of arrangement), or the Board determines that the Company will be imminently de-listed or its Shares will cease to be quoted on ASX, the Board may determine in its absolute discretion whether some or all of the Incentive Securities will:</p> <ul style="list-style-type: none"> - vest; - lapse or are forfeited; - remain on foot subject to the applicable conditions or such other conditions as the Board determines; - may only be exercised within a specific period and will otherwise lapse or be forfeited; - or any combination of the above. <p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board will determine the treatment of all vested and unvested Incentive Securities and Restricted Shares held by Participants in its discretion.</p>
Trustee	<p>The Board may at any time establish a trust and appoint a trustee to do all such things and perform all such functions as it considers necessary to operate the Plan, including to acquire and hold Incentive Securities or Restricted Shares on behalf of Participants.</p>

Feature	Description
Amendment	<p>The Company may at any time:</p> <ul style="list-style-type: none"> - amend the rules; - amend, reduce or waive the application of the Plan Rules in relation to a Participant; or - amend the terms of an Invitation, provided that no amendment of the Plan Rules is to reduce the rights of any Participant other than in limited circumstances including: <ul style="list-style-type: none"> o complying with the law; o to correct a manifest error or mistake; o as required by and in accordance with the Plan Rules; o to take into account possible adverse taxation implications for the Company; or o to enable Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.
Plan Limits	<p>No Incentive Securities may be granted or Shares transferred or issued to a Participant if such grant or issue would contravene any applicable law, including the Listing Rules.</p> <p>Invitations which allow for cash settlement of the value of an Incentive Security will be made in reliance on the provisions of Part 7.12, Division 1A (Division 1A) of the Corporations Act and the Board will take such action or refrain from taking actions so as to remain able to rely on the relief provisions of Division 1A, including notifying ASIC when it first makes an eligible offer under Division 1A and not making grants that may exceed the limit contained in Division 1A.</p>

Schedule 2 – Terms of Performance Rights

The terms of the Performance Rights (**Rights**) are as follows:

1. **Entitlement:** Each Right entitles the holder to subscribe for one Restricted Share upon exercise of the Right.
2. **Plan:** The Rights will be issued pursuant to the Bioxyne Limited Equity Incentive Plan (**Plan**). To the extent of any inconsistency between the Terms of the Rights (**Terms**) and the Plan, the Terms will prevail.
3. **Acquisition Price:** No cash consideration is payable for the issue of the Rights.
4. **Exercise Price:** The Rights have a nil exercise price.
5. **Performance Conditions:**

The 2023 to 2025 LTI Performance Rights are subject to the following vesting conditions:

The 2023 – 2025 LTI Performance Rights are subject to certain performance milestones (**Performance Conditions**) which are set out below. Upon achievement of the Performance Conditions prior the end of the relevant Performance Period, the Performance Rights will vest in the percentages set out below.

%	Share Price Milestones – the 2023 – 2025 LTI Performance Rights will vest upon:
15%	The 30 day VWAP of the Company's share price being equal or greater than 3 cents
20%	The 30 day VWAP of the Company's share price being equal to or greater than 4 cents
25%	The 30 day VWAP 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	
Revenue Milestones: in the event no Share Price Milestones are triggered in the Performance Period: Note: these alternate milestones are not cumulative but award will be pro rata.	
	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.

6. **Gates:** The Rights will only vest if the Company has obtained Shareholder approval to the grant of the Rights (in the case of an Employee who is a director).
7. **Performance Period:**
 - (a) 2023 Performance Rights: 1 year commencing 1 January 2023 to 5.00pm (AEDT) on 31 December 2023.

- (b) 2024 and 2025 Performance Rights: 2 years commencing 1 January 2024 to 5.00pm (AEDT) on 31 December 2025.
8. Final Exercise Date: 5 years from the date of grant of the Rights.
9. Exercise Restrictions: Rights may only be exercised following receipt of a Vesting Notice.
10. Exercise Notice: The Rights may be exercised by notice in writing to the Company in the manner specified in the Invitation or Vesting Notice.
11. Other Restrictions on Rights: Rights do not confer any right or interest in a Share and carry no dividend or voting rights, unless and until the Right vests, is exercised and a Restricted Share is issued or transferred.
12. Settlement: Upon exercise of a Right the Board has a discretion to issue a Restricted Share or make a cash payment equivalent to the “market value” of a Share.
13. Dealing Restrictions:
- (a) Rights may not be transferred or otherwise dealt subject to limited exceptions set out in the Plan.
- (b) Restricted Shares issued upon exercise of Rights will be subject to the dealing restrictions set out in the Plan, including that the Restricted Shares may not be sold or disposed of in any way until their disposal would not breach the Company’s Security Trading Policy.
14. Specific Dealing Restrictions: Restricted Shares issued to Employees who are directors of the Company may not be dealt with for the period commencing from when the Restricted Share is received under the Plan until the first to occur of (a) when the Employee ceases employment with the Company or any of its subsidiaries; (b) the 15th anniversary of the date of grant of the Rights; or (c) the Board determining, in its discretion, that the Restricted Shares should be released having regard to special circumstances including those set out in the Plan.
15. Forfeiture: Restricted Shares will be forfeited if the holder purports to enter into any dealing in breach of the Dealing Restrictions or the Board determines the Restricted Shares are to be forfeited in accordance with the Plan including due to clawback and malus, Change of Control or upon cessation of employment for cause.
16. Nature of Restricted Shares: Restricted Shares issued on exercise of Rights rank equally with ordinary shares of the Company, subject to the Dealing Restrictions.
17. Quotation: An application will be made by the Company to ASX for quotation of the Restricted Shares issued upon exercise of Rights in accordance with the Listing Rules.
18. Participation in new issues: Rights carry no entitlement to participate in any new issue of securities unless the Right is exercised and Restricted Shares are issued before the record date of the new issue.
19. Reorganisation of capital: Upon consolidation, reduction, buy back or other reconstruction of capital, Rights will be adjusted as required by the Listing Rules with such other adjustments as the Board determines to ensure that holders are not disadvantaged.
20. Bonus issues: In the event of a bonus issue of Shares, the number of underlying Shares over which a Right is exercisable will be increased by the number of Shares which the holder would have received if they had exercised the Right before the record date of the issue.
21. Change of Control: if there is a Change of Control event, or the Board determines that the Company will be de-listed or its Shares will cease quotation on ASX, the Board has a

discretion to determine whether all or some of the Incentive Securities vest, lapse or are forfeited.

Annexure A – Independent Expert’s Report

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2:00pm (AEST) on Wednesday, 3 May 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

20 March 2023

The Directors
Bioxyne Limited
Level 5, 50 Clarence Street
SYDNEY NSW 2000

Dear Sirs,

Independent Expert's Report on the proposal to acquire BLS

1. INTRODUCTION

Background

- 1.1 Bioxyne Limited ("Bioxyne", "BXN" or the "Company") is an Australian public company listed on the Australian Securities Exchange ("ASX") in 2000. BXN is a life sciences and health and wellness products company that researches, develops, markets, and distributes dietary supplement and beauty products.
- 1.2 As announced to the market on 19 December 2022, the Company has executed a binding term sheet with the majority shareholders of Breathe Life Sciences Pty Ltd ("BLS") to acquire 100% of their issued capital. BLS and its subsidiaries contract manufacture and commercialise plant-based wellness products, dietary supplements and beauty products.
- 1.3 The acquisition of BLS by BXN as per the terms detailed in section 2, is referred to in this report as the "Transaction".

Opinion

- 1.4 In our opinion, the Transaction is *not fair but reasonable* to Non-Associated Shareholders of BXN.
- 1.5 The ultimate decision however on whether to accept the Transaction should be based on shareholders own assessment of their circumstances.

Purpose of Report

- 1.6 You have requested Hall Chadwick Corporate (NSW) Limited ("HCC") to prepare an Independent Expert's Report to advise the shareholders of BXN other than those associated with the proposed issue of BXN shares to BLS Shareholders ("Non-Associated Shareholders"), whether the proposed Transaction is fair and reasonable when considered in the context of the interests of Non-Associated Shareholders and to set out the reasons for our conclusions.

HALL CHADWICK
CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street
Sydney NSW 2000 Australia

GPO Box 3555 Sydney NSW
2001

Ph: (612) 9263 2600

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com.au

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1.7 HCC understands and has agreed that this report will accompany the notice to convene a meeting of BXN shareholders, to assist the Non-Associated Shareholders in their consideration of the Transaction.

2. OUTLINE OF THE PROPOSED TRANSACTION

- 2.1 Consideration for the acquisition of 100% of the issued shares in the BLS is 1,230,000,000 shares in BXN (“Consideration Shares”) issued to the shareholders of BLS.
- 2.2 Completion of the Transaction is conditional on, amongst other things, the Company's shareholders approving the relevant Resolutions set out in the Notice of Meeting to which this report is annexed.
- 2.3 The BLS Shareholders will enter into voluntary escrow agreements for 100% of their shares for a period of twelve months from the date of Completion.
- 2.4 Conditions precedent to the Transaction include that;
- a) key employees enter into new employment agreements with the relevant BLS Group entity or BXN, to the satisfaction of BXN; and
 - b) other employees of the BLS Group agreeing to employment agreements that include terms satisfactory to BXN relating to a restraint from being involved in a Competing Business.
- 2.5 Upon Completion, the Board will be reconstituted. Post-Completion, Anthony Ho will continue as Bioxyne's Independent Chairman and Nam Hoat Chua will remain as an Executive Director. Subject to and with effect from Completion, BLS is entitled to nominate two Directors to the Board. BLS has nominated Samuel Watson (BLS CEO) and Jason Hine as Executive Directors. Guy Robertson and Peter Hughes-Hallett have each agreed to resign as Directors on Completion.
- 2.6 The following table shows the effect on the share capital of BXN after the Transaction:

	Shares on issue
Shares on issue	665,645,398
Consideration Shares issued to the vendors of BLS	1,230,000,000
Total Shares on issue post Transaction	1,895,645,398

- 2.7 Immediately following approval and completion of the Transaction, BLS Shareholders will be entitled to a relevant interest in BXN of 64.89%. BLS major shareholder, Breathe International Limited, will hold a 30.4% equity interest in BXN.
- 2.8 BXN' existing Non-Associated shareholders interest will decrease to 33.29% as a result of the Transaction.

STRUCTURE OF REPORT

Our report is set out under the following headings:

- 3 PURPOSE OF REPORT
- 4 OPINION
- 5 BASIS OF EVALUATION
- 6 OVERVIEW OF BLS
- 7 OVERVIEW OF BIOXYNE
- 8 VALUATION METHODOLOGIES
- 9 VALUE OF BLS
- 10 VALUE OF BIOXYNE
- 11 ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION
- 12 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

APPENDICES

- I SOURCES OF INFORMATION
- II STATEMENT OF DECLARATION & QUALIFICATIONS
- III FINANCIAL SERVICES GUIDE
- IV COMPARABLE COMPANIES ANALYSIS

3 PURPOSE OF REPORT

- 3.1 The purpose of this report is to advise the Non-Associated Shareholders of BXN of the fairness and reasonableness of the Transaction. This report provides an opinion on whether or not the terms and conditions in relation to the Transaction are fair and reasonable to the BXN shareholders whose votes are not to be disregarded in respect of the Transaction (that is, the Non-Associated Shareholders).
- 3.2 The ultimate decision whether to accept the terms of the Transaction should be based on each shareholders' assessment of their own circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Transaction or matters dealt with in this report, shareholders should seek independent professional advice.
- 3.3 For the Transaction to be fair, the value of the shares being acquired in BLS must be equal to or greater than the value of the consideration, being BXN shares. To be reasonable the shareholders must obtain an overall benefit if the Transaction proceeds. In forming an opinion as to whether the Transaction is fair and reasonable, the following factors have been considered:
- the underlying value of BXN shares to be issued as consideration to BLS Shareholders;
 - the underlying value of BLS shares to be acquired by BXN;
 - the likely market price and liquidity of BXN shares if the Transaction is not implemented;
 - the likelihood of an emergence of an alternative proposal that could realise better value for BXN Shareholders.
- 3.4 This report has been prepared to satisfy the requirements of the Corporations Act 2001 (Cth) ("Corporations Act") and the ASX Listing Rules.

Corporations Act Requirements

- 3.5 When the Transaction is approved and completed, all BLS Shareholders will be entitled to a combined relevant interest in BXN of 64.89%. BLS major shareholder, Breathe International Limited, will hold a 30.4% equity interest in BXN.
- 3.6 Section 606(1) of the Corporations Act states that a person must not acquire an interest in issued voting shares in a listed company if that person's or any other person's voting power increases to above 20%. Section 606(1) prohibits BLS Shareholders from acquiring the issued ordinary shares in BXN under the Transaction, unless one of the exemptions set out in Section 611 of the Corporations Act applies.
- 3.7 Item 7 of Section 611 of the Corporations Act exempts an acquisition that is approved by a resolution of shareholders of BXN passed at a general meeting as per Section 611. This is the exception which is being relied upon by the BXN shareholders in relation to the shares being issued to BIL. At the general meeting of BXN no votes will be allowed to be cast by those persons (or their associates) acquiring shares under the Transaction.
- 3.8 Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 "Content of Experts Reports" requires, amongst other things, that directors of a company need to provide shareholders with an analysis of whether a proposed transaction is fair and

reasonable, when considered in the context of the interests of the non-associated shareholders. Regulatory Guide 111 recommends that this analysis should include an independent expert's report. The independent expert is required to state whether, in their opinion, the proposal is fair and reasonable having regard to the interests of non-associated shareholders and state the reasons for forming that opinion. This report provides such an opinion.

4. OPINION

- 4.1 In our opinion, the proposed Transaction to acquire 100% of BLS through the issue of BXN shares is *not fair but reasonable* to Non-Associated Shareholders of BXN.
- 4.2 Our opinion is based solely on information available as at the date of this report.
- 4.3 The principal factors that we have considered in forming our opinion are summarised below.

Fair

- 4.4 According to RG 111, for the Transaction to be fair, the value of BLS shares being acquired must be equal to or greater than the value of the consideration, being BXN shares.
- 4.4.1 Based on the details above, we have determined the valuation of BLS as being between \$7,351,245 and \$8,232,932, with a midpoint value of **\$7,792,088** as at the date of this report.
- 4.4.2 Based on the analysis contained in section 10 of this report, the indicative value of the shares being issued by BXN for BLS shares on a controlling interest basis is between \$0.0121 and \$0.0288, with a midpoint value of **\$0.0203 per share**.
- 4.4.3 Our valuation of BXN shares is based on values prior to the Transaction on a controlling interest basis. In order to assess whether the Transaction is fair, we need to compare the pre-transaction value on a control basis with the post-transaction values on a minority basis, as the existing Non-Associated Shareholders of BXN will lose control of the Company to the Shareholders of BLS after the Transaction. This is shown in the table below on a post-consolidation basis:

BXN Value and Opinion	Low	High	Midpoint
Control value per share	\$ 0.0117	\$ 0.0288	\$ 0.0203
Shares on issue, pre-Transaction, post consolidation	665,645,398	665,645,398	665,645,398
Control valuation, pre-Transaction (\$)	7,802,364	19,170,587	13,486,476
Valuation of BLS (\$)	7,351,245	8,232,932	7,792,088
Post-Transaction Value (\$)	15,153,609	27,403,519	21,278,564
Post-Transaction shares on issue	1,895,645,398	1,895,645,398	1,895,645,398
Value per share (\$)	0.0080	0.0145	0.0112
Minority discount	15%	15%	15%
Post-Transaction Valuation per share	\$ 0.0068	\$ 0.0123	\$ 0.0095

- 4.4.4 In our opinion the Transaction is **not fair** as the value of the BXN shares held by Non-Associated Shareholders decreases as a result of the Transaction.

Reasonable

- 4.5 ASIC Regulatory Guide 111 states that a transaction is reasonable if:
- The Transaction is fair; or
 - Despite not being fair the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- 4.5.1 We have concluded that the Transaction is reasonable. In forming our opinion we have considered the following relevant factors.
- The Transaction may result in an increase in the equity value of Bioxyne by expanding the size of the combined BXN / BLS group, capitalising on the complementary geographies of the two entities and allowing further development of their product range.
 - The Transaction represents an opportunity for Bioxyne to hold a position in a business with the ability to generate greater revenues in a growing market. BLS should bring an uplift in revenue to Bioxyne and fast track attaining profitability. Directors expect that following the Transaction, Bioxyne would be able to significantly broaden its scale of operations in the health and wellness supplements industry whilst realising efficiencies in the post-acquisition integration of the two businesses.
 - The Transaction should provide a material increase in both size and scale of Bioxyne's operations. The complementary and diverse product range, and geographical representation, should deliver synergistic benefits for the combined group.
 - The Transaction may provide an opportunity for BXN shareholders to experience growth in the value of shares and significantly boost BXN' market capitalisation and liquidity in share trading given the potential of the BLS business and synergy benefits.
 - The BXN Board are of the opinion that the Transaction is in the best interests of the Company's Shareholders and in the absence of a superior alternative proposal is a strategic opportunity for the Company.
 - We are unaware of any alternative proposal at the date of this report that would realise better value for BXN shareholders.
- 4.6 *Accordingly, in our opinion, the Transaction is **not fair but reasonable** to Non-Associated Shareholders of BXN.*

5 BASIS OF EVALUATION

- 5.1 In our assessment of whether the Transaction is fair and reasonable to BXN Non-Associated Shareholders, we have given due consideration to the Regulatory Guides issued by the ASIC, in particular, Regulatory Guide 74 “Transactions Agreed to by Shareholders”, Regulatory Guide 111 “Content of Experts Reports” and Regulatory Guide 112 “Independence of Experts Reports”.
- 5.2 ASIC Regulatory Guide 74 requires, amongst other things, that shareholders are provided with sufficient information to make an effective, informed decision on whether the proposed Transaction is fair and reasonable. Under Regulatory Guide 111, a transaction is “fair” if the value of the asset being acquired (in this case the equity in BLS) is equal to or greater than the value of the consideration being offered (in this case, BXN shares). Additionally, under Regulatory Guide 111 an offer is “reasonable” if it is fair. It is possible for an offer to be reasonable despite being not fair. This would be after the expert considers that, based on non-financial factors, the shareholders should still approve the Transaction in the absence of any alternative proposals.
- 5.3 Our report has compared the likely advantages and disadvantages to Non-Associated shareholders if the Transaction is agreed to, with the advantages and disadvantages to those shareholders if it is not. Comparing the value of the shares to be acquired under the Transaction and the value of the consideration to be paid is only one element of this assessment.
- 5.4 We have considered whether any shareholder will obtain a level of control in BXN as a result of the proposed Transaction. In the event that a change in control arises from the proposed transaction, proportionately greater benefits to Non-Associated shareholders must be demonstrated. In this case BLS Shareholders will obtain control of BXN and this issue needs to be considered in comparing the value received by Non-Associated Shareholders in comparison to the value being paid.
- 5.5 Normal valuation practice is to determine the fair market value of an asset assuming a counter party transaction between a willing and not anxious buyer and a willing but not anxious seller, clearly at arm’s length. We have adopted this approach in determining the market value of the equity of BLS and BXN.
- 5.6 In evaluating the Transaction, we have considered the value of BLS being acquired and compared this to the amount of consideration to be paid through the issue of BXN shares for this acquisition. We consider that the Transaction will be fair and reasonable if, on balance, the Non-Associated Shareholders in BXN will be better off if the Transaction is approved. We will also consider the Non-Associated Shareholder’s interests should the Transaction not proceed.
- 5.7 In our assessment of the Transaction we have considered, in particular the following:
- The operational and financial position of BLS and BXN;
 - The value of BLS shares, under various methodologies;
 - The value of BXN shares, under various methodologies;
 - Any control premium associated with the Transaction;

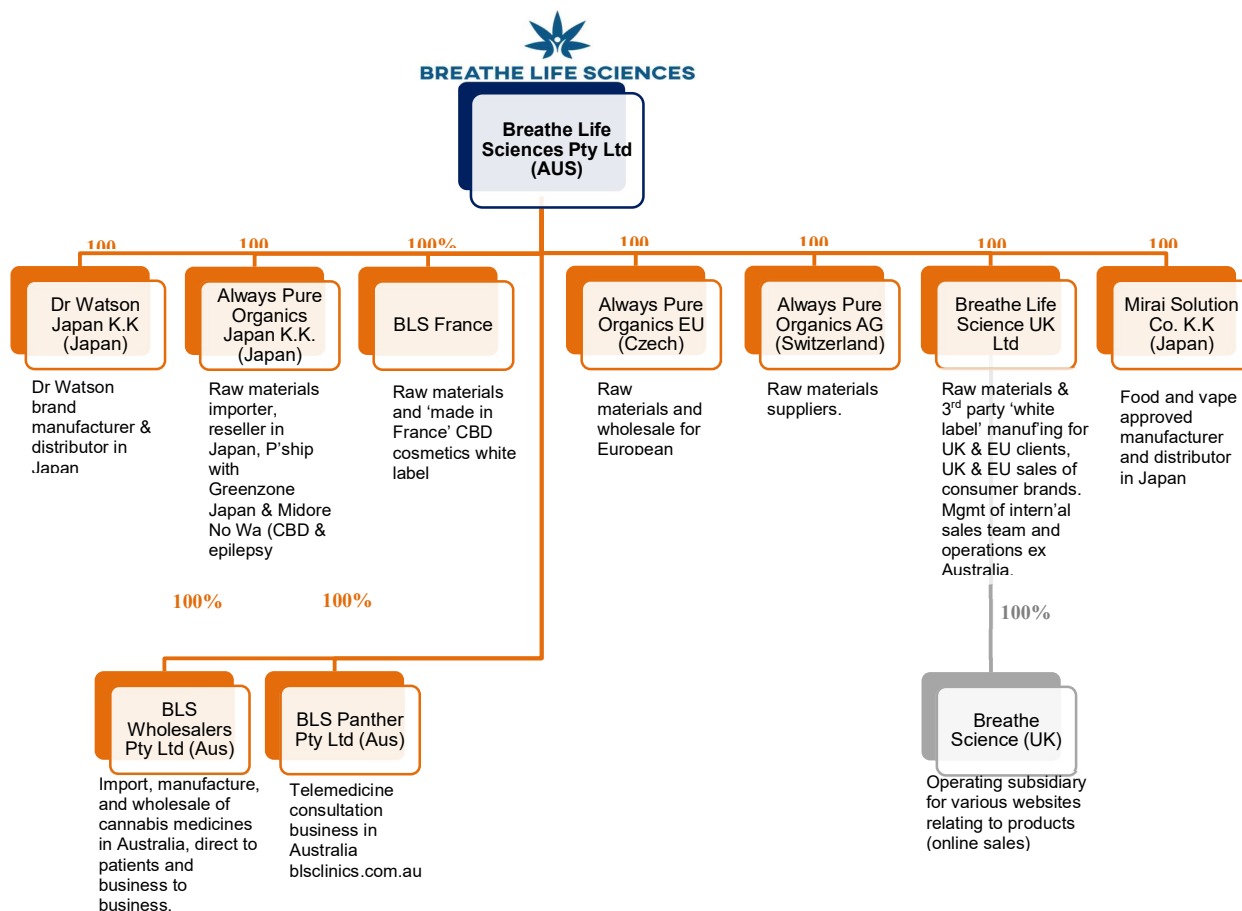
- The advantages and disadvantages associated with approving the Transaction;
 - Share trading history of BXN shares;
 - The likely value and liquidity of BXN shares in the absence of the acquisition;
 - Other qualitative and strategic issues associated with the Transaction.
- 5.8 The documents and information relied on for the purpose of this valuation are set out in Appendix I. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Transaction is fair and reasonable. However, in assignments such as this, time is limited and we do not warrant that our enquiries have identified or verified all of the matters which an audit or more extensive examination might disclose. None of these additional tasks have been undertaken.
- 5.9 We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.
- 5.10 An important part of the information used in forming an opinion of the kind expressed in this report is the opinions and judgement of management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 5.11 HCC are not the auditors of BXN or BLS. We have analysed and reviewed information provided by the Directors and management of BXN and made further enquiries where appropriate.
- 5.12 This report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this report which may impact upon this report or which may impact upon the assumptions referred to in this report.

6 OVERVIEW OF BLS

6.1 Business Overview

- 6.1.1 BLS is an international life sciences company founded in 2019 with operations in the United Kingdom, Europe, Japan, and Australia.
- 6.1.2 BLS specialises in direct selling of wellness brands and health products, such as the Dr Watson® brand, manufacture and sale of bulk raw materials including cannabinoid (CBD) isolates and bespoke distillates (patented and patent-pending formulations), as well as white label manufacturing for several globally established wellness brands and retail distributors.
- 6.1.3 BLS offers a wide variety of manufacturing services for cannabinoid-based products, multivitamins and minerals, mushroom supplements and probiotics.
- 6.1.4 Breathe Life Sciences UK Ltd, a wholly-owned subsidiary of BLS, operates across the UK and Europe with manufacturing, warehousing and distribution capabilities in London, Manchester, and Prague (Czech Republic).
- 6.1.5 BLS has three operating subsidiaries in Japan, including Mirai Solutions K.K., Dr Watson Japan K.K., and BLS Japan K.K. BLS business operations in Japan are in Nagoya, where BLS has one of the only accredited CBD labs and manufacturing facilities.
- 6.1.6 BLS is a market leading supplier of cannabis raw materials in the UK, EU, and Japan, working several national brands and retail chains. In its manufacturing operations BLS strives to maintain high compliance and quality standards, the holding of ISO-7 accreditations and the use of GMP compliant equipment.
- 6.1.7 BLS has 5 brands under its umbrella which are established in the UK, Europe and Japan. BLS Brands Include Dr Watson, Always Pure Organics, Apothecary, Vitae, Essentials & others.
- 6.1.8 BLS has a number of revenue streams which are categorised as follows:
- a) Online and Wholesale sales of BLS-owned retail brands: Dr Watson®, NOL®, Apothecary, Essentials, Sativa Wellness®, Bao Botanicals, and Vitae.
 - b) White label manufacturing of third party brands in the UK, Europe, and Japan for some of the market leading CBD, Mushroom, and wellness brands including 12 CBD brands registered with the Food Standards Agency (FSA) in the UK.
 - c) Manufacturing and wholesale of raw materials and cannabis extracts, such as the patented full spectrum cannabis distillates, isolates, and extracts in Japan, UK, and Europe.
 - d) Research and development and contracted R&D for third party clients. Expertise in UK and Japan in product development, quality testing with in-house HPLC (high performance liquid chromatography), and supply chain economics.

6.1.9 BLS has seen rapid growth with the consolidation of a number of operations under the BLS umbrella following its incorporation in February 2021. The current group structure is shown in the diagram below.



6.2 Directors of BLS

Samuel Watson BSc. Fin.& Econ – Group CEO & Chairman

Samuel is Chairman of BLS' founding shareholder, Breathe International Limited ("BIL", backed by UK Government Future Fund). He is also the founding investor and shareholder of DocTime, the market leading telemedicine company in Bangladesh serving 4m+ patients.

Samuel Watson, through his shareholding in BIL, holds an indirect interest in 35.2% of the shares in BLS.

Ian Owles MPS, CFMP – Chief Operating Officer Australia

Ian is a 3rd generation pharmacist with 40 years' experience in biotechnology & pharma. Ian is responsible for BLS' licenses, manufacturing, and medicinal operations in Australia. Through his pharmacy, AOCC, BLS dispenses medicines direct to patients.

Ian Owles holds an indirect interest in 10.8% of the shares in BLS.

6.3 Financial Information

6.3.1 Set out below is the unaudited consolidated statement of financial position of BLS as at 31 December 2022.

BLS Group	
Consolidated Statement of Financial Position as at 31 December 2022	
Current Assets	
Cash	166,378
Trade receivables	667,526
Current tax receivables	46,926
Other current assets	205,475
Inventories	621,439
	1,707,744
Non-Current Assets	
Intangible assets	14,094
Plant & equipment	99,809
	113,903
Total Assets	1,821,647
Current Liabilities	
Trade and other payables	471,663
	471,663
Non-Current Liabilities	
Shareholders loans	177,219
	177,219
Total Liabilities	648,882
Net Assets	1,172,765
Equity	
Contributed equity	1,410,000
Accumulated losses	(237,235)
Total equity	1,172,765

6.3.2 Net debt for the purpose of this report totals \$10,841 as shown in the table below:

Cash	166,378
Shareholders loans	(177,219)
Surplus cash / (Net debt)	(10,841)

6.3.3 Set out below is an unaudited pro forma consolidated financial performance of BLS for the financial years ended 30 June 2020 (“FY2020”), 30 June 2021 (“FY2021”) and 30 June 2022 (“FY2022”).

BLS Pro forma Consolidated Statements of Financial Performance					
	AUS	FY2020	FY2021	FY2022	HY2023
Sale of goods		476,167	964,071	2,818,602	2,402,946
Other income		-	-	158,920	24,395
Cost of goods sold		(119,499)	(451,085)	(2,096,387)	(1,453,650)
Personnel costs		(177,062)	(315,370)	(505,497)	(517,897)
Occupancy expenses		(40,579)	(140,473)	(120,562)	(45,166)
Business development		-	(65,079)	(27,057)	-
Marketing		(68,408)	(40,955)	(34,895)	(33,397)
Professional fees		(164,256)	(264,874)	(518,113)	(281,848)
General and administration		(39,670)	(84,367)	(227,334)	(175,326)
Travel and accommodation		(25,641)	(23,055)	(69,023)	(27,755)
Foreign exchange gain/(loss)		(3,756)	(45,180)	18,451	(19,703)
Borrowing costs		(2,895)	(7,082)	(18,348)	-
Loss before income tax		(165,599)	(473,449)	(621,243)	(127,352)

6.3.4 The consolidated financial performance is presented on a pro forma basis given that BLS was only incorporated in February 2021 and did not own its subsidiaries (as shown in the diagram at section 6.1.9) for the full period disclosed. The pro forma financial results assume that BLS existed and owned its subsidiaries for the full financial years disclosed above.

6.3.5 The entities in the BLS group are still in start up phase therefore revenues have increased substantially over the periods shown in the table below.

7 OVERVIEW OF BIOXYNE

7.1 Corporate Overview

7.1.1 Bioxyne, previously known as Probiomics Limited, VRI Biomedical Limited, VRI Biomedical Pty Ltd, and Vasse Research Institute Pty Ltd was incorporated in 1998 and listed on the ASX in December 2000, to fund research and development of a portfolio of projects in mucosal immunology.

7.1.2 Bioxyne and its subsidiaries operate a health and wellness products business. Bioxyne's core activities are the research and development, contract manufacture and distribution of probiotic API (Active Pharmaceutical Ingredient), and the sale of health and wellness nutritional supplements through wholesale and direct sales channels.

7.1.3 Bioxyne has a global distribution agreement with Chr Hansen of Denmark to manufacture, market, supply and distribute its proprietary probiotic strain of *Lactobacillus Fermentum PCC®* to third party manufacturers/distributors for over-the-counter gut health immune supplement products. Bioxyne retains the right to sell PCC API to its direct sales customers.

7.1.4 In April 2017 Bioxyne had entered the Direct Sales business with the acquisition of Global Treasure (New Zealand) Limited, and New Zealand Nutritional Research Institute Pty Limited. Bioxyne quickly expanded with Direct Selling licences in Malaysia, Bioxyne International Sdn Bhd and Indonesia PT Gamata Utama. Bioxyne then expanded its product range to include the following:

Lactobacillus Fermentum PCC® - patented strain of probiotics wholesale to contract manufacturers for use with their clients' consumer probiotics

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

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

ColosNZ PRO™ – enhanced colostrum and fortified milk formula for nutrition and immune support

Col-Coffee™ - three in one instant coffee mix with colostrum

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

7.1.5 The Direct Selling business was unfortunately adversely impacted by COVID-19 in 2020 and 2021. In October 2022 Bioxyne reached an agreement to jointly grow its Asian Direct Selling Business by selling a 49% interest in its Direct Selling group of companies. This was a strategic sale to a Singapore based private equity group, Paramount Star Investments Limited, which through its business interests in Greater Asia enables the Group to accelerate development of the Direct Selling business. The consideration for this sale was \$1 million in cash and the placement of 25 million shares in BXN at \$0.04 per share, being \$1 million.

7.2 Transaction rationale

- 7.2.1 Bioxyne has been focussed on product development and growing its product range, revenue base and geographic reach. Having reviewed a number of other potential merger and acquisition opportunities, Bioxyne has identified BLS as a suitable opportunity to achieve these objectives.
- 7.2.2 Bioxyne believes that acquisition of BLS will enable Bioxyne to increase its range of products and assist in expanding its operations within its current line of business (being the research, development and sale of health and wellness products and supplements), and ultimately create shareholder value.
- 7.2.3 Bioxyne's current geographic regions of sales activities are in Southeast Asia, notably Malaysia, Vietnam, and Indonesia. The BLS Group's current geographic regions of sales activities are in the UK, France, Czech Republic, Switzerland, Germany, Australia, Spain and Japan. The Transaction will provide Bioxyne with a global footprint for the distribution of its combined health and wellness supplements and therapies.
- 7.2.4 The economy of scale of the merged operations will lower manufacturing and corporate costs from the increased efficiencies. The merged operations will also enable greater use of technologies from the BLS Group's online sales platforms to market and distribute Bioxyne's products effectively, shortening the supply chain distribution.
- 7.2.5 The businesses are complementary with products focussed on health and wellness. The geographies are complementary with Bioxyne's strength in Asia and US (through a distributor) and the BLS Group having distribution channels in UK, Europe, Japan and Australia.
- 7.2.6 The identified synergies between Bioxyne and BLS include:
- a) leveraging complementary skills and experience of key staff in each company to assist in the growth and development of the other's businesses;
 - b) leveraging intellectual property and customer relationships to de-risk the supply chain for the combined group;
 - c) cost savings through core business and non-core business procurement at a larger scale than pre-acquisition;
 - d) merging of ongoing research and development projects to remove duplication and combine current findings and outcomes; and
 - e) harmonising systems and processes used by the two companies to drive operational efficiencies and cost savings.

7.3 Public Company Information

7.3.1 BXN currently has a market capitalisation of approximately \$17 million.

7.3.2 BXN has made the following public announcements in the last twelve months:

Date	Type
19 Dec 2022	<ul style="list-style-type: none">BXN to Acquire Health & Wellness Co Breathe Life Sciences
30 Nov 2022	<ul style="list-style-type: none">New Constitution
28 Nov 2022	<ul style="list-style-type: none">Results of Meeting
16 Nov 2022	<ul style="list-style-type: none">Cleansing Notice
16 Nov 2022	<ul style="list-style-type: none">Appendix 2A - Application for quotation of securities
15 Nov 2022	<ul style="list-style-type: none">Appendix 3B (Proposed issue of securities)
3 Nov 2022	<ul style="list-style-type: none">Appendix 3H (Notification of cessation of securities)
31 Oct 2022	<ul style="list-style-type: none">Commitments Test Entity - First Quarter Activity Report
28 Oct 2022	<ul style="list-style-type: none">Letter to Shareholders Notice of Annual General Meeting
28 Oct 2022	<ul style="list-style-type: none">Notice of Annual General Meeting
26 Oct 2022	<ul style="list-style-type: none">Cleansing Notice
26 Oct 2022	<ul style="list-style-type: none">Appendix 2A - Application for quotation of securities
25 Oct 2022	<ul style="list-style-type: none">Appendix 3B (Proposed issue of securities)
24 Oct 2022	<ul style="list-style-type: none">Progress Report - Joins Asian Partner & Sells 49% of Direct Selling Business
4 Oct 2022	<ul style="list-style-type: none">AGM Date and Closing Date for Director Nominations
30 Sep 2022	<ul style="list-style-type: none">Appendix 4G and Corporate Governance Statement
30 Sep 2022	<ul style="list-style-type: none">Annual Report to shareholders

Date	Type
30 Aug 2022	• Preliminary Final Report
28 Jul 2022	• Commitments Test Entity - Fourth Quarter Activity Report
30 Jun 2022	• Initial Director's Interest Notice
30 Jun 2022	• Final Director's Interest Notice
8 Jun 2022	• Director Appointment/Resignation
28 Apr 2022	• Commitments Test Entity - Third Quarter Activity Report
22 Mar 2022	• Change of Director's Interest Notice
22 Feb 2022	• Appendix 4D and Interim Report (Half Yearly Report)
31 Jan 2022	• Commitments Test Entity – Second Quarter Activity Report

7.4 Financial Information

7.4.1 Set out below is the audited financial performance of BXN for the financial years ended 30 June 2020 (“FY2020”), 30 June 2021 (“FY2021”) and 30 June 2022 (“FY2022”) and the reviewed results for the half year ended 31 December 2022 (“HY2023”).

BXN Consolidated Statements of Financial Performance				
	FY2020	FY2021	FY2022	HY2023
Sale of goods	2,259,264	2,110,377	2,416,351	1,208,598
Other income	140,595	112,457	104,300	1,068,543
Cost of goods sold	(1,044,181)	(1,029,043)	(1,127,640)	(603,053)
Research and development	(130,243)	(89,726)	-	(49,099)
Personnel costs	(442,289)	(391,728)	(351,865)	(91,375)
Business development	(311,236)	(171,618)	(295,328)	(127,325)
Marketing	(41,361)	(42,199)	(21,296)	(13,890)
Professional fees	(167,705)	(143,374)	(176,954)	(115,588)
Compliance costs	(126,134)	(104,514)	(119,276)	(61,380)
Director fees	(212,126)	(236,127)	(285,297)	(96,324)
General and administration	(175,633)	(200,152)	(246,261)	(32,688)
Depreciation	(71,815)	(49,899)	-	-
Impairment	(263,199)	(224,423)	(132,660)	(148,375)
Foreign exchange loss	-	(34,072)	-	-
Borrowing costs	(7,032)	(1,684)	(582)	-
Loss before income tax	(593,095)	(495,725)	(236,508)	938,044

- 7.4.2 On 24 October 2022 the Company announced the sale of a 49% interest in the Direct Selling group of Companies. These Companies include Bioxyne International Pty Ltd, Bioxyne International (NZ) Limited, Bioxyne International Sdn Bhd, PT Gamata Utama, Global Treasure New Zealand Limited and New Zealand Nutritional Research Limited. The consideration included \$1 million in cash, which profit on sale is reflected in Other Income for HY2023. The disposal was made effective from 1 July 2022. Operating loss from ordinary operations excluding these sale proceeds totalled \$103,499.
- 7.4.3 Set out below is the reviewed Consolidated Balance Sheet of BXN as at 31 December 2022.

BIOXYNE LIMITED	
CONSOLIDATED BALANCE SHEET	
31 December 2022	
<u>CURRENT ASSETS</u>	
Cash and cash equivalents	3,793,141
Trade receivables	442,146
Current tax receivables	8,590
Other current assets	202,794
Inventories	182,180
	4,628,851
<u>NON-CURRENT ASSETS</u>	
Intangible assets	30,269
Plant and equipment	56,315
	86,584
	4,715,435
TOTAL ASSETS	
<u>CURRENT LIABILITIES</u>	
Trade and other payables	840,192
Provisions	22,729
	862,922
	862,922
TOTAL LIABILITIES	
NET ASSETS	
	3,852,513
<u>EQUITY</u>	
Contributed equity	63,197,536
Reserves	194,266
Accumulated losses	(59,454,112)
Equity attributable to owners	3,897,690
Non-controlling interest	(85,177)
TOTAL EQUITY	3,852,513
	(27,212)
Working capital (excluding cash)	(27,212)
Surplus cash (allowing for working capital)	3,765,929

8 VALUATION METHODOLOGIES

8.1 Selection of Methodology

8.1.1 In order to assess the fairness of the Transaction a value needs to be attributed to BLS and BXN.

8.1.2 In assessing the value of BXN and BLS we have considered a range of valuation methods. ASIC Regulatory Guide 111 *Content of Expert Reports* states that in valuing a company the expert should consider the following commonly used valuation methodologies:

- Market Value of Shares: the quoted price for listed securities in a liquid and active market;
- Capitalisation of Future Maintainable Earnings: the value of trading operations based on the capitalisation of future maintainable earnings or revenues;
- Discounted Cash Flow: the net present value of future cash flows;
- Realisation of Assets: the amount that would be available for distribution to security holders on an orderly realisation of assets;
- Comparable Market Transactions: the identification of comparable sale transactions.

We consider each of these valuation methodologies below.

8.1.3 *Market Value of Shares as Quoted on the ASX*

This method involves the valuation of an entity based on its actively traded equities, which represent the market capitalisation of the share capital, in a liquid and knowledgeable market.

Any assessment of the market value of the quoted equities needs to consider the following:

- The liquidity of the quoted equity based on the volume and frequency of trading;
- The number of ‘unusual’ and/or ‘abnormal’ trades that occur; and
- The timing and level of dissemination of information to the market.

If a quoted ordinary equity is traded in an active, liquid and knowledgeable market, then the market price of the quoted ordinary equity should represent the ‘fair’ market value of the quoted ordinary equity.

A premium may also need to be applied to the value of the quoted ordinary equity to determine the value of the equity holding in circumstances where a party is acquiring or increasing a controlling equity position.

We consider that adopting a market value of shares methodology to determine an indicative value of BXN is appropriate as it reflects all publicly available information on the company and therefore we believe it is a reliable reflection of the current value of BXN shares. We have however considered the lack of liquidity in the trading of BXN shares in considering a second valuation approach.

This method is not appropriate for BLS as their shares are not listed or publicly traded.

8.1.4 *Capitalisation of Future Maintainable Earnings*

Under the earnings based valuation method, the value of the asset is determined by capitalising the estimated future maintainable earnings or revenues of the asset at an appropriate capitalisation rate or multiplier. The multiple is a coefficient, representing the risk that the asset may not achieve projected earnings or revenues.

This method is appropriate in valuing an asset when there is a history of earnings or revenues, the asset is established and it is assumed the earnings are sufficiently stable to be indicative of ongoing earnings potential.

The multiple used to value an asset reflects the risk of investing in the asset and the investor's required return on the investment. Many assets or businesses are valued or compared on reported price earnings ratios, which examines the value based upon a multiple of net profit after tax. EBITDA (earnings before interest, tax, depreciation and amortisation), EBITA (earnings before interest, tax and amortisation) or EBIT (earnings before interest and tax) or some other earnings or revenue substitute can also be used in determining a valuation for a company.

The capitalisation of revenues is a frequently used method of valuing an ongoing and established business which generates revenue from the ownership of licences or intellectual property.

This approach is an appropriate method for the valuation of BLS as the businesses in the BLS group have a recent history of revenues on which a valuation can be based.

We have also considered the valuation of BXN under the capitalisation of revenues given the low liquidity in BXN share trading and the lack of net earnings on which a valuation can be based.

8.1.5 *Discounted Cash Flow – Net Present Value*

Discounted cash flow valuations involve calculating the value of an asset on the basis of the net cash flow that will be generated from the asset over its life. The cash flows are discounted to reflect the time value of money and the risk involved with achieving the forecast cash flows. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the valuation date to give an overall value of the asset.

Although the discounted cash flow approach relies on the availability of long-term cash flow forecasts, it is particularly suited to situations where cash flows are not stable or where significant cash outflows will be incurred prior to cash inflows being earned. The forecast period should be of such a length to enable the asset to achieve a stabilised level of earnings, or to be reflective of an entire operational cycle for more cyclical industries.

The use of the discounted cash flow method has not been considered appropriate for either BXN or BLS. No forecasts have been prepared by either company as management advise there is not a reasonable basis on which to base forecast assumptions.

8.1.6 *Realisation of Assets*

The net asset approach to value is based on the assumption that the value of all assets (tangible and intangible) less the value of all liabilities should equal the value of the entity.

This approach is generally not appropriate where assets are employed productively and are earning more than the cost of capital.

BXN and BLS are predominantly revenue based businesses. The book value of its assets may therefore not be representative of the inherent value of the business and therefore this approach has not been considered appropriate.

8.1.7 *Comparable Market Transactions*

This methodology involves the identification of comparable sale transactions for a similar industry company or business to that being valued.

We have considered transactions and trading activity involving comparable businesses in determining the appropriate revenue multiples to apply to the valuation of BLS.

We are not aware of any alternative offers or transactions for the acquisition of the shares in either BXN or BLS.

8.2 Premium for Control

8.2.1 When considering transactions involving a substantial equity holding of a company, it is appropriate to address whether a premium for control should attach to the Transaction. A premium for control is the difference between the price for each share that a buyer would be prepared to pay to obtain a controlling interest in a company and the price per share that would be required to purchase a share that does not carry with it a controlling interest. In most cases, the value of a controlling interest in the shares significantly exceeds the listed market value of the shares. This reflects the fact that:

- a) the owner of a controlling interest in the shares in a company obtains access to all free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder;
- b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds;
- c) the controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company;
- d) the entity taking over the company is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

8.2.2 Empirical evidence indicates that the average premium for control (over and above the market price of the company's shares) in successful takeovers in Australia generally range between 20% and 35% above the listed market price of the company's shares three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price). However, the appropriate premium for control depends on the specific circumstances and, in particular, the level of synergy benefits able to be extracted by

potential acquirers and the degree of confidence about the level and achievability of potential synergies and their timing.

- 8.2.3 Caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply a premium of 20-35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through a capital raising.
- 8.2.4 A shareholder or group of associated shareholders are deemed to influence a company when they have control of more than 20% of the issued shares in a company. At this time a premium for control should normally be considered.
- 8.2.5 A premium for control is relevant to the Transaction, as it will result in BLS Shareholders holding a relevant voting interest in BXN of 64.89%. We have assessed that a premium for control of 20% is appropriate for the purpose of this report. Market studies suggest that overall, median takeover premia in Australia have broadly been in the range of 20-35% over the four week pre-bid share prices. We have chosen to apply a control premium at the lower end of this range considering the fact that BXN has incurred losses in prior years of operation. This would impact on what the market would be prepared to pay as a premium for obtaining control of the Company.

8.3 Minority Interest Discount

- 8.3.1 The value of a minority shareholding is subject to a discount factor as the minority shareholder is not in a position to direct, and often not in a position to influence, the distribution of dividends, the investment of retained profits or the strategy and tactics of the company's operations.
- 8.3.2 BXN's existing Non-Associated shareholders interest will decrease to 33.29% as a result of the Transaction. We have discounted the post-Transaction value per share on a control basis by 15%, being the inverse of the 20% control premium, to arrive at a post-Transaction value on a minority basis.

9 VALUE OF BLS

9.1 Selected Methodologies

9.1.1 We have selected the Capitalisation of Revenues methodology to apply a value to BLS as detailed at section 8.

9.1.2 In forming an opinion on the valuation of BLS, and the selected methodology, HCC has considered the following:

- The historical operations and revenues of the business;
- The industry in which the business operates;
- The period of time for which the business has been operating;
- Information provided by management regarding future operations of the business.

9.1.3 *Financial information relied upon in applying selected valuation method*

We have reviewed the pro forma consolidated financial accounts of BLS summarised at section 6. Ultimately, the management of BLS are responsible for the preparation and presentation of the financial information provided. The purpose of our review is to establish that the financial information used is not materially misstated. This review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

9.2 Capitalisation of Future Maintainable Revenues

Future Maintainable Revenue

9.2.1 Future maintainable revenue (“FMR”) represent the level of revenue that the existing operations could reasonably be expected to generate, in the absence of unforeseen and exceptional circumstances. Given the startup nature of the BSL businesses, which are still trading at a net loss, and that revenues are generated based on the ownership of IP, we consider a multiple of revenue to be an appropriate basis for valuing BLS.

9.2.2 We have estimated FMR of BLS for the purpose of this valuation to be **\$4,408,435** based on the following revenue weightings:

	FY2022	FY2023
	Pro forma	Annualised
Revenue	2,818,602	4,805,893
Weighting ¹	20%	80%
FMR		4,408,435

¹ A significantly higher weighting has been placed on the current year annualised revenue to ensure the FMR is a reasonable estimate of the future earnings of BLS given the high growth rates being experienced by the BLS group companies.

Revenue Multiple

- 9.2.3 Businesses of a similar size and nature to BLS, based on our experience, generally sell at multiples of 1-3 times Revenue. Businesses that achieve higher multiples on sale usually typically have increasing revenues and earnings growth based on an established product or proven technology with growth in market share.
- 9.2.4 We have considered the trading and transaction multiples observed in the market for comparable companies to attribute a value to BLS. After reviewing the financial and non-financial information gathered on BLS, and our assessment concerning multiples for the business, HCC has chosen to apply a multiple range of **1.67 - 1.87 times Revenue**. The multiple chosen for the business has been based on the following:
- a) **Comparable Trading Multiples:** Trading multiples for similar listed companies to BLS range from 0.25 to 10.1 times Revenue, with a mean average multiple of 1.87 times Revenue, as detailed at Appendix IV 'Comparable Market Data'.
 - b) **Comparable Transaction Multiples:** There are limited examples of transactions involving companies directly comparable to BLS where deal results and earnings of the target are publicly available. Included in Appendix IV are details of three comparable transactions identified in the last three years. The target companies in these transactions had implied valuation multiples of 7.73 times, 0.57 times and 0.19 times revenue, averaging 2.77 times revenue.
 - c) The multiple range applied to BLS of 1.77 – 1.87 times revenue represents the average comparable company trading multiple at the high end and a 10% discount to this average due to the following:
 - BLS is significantly smaller than most of the listed comparable companies;
 - BLS does not have access to the working capital and funding opportunities of listed companies prior to the Transaction;
 - BLS may not have the diversity of business of comparable listed companies and may be more susceptible to earnings fluctuations;
 - BLS does not have the liquidity in shares that companies listed on the ASX have.
- 9.2.5 The main risks that the future maintainable revenues used in the valuation will not be achieved are:
- i) Failure to sustain current market share;
 - ii) Cost overruns for unforeseen events;
 - iii) The continuing employment of key management;
 - iv) Changes in demand in the market BLS operates;
 - v) Competitors entering the market or increasing market share;
 - vi) Unexpected costs to comply with laws and regulations;
 - vii) Changes in the general economic climate in which the Company operates.

9.2.6 The following table sets out the enterprise value of BLS based on the FMR and selected revenue multiple range detailed above:

	Low	High	Midpoint
FMR	4,408,435	4,408,435	4,408,435
Revenue Multiple	1.67	1.87	1.82
Enterprise Value	7,362,086	8,243,773	7,802,929

9.3 Equity Value

9.3.1 A valuation undertaken by capitalising revenue gives the aggregate fair market value or 'enterprise value' of the company on an ungeared basis. In order to obtain a value for the equity, an adjustment must be made to incorporate the value of surplus assets and deduct the value of net interest bearing debt.

9.3.2 Net debt of BLS for the purpose of this report totals \$10,841 as shown in the table at section 6.3.1. The adjustment for net debt and the resulting equity value of BLS is shown in the following table:

	Low	High	Midpoint
Enterprise Value	7,362,086	8,243,773	7,802,929
Net debt	(10,841)	(10,841)	(10,841)
Equity Value	7,351,245	8,232,932	7,792,088

9.4 Resultant Valuation of BLS

9.4.1 Based on the details above, we have determined the valuation of BLS as being between \$7,351,245 and \$8,232,932, with a midpoint value of **\$7,792,088** as at the date of this report.

10 VALUE OF BIOXYNE

10.1 Selected Methodologies

10.1.1 This section sets out our assessment of the underlying value of BXN shareholdings.

10.1.2 We have selected market value of shares and the capitalisation of revenues as the appropriate valuation methodologies for BXN as detailed in section 9.

10.2 Market Value of Shares

10.2.1 In our opinion the value of BXN for the purpose of the Transaction should be examined on the basis of the current market value of its shares listed on the ASX. The market value of the shares listed on the ASX reflects all publicly available information on the company and therefore we believe it is a reliable reflection of the current value of the Company.

10.2.2 Following is a graph of the trading of BXN shares over the last twelve months:



10.2.3 The table below sets out the movement of BXN share price and trading volumes up to and including 18 December 2022, immediately prior to the announcement of the Transaction:

	Low \$	High \$	VWAP (1)	Volume	Liquidity
1 month	0.019	0.027	0.024	2,899,720	0.4%
2 months	0.019	0.029	0.025	5,098,730	0.8%
3 months	0.017	0.029	0.025	10,679,220	1.6%
6 months	0.011	0.029	0.021	18,762,940	2.8%
12 months	0.011	0.029	0.019	36,094,940	5.4%

(1) The VWAP was calculated using the total value of all transactions divided by the total trading volume in the time period considered.

10.2.4 We conclude that the value of the BXN shares under the market value approach for the purpose of this report is \$0.024, being the VWAP in the last month of trading, within a range of \$0.021 to \$0.027. We note this valuation is on a portfolio basis and does not reflect a premium for control.

10.2.5 We therefore have determined that the value of the BXN shares under the market value approach for the purpose of this report is between \$0.0252 and \$0.0324, with a midpoint value of **\$0.0288**, inclusive of a 20% premium for control.

10.3 Capitalisation of Future Maintainable Revenues

10.3.1 We have estimated FMR of BXN for the purpose of this valuation to be **\$2,412,027** based on the following revenue weightings:

	FY2022 Audited	FY2023 Annualised
Revenue	2,416,351	2,417,196
Weighting ¹	20%	80%
FMR		2,417,027

¹ A significantly higher weighting has been placed on the current year annualised revenue to ensure the FMR is a reasonable estimate of the future earnings of BXN. Although we note that these do not materially differ to the actual revenues achieved in FY2022.

10.3.2 The following table sets out the enterprise value of BXN based on the FMR and selected revenue multiple range detailed at section 9.2 above:

	Low	High	Midpoint
FMR	2,417,196	2,417,196	2,417,196
Revenue Multiple	1.67	1.87	1.82
Enterprise Value	4,036,435	4,519,840	4,278,138

10.4 Equity Value

10.4.1 A valuation undertaken by capitalising revenue gives the aggregate fair market value or 'enterprise value' of the company on an ungeared basis. In order to obtain a value for the equity, an adjustment must be made to incorporate the value of surplus assets and deduct the value of net interest bearing debt.

10.4.2 Surplus cash of BXN for the purpose of this report totals \$3,765,929 as shown in the table at section 7.4.3. The adjustment for surplus cash and the resulting equity value of BXN is shown in the following table:

	Low	High	Midpoint
Enterprise Value	4,036,435	4,519,840	4,278,138
Surplus assets	3,765,929	3,765,929	3,765,929
Equity Value	7,802,364	8,285,769	8,044,067
Shares on issue	665,645,398	665,645,398	665,645,398
Value per share	0.0117	0.0124	0.0121

10.4.3 We therefore have determined that the value of the BXN shares under the capitalisation of revenue approach for the purpose of this report is between \$0.0117 and \$0.0124, with a midpoint value of **\$0.0121**.

10.5 Resultant Valuation of BLS

- 10.5.1 Generally the market value of shares approach should reflect a fair market value based on all publicly available information on the company. However given the low level of liquidity of BXN shares (5.4% traded in 12 months), we have considered the capitalisation of revenue approach to have equal weighting in determining the fair value range of BXN shares for the purpose of this report.
- 10.5.2 Considering the midpoint values from both valuation approaches detailed above, we are of the opinion that the valuation of BXN shares is between \$0.0121 and \$0.0288, with a midpoint value of **\$0.0203 per share** as at the date of this report.

11 ADVANTAGES & DISADVANTAGES OF THE TRANSACTION

11.1 Approach to assessing Fairness and Reasonableness

HCC has followed the guidelines of ASIC Regulatory Guide 111 in assessing the fairness and reasonableness of the Transaction. In forming its conclusions in this report, HCC compared the advantages and disadvantages for Non-Associated Shareholders if the Transaction proceeds.

11.2 Advantages of the Transaction

11.2.1 The Transaction may result in an increase in the equity value of Bioxyne by expanding the size of the combined BXN / BLS group, capitalising on the complementary geographies of the two entities and allowing further development of their product range.

11.2.2 The Transaction represents an opportunity for Bioxyne to hold a position in a business with the ability to generate greater revenues in a growing market. BLS should bring an uplift in revenue to Bioxyne and fast track attaining profitability. Directors expect that following the Transaction, Bioxyne would be able to significantly broaden its scale of operations in the health and wellness supplements industry whilst realising efficiencies in the post-acquisition integration of the two businesses.

11.2.3 The Transaction should provide a material increase in both size and scale of Bioxyne's operations. The complementary and diverse product range, and geographical representation, should deliver synergistic benefits for the combined group.

11.2.4 The Transaction may provide an opportunity for BXN shareholders to experience growth in the value of shares and significantly boost BXN' market capitalisation and liquidity in share trading given the potential of the BLS business and synergy benefits.

11.3 Disadvantages of the Transaction

11.3.1 There may be other opportunities BXN will not be able to undertake to realise the value of its listing if it accepts this Transaction due to the controlling interest being obtained by BLS Shareholders.

11.3.2 The Company will be changing the nature of its activities, which may not be consistent with the objectives of Non-Associated Shareholders and will reduce the possibility of alternative opportunities for the Company.

11.3.3 There are inherent risks associated with the BLS acquisition and business that should be considered by Non-Associated Shareholders, as outlined in the accompanying Explanatory Memorandum.

11.3.4 Following completion of the Transaction, the BLS vendors will collectively be the largest Shareholders of the Company and will have the ability to significantly influence or control the Company.

- 11.3.5 The Transaction may potentially reduce the likelihood of a takeover bid being made for the Company as a result of the controlling interest that the BLS vendors will have after completion of the Transaction.
- 11.3.6 BXN' existing Non-Associated shareholders interest will decrease to 33.29%, as a result of the Transaction.

12 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

12.1 Fairness

12.1.1 According to RG 111, for the Transaction to be fair, the value of BLS shares being acquired must be equal to or greater than the value of the consideration, being BXN shares.

12.1.2 Based on the details above, we have determined the valuation of BLS as being between \$7,351,245 and \$8,232,932, with a midpoint value of **\$7,792,088** as at the date of this report.

12.1.3 Based on the analysis contained in section 10 of this report, the indicative value of the shares being issued by BXN for BLS shares on a controlling interest basis is between \$0.0117 and \$0.0288, with a midpoint value of **\$0.0203**.

12.1.4 Our valuation of BXN shares is based on values prior to the Transaction on a controlling interest basis. In order to assess whether the Transaction is fair, we need to compare the pre-transaction value on a control basis with the post-transaction values on a minority basis, as the existing Non-Associated Shareholders of BXN will lose control of the Company to the Shareholders of BLS after the Transaction. This is shown in the table below on a post-consolidation basis:

BXN Value and Opinion	Low	High	Midpoint
Control value per share	\$ 0.0117	\$ 0.0288	\$ 0.0203
Shares on issue, pre-Transaction, post consolidation	665,645,398	665,645,398	665,645,398
Control valuation, pre-Transaction (\$)	7,802,364	19,170,587	13,486,476
Valuation of BLS (\$)	7,351,245	8,232,932	7,792,088
Post-Transaction Value (\$)	15,153,609	27,403,519	21,278,564
Post-Transaction shares on issue	1,895,645,398	1,895,645,398	1,895,645,398
Value per share (\$)	0.0080	0.0145	0.0112
Minority discount	15%	15%	15%
Post-Transaction Valuation per share	\$ 0.0068	\$ 0.0123	\$ 0.0095

12.1.5 In our opinion the Transaction is **not fair** as the value of the BXN share held by Non-Associated Shareholders decreases as a result of the Transaction.

12.2 Reasonableness

ASIC Regulatory Guide 111 states that a transaction is reasonable if:

- The Transaction is fair; or
- Despite not being fair the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

We have concluded that the Transaction is fair and therefore also reasonable. In forming our opinion we have also considered the following relevant factors.

- The Transaction may result in an increase in the equity value of Bioxyne by expanding the size of the combined BXN / BLS group, capitalising on the complementary

geographies of the two entities and allowing further development of their product range.

- The Transaction represents an opportunity for Bioxyne to hold a position in a business with the ability to generate greater revenues in a growing market. BLS should bring an uplift in revenue to Bioxyne and fast track attaining profitability. Directors expect that following the Transaction, Bioxyne would be able to significantly broaden its scale of operations in the health and wellness supplements industry whilst realising efficiencies in the post-acquisition integration of the two businesses.
- The Transaction should provide a material increase in both size and scale of Bioxyne's operations. The complementary and diverse product range, and geographical representation, should deliver synergistic benefits for the combined group.
- The Transaction may provide an opportunity for BXN shareholders to experience growth in the value of shares and significantly boost BXN' market capitalisation and liquidity in share trading given the potential of the BLS business and synergy benefits.
- The BXN Board are of the opinion that the Transaction is in the best interests of the Company's Shareholders and in the absence of a superior alternative proposal is a strategic opportunity for the Company.
- We are unaware of any alternative proposal at the date of this report that would realise better value for BXN shareholders.

Having considered the potential of BLS business and the alternatives of not proceeding with the Transaction, in our opinion the Non-Associated Shareholders of BXN should benefit if the Transaction proceeds and therefore, in our opinion the Transaction is **reasonable**.

Yours faithfully
Hall Chadwick Corporate (NSW) Limited

A handwritten signature in blue ink, appearing to read 'Drew Townsend', is written over a light blue rectangular background.

DREW TOWNSEND

APPENDIX I - SOURCES OF INFORMATION

- Bioxyne Limited audited financial report for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 and reviewed financial report for the half year ended 31 December 2022;
- BLS Pro forma Financial Reports for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 and the half year ended 31 December 2022;
- Term Sheet and Share Purchase Agreement between Bioxyne Limited and BLS;
- BXN Notice of General Meeting and Explanatory Memorandum;
- BXN and BLS Company registry details;
- BXN share trading history;
- Other publicly available information on BXN and BLS;
- Regulatory Guide 111 ‘Content of Expert Reports’;
- Regulatory Guide 112 ‘Independence of Expert’s Reports’;
- APES 225 ‘Valuation Services’.

APPENDIX II - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement HCC determined its independence with respect to BXN and BLS with reference to ASIC Regulatory Guide 112 (RG 112) titled “Independence of Expert’s Reports”. HCC considers that it meets the requirements of RG 112 and that it is independent of BXN and BLS.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with BXN, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend, director of Hall Chadwick Corporate (NSW) Limited, has prepared this report. Neither he nor any related entities of Hall Chadwick Corporate (NSW) Limited has any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

HCC provided a draft copy of this report to the Directors and management of BXN for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of HCC alone. Changes made to this report, as a result of the review by the Directors and management of BXN have not changed the methodology or conclusions reached by HCC.

Reliance on Information

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this report HCC has relied upon information provided on the basis it was reliable and accurate. HCC has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. HCC evaluated the information provided to it by BXN and BLS as well as other parties, through enquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially mis-stated. We believe the information relied upon provides reasonable grounds upon which to base this report.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS). HCC does not imply and it should not be construed that it has audited or in anyway verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix I of this report.

BXN has provided an indemnity to HCC for any claims arising out of any mis-statement or omission in any material or information provided by BXN to HCC in preparation of this report.

Qualifications

Hall Chadwick Corporate (NSW) Limited (“HCC”) carries on business at Level 40, 2 Park Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients. HCC’s representatives are therefore qualified to provide this report.

Consent and Disclaimers

The preparation of this report has been undertaken at the request of the Directors of BXN. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the report should be used for any other purpose than to accompany the Notice of General Meeting to be sent to BXN shareholders. In particular, it is not intended that this report should be used for any purpose other than as an expression of HCC’s opinion as to whether or not the proposed Transaction is fair and reasonable to Non-Associated shareholders of BXN.

HCC consent to the issue of this report in the form and context in which it is included in the Notice of General Meeting to be sent to BXN shareholders. Shareholders should read all documents issued by BXN that consider the proposed Transaction in its entirety, prior to proceeding with a decision. HCC had no involvement in the preparation of these additional documents.

This report has been prepared specifically for the Non-Associated shareholders of BXN. Neither HCC, nor any member or employee thereof undertakes responsibility to any person, other than a Non-Associated shareholder of BXN, in respect of this report, including any errors or omissions howsoever caused. This report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS).

Our opinions are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of the report, our conclusions and opinions may differ from those stated herein. There is no requirement for HCC to update this report for information that may become available subsequent to this date.

APPENDIX III - FINANCIAL SERVICES GUIDE

Hall Chadwick Corporate (NSW) Limited (“HCC”) carries on business at Level 40, 2 Park Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients.

The Corporations Act 2001 requires HCC to provide this Financial Services Guide (“FSG”) in connection with its provision of an independent expert’s report (“Report”) which is included in a Notice of Meeting (“Notice”) provided to members by the company or other entity for which HCC prepares the Report.

HCC does not accept instructions from retail clients. HCC provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. HCC does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, HCC’s client is the Entity to which it provides the Report. HCC receives its remuneration from the Entity. In respect of the Report for Bioxyne Limited (“BXN”) in relation to the proposed acquisition of all the issued shares in BLS, HCC will receive a fee for its services on a time cost basis estimated to be \$28,000, excluding GST.

No related body corporate of HCC, or any of the directors or employees of HCC or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Report.

HCC is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission. The following information in relation to the independence of HCC is stated in Appendix II of the BXN Report:

“Hall Chadwick Corporate (NSW) Limited (“HCC”) has a license to prepare reports under the Corporations Act and its representatives are qualified to provide this report. Prior to accepting this engagement HCC determined its independence with respect to BXN and BLS with reference to ASIC Regulatory Guide 112(RG 112) titled “Independence of Expert’s Reports”. HCC considers that it meets the requirements of RG 112 and that it is independent of BXN and BLS.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with BXN, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend, director of Hall Chadwick Corporate (NSW) Limited, has prepared this report. Neither he nor any related entities of Hall Chadwick Corporate (NSW) Limited has any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.”

HCC has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, membership number 11442.

HCC is only responsible for the Report and this FSG. Complaints or questions about the Notice should not be directed to HCC who is not responsible for that document. HCC will not respond in any way that might involve any provision of financial product advice to any retail investor.

APPENDIX IV – COMPARABLE COMPANIES ANALYSIS ¹

The table below shows trading multiples for listed companies comparable to BLS or subject to similar market forces and demand with market capitalisation below \$500 million:

Company Name	Market Capitalization (AUDmm)	Revenue Multiple (x)	EBITDA Multiple (x)
Inter Pharma Public Company Limited (SET:IP)	233.3	3.46	22.3
Luo Lih-Fen Holding Co., Ltd. (TWSE:6666)	185.1	3.2	23.1
Natural Beauty Bio-Technology Limited (SEHK:157)	183.9	2.28	22.7
Newtree Co., Ltd. (KOSDAQ:A270870)	109.0	0.276	5.51
Cosmax BTI, Inc. (KOSE:A044820)	100.6	0.83	10.0
McPherson's Limited (ASX:MCP)	99.3	0.555	18.1
Upexi, Inc. (NasdaqCM:UPXI)	81.0	1.33	NM
Nova Organic Public Company Limited (SET:NV)	76.2	1.15	NM
LifeVantage Corporation (NasdaqCM:LFPVN)	74.8	0.246	4.72
SHOBIDO Corporation (TSE:7819)	51.4	0.254	5.05
Shunten International (Holdings) Limited (SEHK:932)	45.9	1.47	10.0
Outin Futures Co., Ltd (KOSDAQ:A227610)	45.9	1.45	NM
DSwiss, Inc. (OTCPK:DQWS)	29.2	10.1	82.8
New Nordic Healthbrands AB (publ) (OM:NNH)	22.2	0.413	NM
Bioxyn Limited (ASX:BXN)	18.0	6.38	NM
CV Sciences, Inc. (OTCPK:CVSI)	8.37	0.377	NM
Anagenics Limited (ASX:ANI)	6.42	0.41	NM
Scott's Liquid Gold-Inc. (OTCPK:SLGD)	4.52	0.387	NM
Nosium AB (publ) (NGM:NOSIUM B)	3.68	1.57	NM
	Mean average	1.87	19.7

Comparable Transactions

There are few transactions involving companies directly comparable to BLS where deal values and multiples are made publicly available. Those identified are listed below.

Closing Date	Target/Issuer	Transaction Value (AUDmm)	Implied Enterprise Value/Revenue (x)	Buyers/Investors
04/03/2020	Walmart, a.s.	223.32	7.73	STADA Arzneimittel Aktiengesellschaft
08/04/2020	VMAlife Pte Ltd	2.51	0.567	Zinzino AB (publ) (OM:ZZ B)
29/01/2021	The Avon Company	180.66	0.19	Various

¹ Trading and transaction data have been sourced from S&P Capital IQ

Business Descriptions of Comparable Companies

Inter Pharma Public Company Limited manufactures, imports, and distributes dietary supplement products for humans and animals in Thailand. It operates through two segments, Human Healthcare and Animal Healthcare. In addition, the company offers nutraceuticals, medicated shampoos, cosmeceuticals, pet food, and livestock animal products. The company was founded in 2006 and is headquartered in Bangkok, Thailand.

Luo Lih-Fen Holding Co., Ltd. researches and develops, manufactures, and sells facial beauty care and cosmetic products in Mainland China. Its products portfolio includes washing, hydration, essence, and cream masks, as well as facial kits, eye kits, health preservation kits, oral health preservation food, and beauty care instruments. Luo Lih-Fen Holding Co., Ltd. was founded in 1986 and is headquartered in Grand Cayman, the Cayman Islands.

Natural Beauty Bio-Technology Limited, an investment holding company, offers skin care products and services in the People's Republic of China, Taiwan, and internationally. The company manufactures and sells skin care, beauty, aromatherapeutic, cosmetics, health supplements, and make-up products under the Natural Beauty brand. The company was founded in 1976 and is based in Wan Chai, Hong Kong.

Newtree Co., Ltd. provides health and beauty products. It offers skincare, weight management, and health functional food products, as well as health supplements. The company was founded in 2001 and is headquartered in Seongnam, South Korea.

Cosmax BTI, Inc. engages in the development, production, and supply of beauty products, health functional foods, pharmaceuticals, and special containers and equipment for customers in South Korea. The company was founded in 1992 and is headquartered in Seongnam, South Korea.

McPherson's Limited provides health, wellness, and beauty products in Australia, New Zealand, Asia, and internationally. It offers beauty care, hair care, skin care, and personal care items, including facial wipes, cotton pads, and foot comfort products; and vitamins and supplements, as well as various kitchen essentials, such as baking papers, cling wraps, and aluminium foils. The company sells its products primarily under the owned brands, including Dr. LeWinn's, A'kin, Manicare, Lady Jayne, Swisspers, Multix, Fusion Health, Oriental Botanicals, Moosehead, and Maseur. The company was founded in 1860 and is based in Kingsgrove, Australia.

Upexi, Inc. manufacture and sells various branded products in the health, wellness, pet, beauty, and other markets. The company was formerly known as Grove, Inc. and changed its name to Upexi, Inc. in August 2022. Upexi, Inc. was incorporated in 2018 and is headquartered in Clearwater, Florida.

Nova Organic Public Company Limited produces and distributes dietary supplements and health beverages in Thailand, southeast Asia, Europe, and Hong Kong. It offers nutritional supplement products for beauty under the Donutt collagen and Donutt Total fiberly brands; nutritional supplement products for holistic health care under the LIVNEST brand; and other products, such as Lingzhi Plus Shitake, Matsutake, Chompoo24, and Q-Tin for hair and scalp. The company was founded in 2013 and is based in Phra Samut Chedi, Thailand.

LifeVantage Corporation engages in the identification, research, development, formulation, sale, and distribution of nutrigenomic activators, dietary supplements, nootropics, pre- and pro-biotics, weight management, skin and hair care products, bath and body, and targeted relief products. LifeVantage Corporation is headquartered in Lehi, Utah.

SHOBIDO Corporation, together with its subsidiaries, engages in the planning, manufacturing, and selling cosmetic products in Japan and internationally. The company was formerly known as SHO-BI Corporation and changed its name to SHOBIDO Corporation in January 2020. SHOBIDO Corporation was founded in 1948 and is headquartered in Tokyo, Japan.

Shunten International (Holdings) Limited, an investment holding company, engages in marketing, sale, and distribution of health and beauty supplements and products in Hong Kong, Taiwan, and internationally. The company provides its products under its proprietary brands and private label brands. The company was formerly known as RM Group Holdings Limited and changed its name to Shunten International (Holdings) Limited in February 2018. Shunten International (Holdings) Limited was founded in 2002 and is headquartered in Kwai Chung, Hong Kong.

Outin Futures Co., Ltd operates as a design and cosmetic development company worldwide. It provides package design solutions, product development, and research and development services to the beauty and health industry. The company

offers professional ODM services for sheet mask, hydrogel mask and patch, skin care, sun care, and face make up applications. Outin Futures Co., Ltd was founded in 2000 and is headquartered in Seoul, South Korea.

DSwiss, Inc., a biotech-nutraceutical company, supplies health and beauty products in Malaysia, Singapore, Indonesia, Taiwan, Macau, Hong Kong, and China. Further, the company offers medical consumables, including surgical gowns and gloves, 3-ply face masks, N95 masks, protective goggles, body infrared thermometers, disposable bedsheets, and stretcher covers; and DNA microarray genotyping services. DSwiss, Inc. was incorporated in 2015 and is headquartered in Kuala Lumpur, Malaysia.

New Nordic Healthbrands AB (publ) develops and markets dietary supplements, natural medicines, and cosmetic products in Sweden. The company provides vitality products for immune system. The company sells its products through pharmacies, department stores, health stores, travel retailers, and beauty shops, as well as through online stores in 41 countries in North America, Canada, Europe, the United States, and internationally. New Nordic Healthbrands AB (publ) was founded in 1990 and is headquartered in Malmö, Sweden.

Bioxyne Limited, a life sciences and health products company, researches, develops, markets, and distributes dietary supplement and beauty products. It operates in two segments, Wholesale Sales and Direct Sales. The company engages in developing various functional foods and beauty products. Bioxyne Limited was incorporated in 1998 and is headquartered in Sydney, Australia.

CV Sciences, Inc. operates as a life science company in North America. It operates in two segments, Consumer Products and Specialty Pharmaceutical. The Consumer Products segment develops, manufactures, and markets plant-based dietary supplements and hemp-based cannabidiol (CBD) products under the PlusCBD, ProCBD, HappyLane, CV Acute, CV Defense, and PlusCBD Pet brand names in various health care sectors, including nutraceutical, beauty care, specialty foods, and pet products. The Specialty Pharmaceutical segment focuses on developing and commercializing cannabinoids to treat medical indications. The company was formerly known as CannaVest Corp. and changed its name to CV Sciences, Inc. in January 2016. CV Sciences, Inc. was incorporated in 2010 and is based in San Diego, California.

Anagenics Limited operates as a health and beauty-tech company in Australia, New Zealand, Japan, and internationally. The company develops and sales FGF5 inhibitor hair health and hair growth products under the evolix, evolix Professional, Lexilis Hybrid, Jo-Ju RED, and Lexilis BLACK brands. The company was formerly known as Cellmid Limited and changed its name to Anagenics Limited in December 2021. Anagenics Limited was incorporated in 2004 and is based in Sydney, Australia.

Scott's Liquid Gold-Inc., together its subsidiaries, develops, markets, and sells household, and health and beauty care products in the United States. It operates in two segments, Household Products, and Health and Beauty Care Products. Scott's Liquid Gold-Inc. was founded in 1951 and is headquartered in Greenwood Village, Colorado.

Nosium AB (publ) develops, distributes, and sells natural beauty and health products in Sweden. It is also involved in the building of knowledge platforms; and development and distribution of organic skin care and raw food products through retailers and online. The company was formerly known as Scandinavian Health Innovations AB (publ) and changed its name to Nosium AB (publ) in June 2021. Nosium AB (publ) was founded in 1994 and is headquartered in Stockholm, Sweden.