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30 July 2024

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2024

Bioxyne Limited (ASX:BXN) ("Bioxyne" or "the Company") is pleased to report on its activities for the quarter ended 30 June 2024 ("the Quarter" or "the Reporting Period").

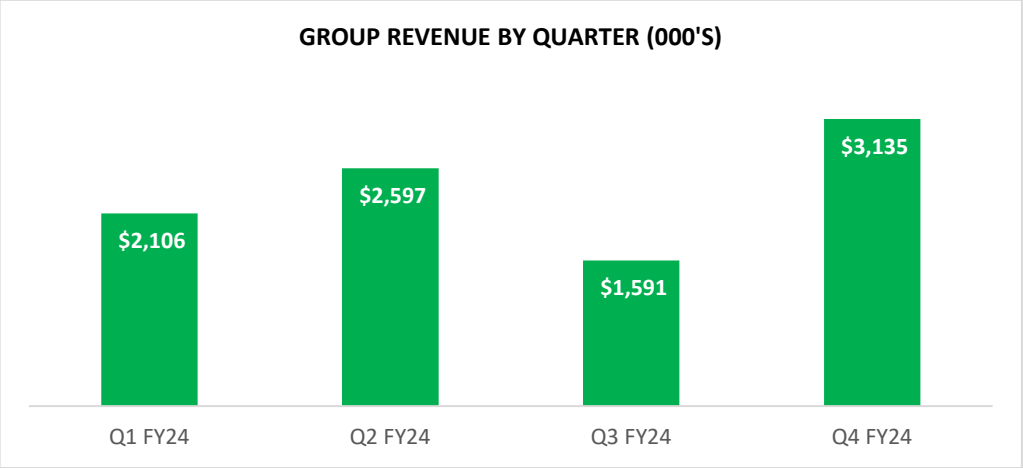
Highlights:

- **Revenue of $3.1 million for the Quarter, full year of $9.43 million.**
- **Return to growth trajectory after Q3 FY2024 revenue dip due to office of drug control permitting delays**
- **Significant growth in revenue following Good Manufacturing Practice (GMP) facility production ramp-up**
- **Collaboration agreement signed with Switzerland's Cy Biopharma AG to develop new psilocybin therapies**
- **Cash on hand 30 June 2024 is at $1.0 million, with a further $2 million in net trade working capital.**

Results

Group revenue for the fourth quarter was approximately $3.1 million, with revenue for the financial year 30 June 2024 at $9.43 million, which is a 25% increase on the aggregated revenue for FY2023 of $7.5 million.

Breathe Life Sciences ("BLS"), Bioxyne's 100% owned subsidiary and licensed manufacturer, achieved a record revenue quarter in June 2024. Group revenue for H2 2024/H2 2023 to allow for the supply constraint in Q3 2024 show a revenue increase of 40%.

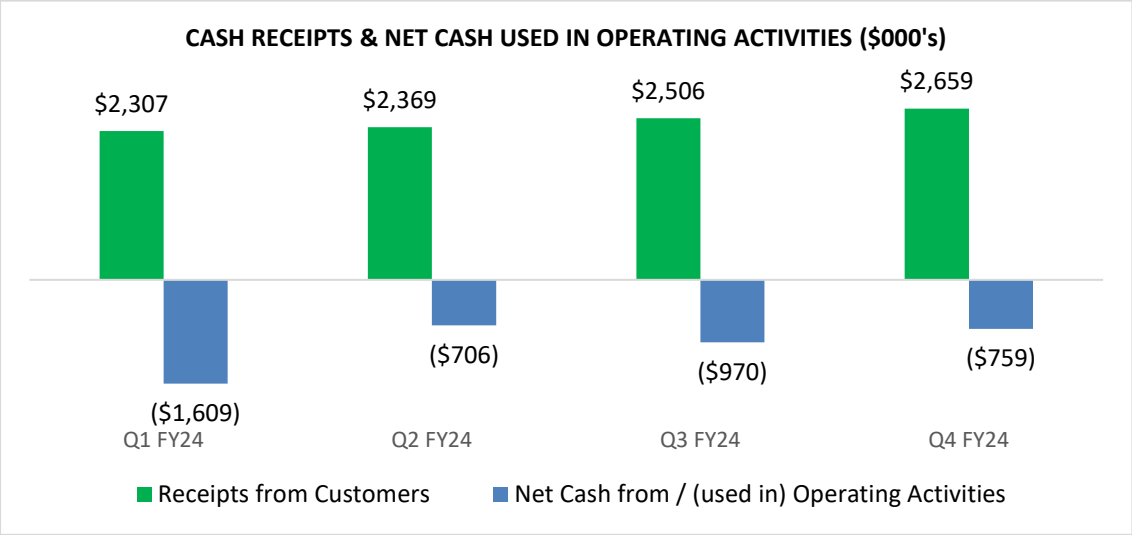


PCC® probiotics, Bioxyne's patented probiotic strain, wholesale revenue for the Quarter achieved a strong rebound with results above the prior year for the quarter.

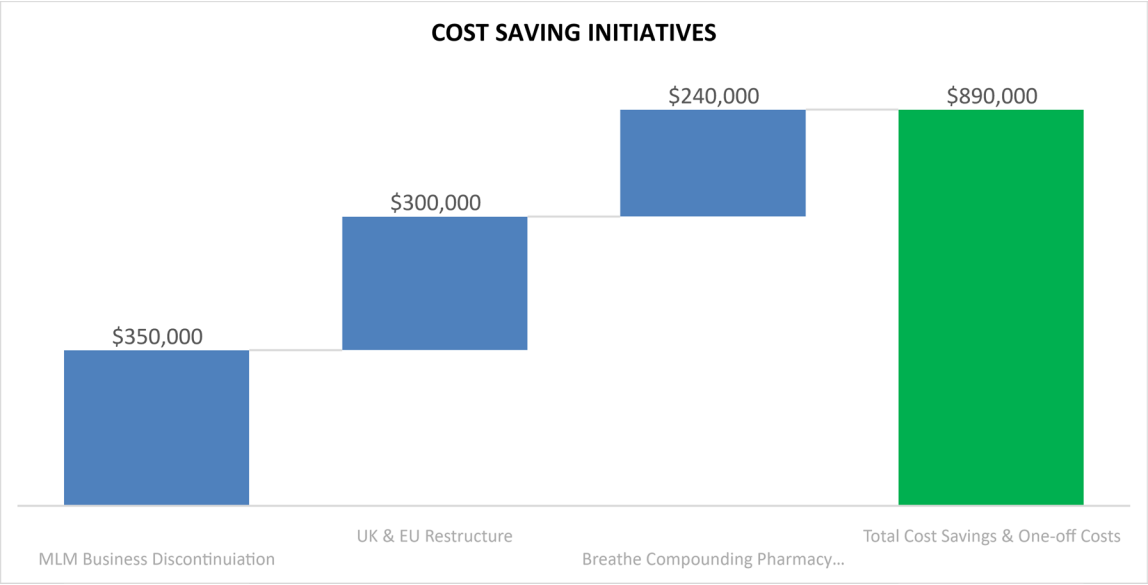
The Group has discontinued its unprofitable direct sales operations in Asia. The Company has retained the licence to operate in Malaysia and Indonesia should the opportunity arise to reactivate or divest this business.

Operations

The Company continued to focus on reduction of its operational cost base whilst growing topline revenue and cash receipts, with an expectation that the group will reach a point of cash flow positive in the coming FY25 half.



Several cost-saving initiatives have been implemented throughout FY24, which will continue to drive financial improvement into FY25, with an estimated total of $0.89m in annual cost savings now implemented.



The group has also incurred one-off costs of $0.65m in relation to the establishment of its Good Manufacturing Practice (GMP) Facility which will continue to underpin future revenue growth.

Commenting on the Quarter's activities, Sam Watson, Chief Executive Officer, stated: *"Breathe Life Sciences made several remarkable achievements in 2024 and we are on track to become a significant global player in medical cannabis and psychedelic therapies. Being awarded Australia's first GMP certification for psilocybin and MDMA following rescheduling of these medicines is a monumental achievement. We also built and deployed our Australian GMP manufacturing facilities to serve rapidly growing Australian and international demand."*

"In the last twelve months BXN has significantly restructured its cost base to focus on its highest growth business segments. The business is now in a strong position to deliver positive cashflows and EBITDA going forward."

The Company commenced manufacturing under its new GMP licence mid-March 2024, and has made significant progress in the Quarter. Monthly GMP flower packing production reached 50,000 units (500 kg per month) in June 2024.

Post quarter end, BLS manufactured Australia's first GMP cannabis gummies (pastilles) and released for commercial sale. The Company is now scaling up its THC and CBD gummy/pastille manufacturing to supply both Australian and overseas clients.

Consistent with the objective of becoming Australia's leading manufacturer of novel medicines, the Company signed an agreement in May 2024 with Cy Biopharma AG to develop and distribute novel medicines derived from Psilocybe cubensis fungi in Australia and New Zealand.

BLS will manufacture and supply Australian, New Zealand, US, and European clinical trials with novel Psilocybin products to develop proprietary formulations and drug delivery methods, as well as supply Australian patients via the authorised prescriber scheme.

Investment in inventory has increased from $995,000 at 30 June 2023 to $2.2 million at 30 June 2024.

Net trade working capital including inventory at 30 June 2024 was $2 million.

Corporate

Through a placement to sophisticated investors, the Company raised $1.45 million with the issue of 145 million new shares at $0.01 per share during the quarter.

On the first anniversary of the acquisition of BLS, being 19 May 2024, 1.32 billion shares were released from voluntary escrow. BLS shareholders holding approximately 1 billion shares agreed to a further year of voluntary escrow.

The Group had a net cash outflow of $0.75 million for the Quarter, principally due to inventory holding and timing of receivables. The receivables are current and amount to $1.9 million at 30 June 2024.

The Company paid directors fees and salaries in the amount of $157,000 for the quarter.

Cash balance at the end of the quarter is $1.0 million.

This announcement has been approved for release by the Board.

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About Bioxyne

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

About Breathe Life Sciences (BLS)

Breathe Life Sciences ("BLS") is a wholly owned subsidiary of Bioxyne Ltd (BXN:ASX) and licensed manufacturer, sponsor, importer and exporter of controlled substances (S3, S4, S8, and S9) in Australia.

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

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

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

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

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

Corporate: https://bioxyne.com

Australia: https://bls.com.au

International: https://breathelifesciences.com

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

Appendix 4C

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

Name of entity

Bioxyne Limited

ABN	**Quarter ended ("current quarter")**
97 084 464 193	30 June 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,659	9,841
1.2	Payments for		
	(a) research and development	(624)	(624)
	(b) product manufacturing and operating costs	(1,274)	(7,168)
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs (including directors fees)	(1,106)	(3,604)
	(f) administration and corporate costs	(417)	(2,520)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	31
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(759)**	**(4,044)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(35)	(132)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material) cash on acquisition of subsidiary		
2.6	**Net cash from / (used in) investing activities**	**(35)**	**(132)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,350	1,350
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Loan to Breathe Life Sciences		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other – timing of funds received for capital raise	(341)	(34)
3.10	**Net cash from / (used in) financing activities**	**1,009**	**1,316**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	749	3,846
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(759)	(3,285)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(35)	(132)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,009	1,316
4.5	Effect of movement in exchange rates on cash held	64	42
4.6	**Cash and cash equivalents at end of period**	**1,028**	**1,028**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,028	548
5.2	Call deposits	-	201
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,028**	**749**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	157
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

The amount in item 6.1 represents directors fees and salaries.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	

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

The Company raised $1.45 million in April 2024

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(759)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,028
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	1.4

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

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

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

Additional costs incurred in the period in setting up manufacturing facility and research and development in relation to the manufacture of the first products. See significant R&D spend in this quarter. These costs were once off and non-recurring. In addition, the group incurred costs in discontinuing the direct sales business in Malaysia and Indonesia, has discontinued its pharmacy operations and undertaken restructuring in the UK and EU further reducing costs.

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

The Company has the ability to raise additional capital if required.

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

The Company has forward orders for its GMP manufacturing facility which will utilise the significant investment the Company has made in product development and enable it to generate positive cash flow going forward. The Company received a $925k deposit against one production order in July 2024.

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2024.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.