



ANNUAL REPORT

for the Year Ended 30 June 2024





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Chairman and Chief Executive Officer Report

2024 has been a transformative year for Bioxyne following the successful integration of its merger with Breathe Life Sciences (BLS). The merged group has significantly expanded its geographical footprint and revenues, with direct sales, wholesale and manufacturing operations in UK, Europe, Japan, USA and Australia. The merger in May 2023 has enabled Bioxyne to widen and deepen its product offerings with its focus on novel pharmaceutical manufacturing and sales including medicinal cannabis, Psilocybin and MDMA. Bioxyne is on course for continued growth and profitability.

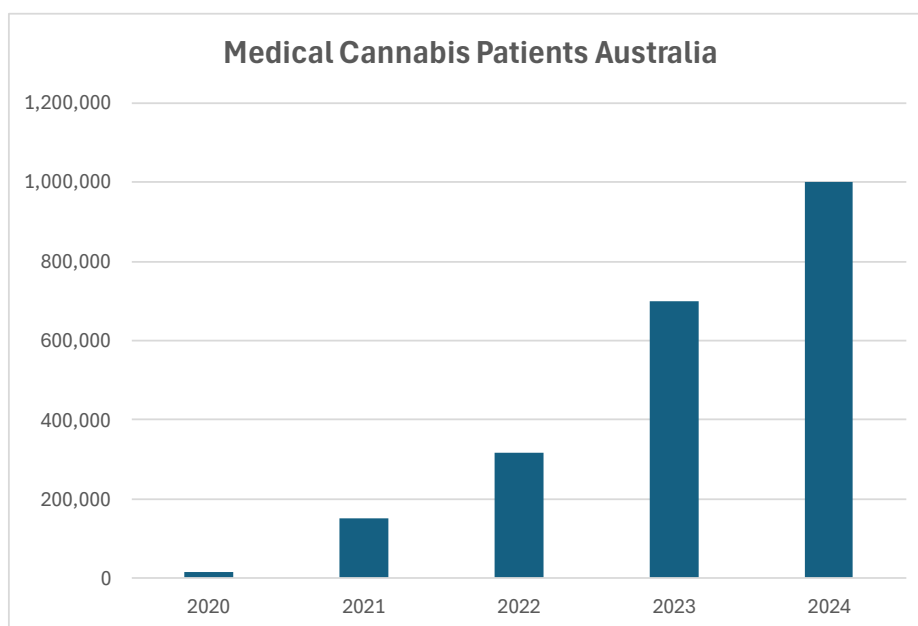
In the latter part of the year, The Company discontinued its direct sales operations in Malaysia and Indonesia. We continue to hold the direct sales licenses in those countries. Discussions are ongoing for the sale of our 51% interest in the business.

Our Focus

Bioxyne focuses on three main high growth areas:

- Pharmaceutical manufacture and wholesale supply (business to business) of novel medicines, medicinal cannabis, Psilocybin, and MDMA under Bioxyne’s wholly owned licensed (TGA, ODC, QLD Health) subsidiary BLS Wholesalers Pty Limited.
- Manufacture and distribution (wholesale, online, and retail) of consumer health and novel food products (cannabidiol and functional mushrooms) under the company’s Dr Watson® brand (regulated by FSA, EFSA) in the UK, Europe, and Japan.
- Wholesale of patented Probiotics for gastrointestinal health and immunity, primarily to the USA.

In 2018, there were 18,000 medical cannabis patients in Australia. As of 2024 this number has grown to over 1,000,000 patients. The rapid growth of Australian medical cannabis to an estimated \$800m per year has been a boon to Bioxyne, which has developed competitive advantages in this key home market. In February 2024, BLS Wholesalers Pty Limited was granted a TGA license to manufacture medicines and active pharmaceutical ingredients (APIs): Australia’s first GMP license specifically permitting Psilocybin (mushroom extract) and Schedule 3, 4-Methylenedioxymethamphetamine (MDMA), as well as a comprehensive list of cannabis medicines (flower, gummies, oral liquids, vapes, capsules, and more).



Source: 2020 to 2022 TGA 2023 and 2024 estimated

Chairman and Chief Executive Officer Report

This significant milestone demonstrated Bioxyne’s ability to successfully navigate the most complex regulatory environments and will underpin the future of the Company’s success. It has also opened up endless commercial opportunities in both Australia and international markets such as the UK and Europe, where the TGA GMP certificate is recognized under the Pharmaceutical Inspection Convention Scheme (PICs).

As an internationally established manufacturer of medicines, Bioxyne operates in a highly regulated market with significant barriers to entry.

Highlights for 2023/24 included:

- Binding Terms sheet signed between BXN and BLS - December 2022
- BLS’ First importation and supply of THC flower to the Australian market - January 2023
- Merger with Breathe Life Sciences Group on 19 May 2023- integration completed in July 2023
- Discontinued non-core direct sales operations in Malaysia and Indonesia - 31 December 2023
- Gaining TGA certification and extensive GMP license for the Company’s pharmaceutical manufacturing and flower packing facility - February 2024
- First GMP production of THC products released for supply from BLS Brisbane facility - March 2024
- Successfully completed a placement of \$1.45 million to sophisticated and wholesale investors - April 2024
- Achieving 2024 total revenue of \$9.66m (2023: \$5.35m) - growth of 81%
- Signed collaboration Agreement with Switzerland’s Cy Biopharma AG to develop new Psilocybin therapies in Australia - May 2024

The successful merger with BLS on 19 May 2023 gave Bioxyne access to a wider geographical distribution. The TGA accredited GMP manufacturing license provides end to end GMP capabilities in innovation of new product development to processing technologies and manufacturing.

Summary of Financial Results

Sales in 2024 of \$9,325,020 (2023: \$5,160,538 which represents one years’ sales from BLS and one months’ sales (following date of acquisition) of BXN.) grew by 79%. The growth was attributed to medicinal cannabis sales in Australia after the grant of a GMP licence by the TGA in February 2024. Other markets in Europe and Japan continued to grow organically.

The underlying operating loss for the year was \$1,406,641 (adjusted for a goodwill write off of \$11,568,010 and a discontinued operations loss of \$526,072).

	2024	2023¹
	\$	\$
Underlying operating loss for the year	(1,406,641)	(1,916,264)
Add: non-cash impairment of goodwill	(11,568,010)	-
discontinued direct sales business	(526,072)	(48,179)
Loss for the year	<u>(13,500,723)</u>	<u>(1,964,443)</u>

¹represents the results of BLS for twelve months and BXN for one month following acquisition on 19 May 2023.

Chairman and Chief Executive Officer Report

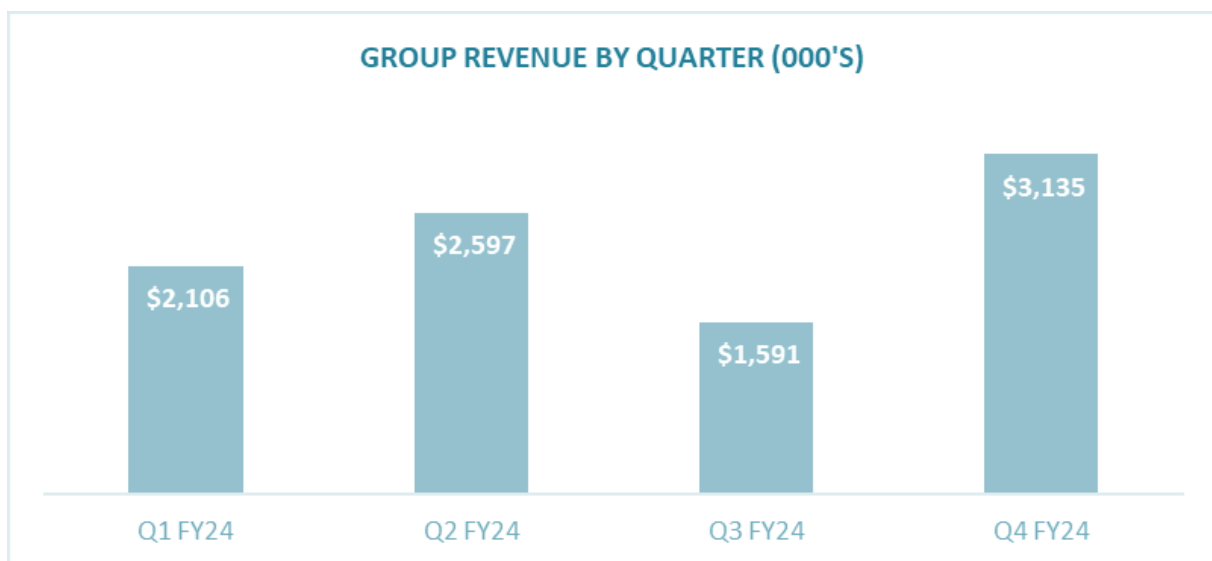
The 2024 result includes a write down of the goodwill on the reverse acquisition by Breathe Life Sciences of Bioxyne in May 2023 in the amount of \$11,568,010 and a loss of \$526,072 in the discontinued direct sales business.

Shareholder equity decreased to \$3,299,556 (2023: \$15,006,135) reflecting the non-cash write off of goodwill arising on business combination of \$11,568,010 and the result for the year.

The financial statements of Bioxyne Limited for the year ended 30 June 2023, following the acquisition of Breathe Life Sciences, are accounted for under Australian Accounting Standard (AASB) 3, as a Reverse Takeover. Consequently, the prior year results presented in these financial statements reflect the financial performance of Breathe Life Sciences for the full year ended 30 June 2023 and the results of Bioxyne Limited for the period subsequent to acquisition, being the month of June 2023.

New products launched were well-received, with strong market acceptance and rapidly gaining market share. Quarterly revenue figures are as outlined below, with ongoing sales growth in Q1 FY2025.

Bioxyne Group 2024 Revenues - by Quarter



Outlook

The Bioxyne Group has successfully integrated the acquisition of BLS. With the TGA granted GMP manufacturing license in Australia, Bioxyne expects cash flow positive and profitable trading by 30 June 2025. The Company will continue to drive efficiencies and accountabilities from the business. The Company will ensure that it maintains open and transparent communications with our shareholders and stakeholders as we continue our journey to profitability.

Chairman and Chief Executive Officer Report

Corporate

At the 17 November 2023, Mr. N. H. Chua retired from the board. On behalf of the Board and Shareholders we thank you, Chua for his contributions to the Company.

The Company successfully completed a placement of \$1.45 million to sophisticated and wholesale investors in April 2024 with 1,450,000 shares issued at 1 cent per share.

On behalf of the Board, we thank our shareholders and dedicated teams from UK, Europe, Switzerland, Japan and Australia for their support. With your continued support we were able to successfully integrate the merger of our companies and achieve significant market share in our markets, making Bioxyne and BLS well positioned to become a global supplier of GMP manufactured novel medicine products to our customers.

Yours sincerely,



Anthony Ho
Non-executive Chairman
30 September 2024



Sam Watson
Chief Executive Officer

Commercial Milestones to Date



Corporate Governance Statement

Bioxyne, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Bioxyne. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations

The fourth edition of ASX Corporate Governance Council Principles and Recommendations (the "Principles") sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company's corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 30 September 2024 and is available on the Company's website: <http://www.bioxyne.com/site/investor-centre/corporate-governance>.

Directors Report

Your directors present their report together with the financial statements on Bioxyne Limited (ASX: BXN) for the year ended 30 June 2024.

Directors

The following persons were directors of Bioxyne Limited during the financial year and up to the date of this report:

Anthony Ho	Non-Executive Independent Chairman
Samuel Watson	Executive Director, Chief Executive Officer
Jason Hine	Executive Director
N H Chua	Executive Director (resigned 17 November 2023)

Information on Directors as at Report Date

Anthony Ho, B. Com., CA, FAICD, FCG(CS), FGIA (Non-Executive Independent Chairman)

Mr Ho was appointed on 30 October 2012.

Mr Ho is an experienced company director having held executive directorships and chief financial officer roles with several ASX listed companies. Tony was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. His corporate, general management and governance experience includes being chief financial officer/finance director of M.S. McLeod Holdings Limited, Galore Group Limited, the Edward H O'Brien group of companies.

Mr Ho is currently the chairman of NZX/ASX listed Truscreen Group Limited (NZX/ASX: TRU). He was previously chairman of Cannasouth Limited, Energy Transition Metals Limited, and Credit Intelligence Limited and a non-executive director of Hastings Technology Metals Limited.

Prior to joining commerce, Mr Ho was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young. Mr Ho holds a Bachelor of Commerce degree from the University of New South Wales and a graduate diploma in marketing from University of Technology, Sydney. He is a member of Chartered Accountants Australia and New Zealand and a fellow of the Australian Institute of Company Directors, Chartered Governance Institute (Company Secretary) and Governance Institute of Australia.

Samuel Watson (Executive Director, Chief Executive Officer) BSc Finance and Economics from the New York University Stern School of Business.

Sam Watson was appointed on 19 May 2023.

Sam is the founder and CEO of Breathe Life Sciences (BLS). Since establishing BLS and the Dr Watson Brand in 2018, BLS has become a significant player in the health and wellness industry in Europe, UK and Japan. In 2020, BLS entered the Australian market and has grown rapidly into a market leading manufacturer of novel medicines such as MDMA, Psilocybin, and Cannabis.

Sam is the CEO and founder of Breathe International Ltd, which became Bioxyne's largest shareholder following its all-share acquisition of BLS in May 2023.

Directors Report

Jason Hine (Executive Director)

Mr Jason Hine joined BLS as a Director on 14 November 2022 and was appointed a Director of Bioxyne on 19 May 2023.

Mr Hine was previously the GM Commercial Operations for ECS Botanics Limited, an Australian medicinal cannabis cultivator 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 an executive director of several companies spanning the manufacturing, power distribution, finance, negotiation, consulting and training industries over a 30 year career.

Company Secretary

Mr Guy Robertson B.Com (Hons) CA

Mr Guy Robertson was appointed Company Secretary and Chief Financial Officer on 1 September 2016.

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 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.

Principal Activities and Strategy

Bioxyne Limited acquired Breathe Life Sciences (BLS) on 19 May 2023. The activities reflect the combined businesses of Bioxyne and Breathe Life Sciences as outlined below.

Bioxyne Limited is an international Australian life sciences company headquartered in Sydney, and parent company of the Breathe Life Sciences Group. Bioxyne and wholly owned subsidiary [Breathe Life Sciences](#) manufacture and distribute consumer health products, patented probiotics, health supplements, therapeutic goods, and alternative novel medicines.

In Australia, Breathe Life Sciences is the market leader in the manufacture and supply of medical cannabis pastilles ("gummies"). BLS is also a leading manufacturer of multiple other cannabis products, such as THC flower, vapes, and oral liquids. BLS holds controlled substance licenses to import, export, wholesale and a TGA Good Manufacturing Practices (GMP) licence to manufacture Schedule 3,4 and 8 poisons controlled drugs including cannabis, MDMA, and Psilocybin (Medicinal cannabis), operating a wholesale distribution model. Outside of Australia, the business has manufacturing and distribution centres in Japan, the UK, and Europe, and operates both business to business and direct to consumer with supply of its trademarked Dr Watson® brand.

The Group has a global distribution agreement with Denmark's Chr Hansen to manufacture, market, supply and distribute its proprietary probiotic strain of *Lactobacillus Fermentum PCC®* for over-the-counter gut health immune supplement products. Bioxyne, also, has a supply agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.

Directors Report

The Group has a 51% interest in a direct sales group of companies that contract manufactures wellbeing and nutritional supplements in New Zealand and distributes through direct sales channels in Asia. The Company is seeking to divest its interest in this direct selling business. Trading results from this activity is reported as a discontinued business.

Dividends

No dividends were paid to members during the financial year (2023: \$Nil).

Review of Operations

Ongoing Activities

Bioxyne Limited's core business, following the acquisition of Breathe Life Sciences Pty Limited on 19 May 2023, is the manufacture and sale of medicinal cannabis products. In February 2024 the Company was awarded Australia's first Good Manufacturing Practice ("GMP") license to manufacture Psilocybin and MDMA, as well as numerous medical cannabis products.

BXN's wholesale sales business of its proprietary probiotic *Lactobacillus Fermentum PCC*[®] continues to be an important contributor to the business with revenues increasing by 50% to \$0.9 million for the year

The Group has a 51% interest in a direct selling group of companies which contract manufacture in New Zealand and sell wellbeing and nutritional supplements into Asia. The Company is negotiating to sell this interest to its joint venture partner.

Operating Results

Sales in 2024 of \$9,325,020 (2023: \$5,160,538 which represents one years' sales from BLS and one months' sales (following date of acquisition) of BXN.) grew by 79%. The growth was attributed to medicinal cannabis sales in Australia after the grant of a GMP licence by the TGA in February 2024. Other markets in Europe and Japan continued to grow organically.

The underlying operating loss for the year was \$1,406,641 (adjusted for a goodwill write off of \$11,568,010 and a discontinued operations loss of \$526,072).

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Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group other than as outlined in this report.

Matters Subsequent to Balance Date

On 21 August 2024, the Company announced entering into a manufacture and supply agreement with one of Australia's major medicinal cannabis companies to supply THC and CBD medical pastilles ("gummies"). Forecast revenue from this agreement over 24 months is approximately \$28m.

On 23 September 2024, the Company announced a further manufacturing and supply agreement with another major Australian medicinal cannabis company to supply THC and CBD medical pastilles and THC flower products. Forecast revenue from this agreement over 12 months is approximately \$5.94m.

Other than the foregoing, there are no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- a) The Group's operations in future financial years; or
- b) The results of those operations in future financial years; or
- c) The Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

- Continued expansion of its pharmaceutical manufacturing capacity;
- B2B sales and distribution of its core products and services (pharmaceutical products and manufacturing);
- expanding the scope of its product offerings to existing and potential customers;
- expanding the direct selling business models;
- expanding proprietary brand sales (Dr Watson and BLS) and product ranges for sale in key markets; and
- pursuing strategic acquisition opportunities to expand its business options in high-growth markets and enhancing its service offerings.

The Group is subject to a number of risks relative to the combined business, as outline below.

Maintaining licences and permits and regulatory requirements:

The 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 businesses of the Combined Group are subject to government regulations in each jurisdiction. Any changes in those regulations may impact on the Company's performance.

Directors Report

Reliance on key relationships:

Bioxyne and BLS currently rely on various key customer and supplier relationships in certain jurisdictions of their respective businesses. The loss or impairment of any of these relationships could have an adverse effect on the Group's results or operations, financial condition and prospects, at least until alternative arrangements can be implemented.

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. Any loss of senior management or directors will have a detrimental impact on the performance of the Group or its growth potential.

Growth prospects and expansion plans:

A significant factor to the 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.

Environmental regulation

The Group's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Company's obligations and is not aware of any breach of environmental requirements as they relate to the Company.

Indemnification and Insurance of Officers

During the financial year the Company paid premiums in respect of a contract insuring Directors, Chief Financial Officer and Company Secretary of Bioxyne and Executive Officers against a liability incurred to the extent permitted by the Corporations Act, 2001. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the insurance contract.

Indemnification and Insurance of Auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Shares Issued on the Exercise of Options

No shares were issued during the year on the exercise of options, and there are no options on issue.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Directors Report

Audit and non-audit services

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2024	2023
	\$	\$
RSM Australia Pty Ltd		
Audit of financial reports	110,000	150,000
Other services	-	-
Total remuneration for audit and other services	110,000	150,000

Meetings of directors

The numbers of meetings of the Company's board of directors held during the year ended 30 June 2024, and the numbers of meetings attended by each director were:

	A	B
Full Meetings of Directors		
Mr Anthony Ho	7	7
Mr Samuel Watson	7	7
Mr Jason Hine	7	7
Mr N H Chua	2	2

A = Number of meetings attended

B = Number of meetings held during the time the director held office during the year

The full Board deals with audit and risk committee and remuneration and nomination committee matters.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19.

Auditor

RSM Australia Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Directors Report

Remuneration report

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives, and the ability of the Group to attract, motivate and retain highly skilled directors and executives.

Remuneration committee

The Remuneration Committee of Directors is responsible for determining and reviewing compensation arrangements for the directors, the managing director and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Salaries are reviewed periodically by the Committee but there is no specific link to Company performance as the Group has, until recently, been engaged mainly in research and development and linking remuneration to R&D outcomes would be inappropriate. In future, remuneration will be linked to the success in expanding distribution of the Company's product range.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Performance evaluation of Board Members and Senior Executives

A formal evaluation for those executives, who have been with the Group for the year under review was undertaken.

The Chairman reviews the performance of the directors on an annual basis and in turn asks for feedback on his performance.

Non-executive director remuneration

Objective

The Board of Directors recognises that the success of the Group will depend on the quality of its directors and its senior management. For this reason, the Remuneration Committee reviews the remuneration arrangements for all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified directors and executives.

Structure

Bioxyne's Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them. The latest determination was at the Annual General Meeting held on 28 November 2022 when shareholders approved an aggregate remuneration amount of up to \$250,000 per year.

Directors Report

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned between directors is reviewed annually. The Board takes into account the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the period ending 30 June 2024 is detailed in Table 4 of this report.

Senior manager and executive director remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee reviews market conditions and the circumstances of the Group to ensure that the remuneration offered is sufficient to attract executives of the highest calibre.

The Group has not tabled figures for earnings and shareholders' funds for the last five years as, being a company in the development phase, these historical figures have little relevance in determining current remuneration structure. Board Directors are remunerated in accordance with comparative small ASX listed companies.

Service Agreements

The Chief Executive Officer Mr Samuel Watson has a service agreement with a remuneration package of \$300,000, which can be terminated by either party with six months' notice. The Chief Operating Officer, Mr Jason Hine, has a service agreement with a remuneration package of \$220,000 which can be terminated by either party giving three months notice,

Share Based Payments

Share based payments for key management personnel are set out in note 26.

Table 1 - Option holdings of key management personnel

No options are held by key management personnel as at 30 June 2024.

Table 2 - Performance rights holdings of key management personnel

30 June 2024

Directors	Opening balance	Remuneration	Lapsed	Balance 30/06/2024
Samuel Watson	20,000,000	-	10,000,000	10,000,000
Jason Hine	6,666,667	-	3,333,334	3,333,333
Total	26,666,667	-	13,333,334	13,333,333

30 June 2023

Directors	Opening balance	Remuneration	Lapsed	Balance 30/06/2023
Samuel Watson	-	20,000,000	-	20,000,000
Jason Hine	-	6,666,667	-	6,666,667
Total	-	26,666,667	-	26,666,667

Directors Report

Table 3 - Shareholdings of key management personnel

30 June 2024

Directors	Opening balance	Purchased	Net other change	Balance 30/06/2024
A Ho	28,090,750	712,817	-	28,803,567
NH Chua ¹	63,574,013	-	(63,574,013)	-
S Watson ²	614,001,384	20,000,000	-	634,001,384
J Hine	1,324,890	-	-	1,324,890
G Robertson	10,605,000	-	-	10,605,000
Total	717,596,037	20,712,817	(63,574,013)	674,734,841

¹Director resigned on 17 November 2023

²Shares are held by Breathe International Limited (576,268,527) and Zonetech Wellness Limited (57,732,857) in which companies Mr Watson has a controlling interest.

30 June 2023

Directors	Opening balance	Purchased	Net other change	Balance 30/06/2023
A Ho	28,090,750	-	-	28,090,750
NH Chua	57,574,013	-	6,000,000	63,574,013
S Watson ¹	-	-	614,001,384	614,001,384
J Hine	-	-	1,324,890	1,324,890
G Robertson	10,605,000	-	-	10,605,000
Total	96,269,763	-	621,326,274	717,596,037

Table 4 - Directors and key management personnel remuneration

30 June 2024	Cash salary and fees	Superannuation benefits	Share based payments	Total
Name	\$	\$	\$	\$
Directors				
A Ho	85,000	-	-	85,000
S Watson	300,000	-	70,958	370,958
J Hine	220,000	24,200	23,675	267,875
NH Chua	50,000	-	-	50,000
G Robertson	115,000	-	8,333	123,333
Total	770,000	24,200	102,966	897,166

30 June 2023	Cash salary and fees	Superannuation benefits	Share based payments	Total
Name	\$	\$	\$	\$
Directors				
A Ho	65,700	-	-	65,700
S Watson	25,000	-	268,981	293,981
J Hine	36,538	3,837	16,327	56,702
NH Chua	22,388	-	150,000	172,388
P Hughes-Hallett	70,364	-	-	70,364
G Robertson	98,500	-	-	98,500
Total	318,490	3,837	435,308	757,635

Directors Report

For share based payments relating to key management personnel see Note 26.

This report is approved in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read "Samuel Watson".

Samuel Watson
Managing Director
30 September 2024

RSM Australia Partners

Level 13, 60 Castlereagh Street
Sydney
NSW 2000
Australia
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bioxyne Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'Cameron Hume'.

Cameron Hume
Partner

Sydney NSW
Dated 30 September 2024

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
RSM Australia Partners ABN 36 965 185 036
Liability limited by a scheme approved under Professional Standards Legislation



Bioxyne Limited
**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024**

	Notes	2024 \$	2023 \$
Revenue from continuing operations			
Sale of goods	3	9,325,020	5,154,415
Other income	4	334,097	182,038
Cost of goods sold		(5,927,098)	(3,733,043)
Expenses			
Research and development		(717,596)	-
Personnel costs		(1,553,266)	(858,816)
Marketing		(413,879)	(169,133)
Professional fees		(1,033,901)	(974,742)
Compliance costs		(208,335)	(39,060)
Non-executive director fees		(85,000)	(25,568)
General and administration		(793,090)	(659,615)
Loss of control of subsidiary		(82,168)	-
Provision for doubtful debts		(112,694)	-
Impairment of intangibles		(11,568,010)	(96,312)
Share based payments	25	(138,731)	(696,428)
Loss before income tax		(12,974,651)	(1,916,264)
Income tax	5	-	-
Loss from continuing operations		(12,974,651)	(1,916,264)
Loss from discontinued operation (attributable to equity holders of the Company)	6	(526,072)	(48,179)
Loss for the year		(13,500,723)	(1,964,443)
Other comprehensive income			
<i>Items that will be classified to profit or loss</i>			
Exchange differences on translation of foreign operations		361	10,378
Other comprehensive income, net of tax		361	10,378
Total comprehensive loss for the year, net of tax		(13,500,362)	(1,954,065)
<i>Loss for the year is attributable to:</i>			
Members of the parent entity		(13,325,050)	(1,939,970)
Non-controlling interests		(175,673)	(24,473)
		(13,500,723)	(1,964,443)
<i>Total comprehensive loss for the year is attributable to:</i>			
Members of the parent entity		(13,324,689)	(1,929,592)
Non-controlling interests		(175,673)	(24,473)
		(13,500,362)	(1,954,065)
Earnings per share			
<i>From continuing operations</i>			
		Cents	Cents
- Basic loss per share	24	0.67	0.14
- Diluted loss per share	24	0.67	0.14
<i>From discontinued operations</i>			
		Cents	Cents
- Basic loss per share	24	0.03	0.00
- Diluted loss per share	24	0.03	0.00

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Bioxyne Limited
Consolidated Statement of Financial Position
For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,027,989	3,845,969
Trade receivables	8	978,443	826,477
Current tax receivables	9	544,604	109,861
Other current assets	10	892,126	262,976
Inventories	11	2,141,923	994,806
Total Current Assets		5,585,085	6,040,089
Non-Current Assets			
Financial assets	29	-	-
Intangible assets	12	288,476	11,568,010
Plant and equipment		169,104	85,024
Right to use assets	13	654,969	-
Total Non-Current Assets		1,112,549	11,653,034
Total Assets		6,697,634	17,693,123
LIABILITIES			
Current Liabilities			
Trade and other payables	14	2,654,871	2,621,887
Lease liability	13	182,996	-
Provisions		69,484	65,101
Total Current Liabilities		2,907,351	2,686,988
Non-current liabilities			
Lease liability		490,727	-
Total Non-Current Liabilities		490,727	-
Total Liabilities		3,398,078	2,686,988
Net Assets		3,299,556	15,006,135
EQUITY			
Contributed equity	15	18,997,751	17,547,751
Reserves	16	212,221	73,129
Accumulated losses		(15,603,748)	(2,483,750)
Capital and reserves attributable to owners of Bioxyne Limited		3,606,224	15,137,130
Non-controlling interests	17	(306,668)	(130,995)
Equity		3,299,556	15,006,135

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Bioxyne Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

2024	Contributed equity	Accumulated losses	Reserve	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
At 30 June 2023	17,547,751	(2,483,750)	73,129	(130,995)	15,006,135
Loss for the year	-	(13,325,050)		(175,673)	(13,500,723)
Other comprehensive income for the year					
Exchange differences on translation of foreign operations	-	-	361	-	361
Total comprehensive income	-	(13,325,050)	361	(175,673)	(13,500,362)
Disposal of subsidiary	-	205,052	-	-	205,052
Issue of shares	1,450,000	-	-	-	1,450,000
Share based payments (Note 26)	-	-	138,731	-	138,731
Balance 30 June 2024	18,997,751	(15,603,748)	212,221	(306,668)	3,299,556
2023	Contributed equity	Accumulated losses	Reserve	Non-controlling Interests	Total
	\$	\$	\$	\$	\$
At 30 June 2022	128,935	(543,780)	50,001	-	(364,844)
Loss for the year	-	(1,939,970)	-	(24,473)	(1,964,443)
Other comprehensive income/(loss) for the year					
Exchange differences on translation of foreign operations	-	-	10,378	-	10,378
Total comprehensive income	-	(1,939,970)	10,378	(24,473)	(1,954,065)
Issue of shares on business combination (Note 15)	15,309,844	-	-	-	15,309,844
Issue of shares	2,056,414	-	-	-	2,056,414
Minority interest on business combination	-	-	-	(106,522)	(106,522)
Transfer from share-based payment reserve	52,558	-	(52,558)	-	-
Share based payments	-	-	65,308	-	65,308
Balance 30 June 2023	17,547,751	(2,483,750)	73,129	(130,995)	15,006,135

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flow

For the year ended 30 June 2024

		2024	2023
	Notes	\$	\$
Cash flows from operating activities			
Receipts of other income (inclusive of goods and services tax)		9,840,845	5,377,880
Payments to suppliers and employees (inclusive of goods and services tax)		(13,432,146)	(6,584,429)
		(3,591,301)	(1,206,549)
Research and development tax rebate		-	73,991
Interest received		31,347	1,532
Net cash outflow from operating activities	19	(3,559,954)	(1,131,026)
Cash flow from investing activities			
Payment for plant and equipment		(178,473)	(58,638)
Capitalised development costs		(314,185)	-
Cash held by subsidiary on acquisition		-	4,162,635
Net cash inflow from investing activities		(492,658)	4,103,997
Cash flows from financing activities			
Proceeds from share issues		1,350,000	582,135
Loan from shareholder		-	223,222
Principal element of lease payments		(139,939)	-
Net cash inflow from financing activities		1,210,061	805,357
Net (decrease)/increase in cash and cash equivalents		(2,842,551)	3,778,328
Cash and cash equivalents at the beginning of the financial year		3,845,969	65,932
Foreign exchange adjustment to cash balance		24,571	1,709
Cash and cash equivalents at end of the year		1,027,989	3,845,969

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Bioxyne Limited

Notes to the Financial Statements

1. BIOXYNE LIMITED AND CONTROLLED ENTITIES - SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

These financial statements and notes represent those of Bioxyne Limited (the "Group") and its subsidiaries. The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

Corporate information

Bioxyne Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the *Corporations Act 2001* as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, except for selected financial assets for which the fair value basis of accounting has been applied.

Corporate Head Office and Principal Place of Business

Suite 506, Level 5 50 Clarence Street Sydney NSW 2000

Business combination

On 19 May 2023, Bioxyne Limited wholly acquired Breathe Life Sciences Pty Limited.

Under the accounting standard applicable to business acquisitions, AASB 3 Business Combinations, the acquisition of Breathe Life Sciences Pty Limited ("BLS") is required to be accounted for as a reverse acquisition of BXN by BLS. Under this scenario, BLS is deemed to be the acquirer and BXN is deemed to be the subsidiary. Applying the reverse acquisition method of accounting, following the acquisition, the consolidated financial statements are required to represent the continuation of the financial statements of BLS and its controlled entities.

As a result of the reverse acquisition methodology outlined above, the consolidated financial statements represent BLS and its controlled entities from the date of acquisition.

Notes to the Financial Statements

For the year ended 30 June 2024

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(b) Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred losses of \$13,500,723 (including a non-cash impairment of \$11,568,010) had net cash outflows from operating activities of \$3,559,954 and net cash outflows from investing activities of \$492,658, for the year ended 30 June 2024.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company had \$1,027,989 in cash on hand at 30 June 2024;
- The Company has net working capital, in addition to cash, of \$1,649,745 at 30 June 2024;
- The Company has demonstrated an ability to raise capital and has the ability to raise capital if required in the future; and
- The Company has the ability to slow activity and/or reduce costs should this be required.

(c) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

(d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bioxyne Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Bioxyne Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Notes to the Financial Statements

For the year ended 30 June 2024

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(e) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(f) Foreign currency translation

(i) Functional and presentation currency

The functional and presentation currency of the Group is Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

Items included in the financial statements of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial Statements

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods to a customer. The consolidated entity recognises revenue when the goods are shipped.

Sale of goods

Revenue from sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Research and Development Tax Incentive

Research and Development Tax Incentive claims are recognised as other income in the period to which the incentive claims relate.

(h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associated and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Financial Statements

For the year ended 30 June 2024

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this

information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(j) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Financial Statements

For the year ended 30 June 2024

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(k) Impairment of assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(l) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for credit losses.

(m) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Notes to the Financial Statements

For the year ended 30 June 2024

1 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

(ii) Retirement benefit obligations

The Group does not maintain a company superannuation plan. The Group makes fixed percentage contributions for Australian resident employees to complying third party superannuation funds. The Group's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Share - based payments

The fair value of performance rights granted under the Employee Incentive Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the performance right.

The fair value at grant date is independently determined using a Monte Carlo Simulation Methodology and Black-Scholes Option Pricing Methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the right.

The fair value of the rights granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable.

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Where the terms of rights are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Upon the vesting of performance rights, the balance of the share based payments reserve relating to those rights is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Notes to the Financial Statements

For the year ended 30 June 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(p) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(q) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

(r) Discontinued Operation

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(s) New and revised accounting requirements applicable to the current reporting period.

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements

For the year ended 30 June 2024

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) *Goodwill and other indefinite life intangible assets*

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1(t). The recoverable amounts of cash-generating units have been determined based on fair value less cost to sell. As stated in Note 12, on 19 May 2023 Bioxyne Limited completed a transaction with Breathe Life Sciences Pty Limited. The acquisition was treated as a reverse acquisition and the fair value of the consideration transferred has been determined by reference to the fair value of the issued shares of Bioxyne Limited immediately prior to the business combination. For the year ended 30 June 2023, given the proximity of the transaction to that balance date, and the fact that the transaction was carried out at arms length, the goodwill was considered to be carried at its fair value less costs to sell.

Given the loss incurred for the year ended 30 June 2024, an indicator of impairment existed, and the Directors determined that the goodwill should be written off in this year.

(ii) *Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. As stated in Note 5, the Group has significant estimated tax losses for which no deferred tax asset has been raised. The ability to retain these losses is dependent on the Group satisfying the requirements of the local tax statute. Management has satisfied themselves as to the availability of these tax losses. They have however elected not to raise any deferred tax assets on estimated tax losses until there is more certainty around the company's ability to generate sustainable taxable profits to as to enable to company to utilise the tax losses.

(iii) *Consideration received for divestment and subsequent measurement of Mariposa investment*

On the 17th June 2015, the shares held in Mariposa Health Limited ('MHL') were exchanged for 213,138 shares in Mariposa Health Inc ('MHI'), a USA Delaware Corporation so that MHL became a subsidiary of MHI. This investment was carried at a cost of \$325,000 and was impaired at 30 June 2017.

In addition to the above, part of the total consideration paid to BXN for the disposal of Hunter Immunology Pty Ltd (HIPL) included a deferred consideration of \$1million, payable on achievement of agreed milestones over the next 5 years from 24 February 2014. This has not been recognised in the financial statements. The deferred consideration will be recognised as and when it is received.

Notes to the Financial Statements

For the year ended 30 June 2024

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The deferred consideration also includes an obligation to pay royalties, which is agreed to be 6.5% of the gross revenue received by the company, MHL or related entities in respect to the sale of the sublicensing or Intellectual property rights, including any sale proceeds or Sub-Royalties. To the extent that products are manufactured based on the intellectual property, royalties are calculated as 2% of Gross revenue. Management have exercised their judgement in determining that this investment continues to be impaired with no expectation of being able to realise any value for the investment.

	2024 \$	2023 \$
3 REVENUE FROM CONTINUING OPERATIONS		
Revenue from continuing operations		
<i>Revenue from contracts with customers and disaggregation</i>		
Sales of PCC® to USA ¹	886,906	36,432
Wholesale sales nutritional supplements to Asia ¹	-	2,667
	<u>886,906</u>	<u>39,099</u>
<i>Sale of goods</i>		
Plant based product wholesale sales, Australia, United Kingdom, Europe and Japan	8,438,114	5,115,316
Total revenue from continuing operations	<u>9,325,020</u>	<u>5,154,415</u>

¹For 2023 these results are for post-acquisition date of 19 May 2023

Timing of revenue recognition

All goods are transferred at a point in time, with revenue being recognised on when goods are shipped.

Geographic regions

See note 23.

4 OTHER INCOME

	2024 \$	2023 \$
Research and development tax offset	310,637	73,991
Interest received	16,607	589
Income from royalties	6,853	70,392
Foreign exchange gain	-	37,066
	<u>334,097</u>	<u>182,038</u>

Notes to the Financial Statements

For the year ended 30 June 2024

5 INCOME TAX

	2024 \$	2023 \$
(a) Income tax		
Deferred tax	-	-
(b) Numerical reconciliation of income tax benefit to prima facie tax payable		
Loss from continuing operations before income tax expense	(12,974,651)	(1,916,264)
Loss from discontinued operation	(526,072)	(48,179)
	(13,500,723)	(1,964,443)
Tax benefit at the Australian tax rate of 25% (2023 - 25%)	(3,375,181)	(491,111)
Difference in overseas tax rates	(38,312)	37,736
Tax effect of amounts which are deductible/not taxable in calculating taxable income	2,928,779	198,434
Carried forward tax benefit not recognised	484,714	254,941
Total income tax expense	-	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	29,589,434	31,993,306
Potential tax benefit @ 25% (2023:25%)	7,397,358	7,998,326

6 DISCONTINUED OPERATIONS

	2024 \$	2023 \$
Sale of goods	104,691	6,123
Other income	10,129	1,983
Cost of goods sold	(90,320)	(2,527)
<i>Expenses</i>		
Personnel costs	(193,150)	(20,777)
Business development	(10,038)	-
General and administration	(143,505)	(32,981)
Inventory impairment	(168,318)	-
Loss on sale of assets	(35,561)	-
Loss before income tax expense	(526,072)	(48,179)
Income tax expense	-	-
Loss after income tax expense from discontinued expenses	(526,072)	(48,179)
<i>Cash flow information</i>		
Net cash from operating activities	(391,027)	(39,348)
Net cash used in investing activities	6,882	-
Net cash flow from financing	(464,366)	-
Net decrease in cash and cash equivalents from discontinued operations	(848,511)	(39,348)

The discontinued operation relates to the direct selling business. The figures for the 2023 year above are for the year ended 30 June 2023, however under the RTO accounting in 2023 were only included in that years results for one month.

Notes to the Financial Statements

For the year ended 30 June 2024

6 DISCONTINUED OPERATIONS (CONTINUED)

	2024	2023
	\$	\$
<i>Carrying amounts of assets and liabilities on discontinued business</i>		
<i>Current assets</i>		
Cash and cash equivalents	50,185	898,697
Inventories	-	167,153
Trade and other receivables	15,658	31,555
<i>Non-current assets</i>		
Plant and equipment	-	53,683
	65,843	1,151,088
<i>Current liabilities</i>		
Trade and other payables	21,748	70,560
Intergroup balance payable	874,762	1,339,128
	896,510	1,409,688
Net liabilities	(830,667)	(258,600)

7 CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash at bank and in hand	1,027,989	3,845,969

8 TRADE RECEIVABLES

	2024	2023
	\$	\$
Trade receivables	1,091,137	902,239
Less: Allowance for expected credit losses	(112,694)	(75,762)
	978,443	826,477

	Expected credit loss rate		Carrying Amount	
	2024	%	2024	2023
			\$	\$
Not overdue	-	-	-	-
0 - 2 months overdue	-	45%	-	25,158
2 months or more overdue	100%	100%	112,694	50,604
			112,694	75,762

The trade receivables are largely receivable from the Groups major customer, with which it has been dealing with for many years with no credit losses.

9 CURRENT ASSETS - CURRENT TAX RECEIVABLES

	2024	2023
	\$	\$
Research and development tax offset	419,145	-
Withholding tax	-	652
GST receivable	125,459	109,209
	544,604	109,861

Notes to the Financial Statements

For the year ended 30 June 2024

10 CURRENT ASSETS - OTHER CURRENT ASSETS

	2024	2023
	\$	\$
Other debtors	132,378	11,670
Royalty receivable	-	59,824
Prepayments	759,748	191,482
	892,126	262,976

11 CURRENT ASSETS - INVENTORIES

	2024	2023
	\$	\$
Raw materials	1,339,170	712,818
Work in progress	98,071	-
Finished goods	704,682	281,988
	2,141,923	994,806

12 INTANGIBLE ASSETS

	2024	2023
	\$	\$
Goodwill	11,568,010	11,568,010
Provision for impairment ¹	(11,568,010)	-
Capitalised development costs	514,185	-
Less related research and development tax offset claim	(200,000)	-
Less amortisation	(25,709)	-
	288,476	11,568,010

¹On 19 May 2023, Bioxyne Limited acquired Breathe Life Sciences Pty Ltd (BLS). The acquisition was treated as a reverse acquisition as per AASB3 Business Combinations.

At the time of the acquisition of BLS, the implied value of goodwill attributable to Bioxyne under reverse acquisition accounting was \$11,568,010. The performance of the original Bioxyne business post-acquisition as outlined in the operations report provided an indicator of impairment, and a determination by the Company has resulted in a provision for full impairment of goodwill as at 30 June 2024.

Accordingly, during the year ended 30 June 2024, \$11,568,010 (2023: Nil) was recognised as a provision for impairment of goodwill.

Notes to the Financial Statements

For the year ended 30 June 2024

13 RIGHT-TO-USE ASSETS

	2024 \$	2023 \$
Lease assets		
Carrying amount of lease assets, by class of underlying asset:		
Buildings under lease arrangements		
At cost	838,803	-
Accumulated depreciation	(183,834)	-
Total lease assets	<u>654,969</u>	<u>-</u>
Lease liabilities		
Current	182,996	-
Non-current	490,727	-
	<u>673,723</u>	<u>-</u>
		Buildings \$
Carrying amount as at 1 July 2023		-
Additions		838,803
Depreciation		(183,834)
Carrying amount as at 30 June 2024		<u>654,969</u>

Income, expense and cash flows from lease assets and lease liabilities

The following amounts of income, expense and cash flows were recognised from lease assets and lease liabilities during the year:

	2024 \$	2023 \$
Interest expense on lease liabilities	23,005	-
Depreciation expense on lease assets	183,834	-
Total cash outflow relating to leases	<u>139,939</u>	<u>-</u>
Future lease payments	229,589	-
Within one year	516,059	-
One to five years	<u>745,648</u>	<u>-</u>

14 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2024 \$	2023 \$
Trade creditors	1,192,864	1,205,254
Accrued Expenses	818,019	612,198
Loan payables	36,699	558,610
GST/VAT payable	55,293	77,179
Customer deposits	373,503	-
Other payables	178,493	168,646
	<u>2,654,871</u>	<u>2,621,887</u>

Notes to the Financial Statements

For the year ended 30 June 2024

15 CONTRIBUTED EQUITY

(a) Share capital

	2024 Shares	2024 \$	2023 Shares	2023 \$
Ordinary Shares Fully Paid	2,046,645,398	18,997,751	1,901,645,398	17,547,751

(b) Movements in ordinary share capital

	Number of Shares	\$
Opening balance 1 July 2022	129,351,020	128,935
Shares issued on exercise of rights by vendors of APO Group	14,700,000	52,573
Shares issued for cash	6,246,138	582,135
Shares issued to employees for services rendered	3,675,000	345,020
Shares issued on conversion of loan	16,203,682	693,144
Shares issued to consultants for services rendered	15,500,000	286,100
Reversal of existing BLS shares	(185,675,840)	-
Existing BXN shares in issue	665,645,398	-
Issue of BXN shares on acquisition of BLS	1,230,000,000	15,309,844
Issue of shares in lieu of salary	6,000,000	150,000
Balance as at 30 June 2023	1,901,645,398	17,547,751
Share placement	145,000,000	1,450,000
Balance as at 30 June 2024	2,046,645,398	18,997,751

(c) Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(d) Options

As at the date of the financial statements, there were no options over unissued ordinary shares on issue.

(e) Performance rights

Shareholders at the General Meeting on 5 May 2023 approved the issue of 26,666,667 performance rights to Mr Samuel Watson (20,000,000 performance rights) and Mr Jason Hine (6,666,667 performance rights). 50% of these options lapsed during the year. The Company issued a further 17,638,890 performance rights to employees during the year.

(e) Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Notes to the Financial Statements

For the year ended 30 June 2024

15 CONTRIBUTED EQUITY (CONTINUED)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital management policy remains unchanged from the 30 June 2023 Annual Report.

16 RESERVES AND ACCUMULATED LOSSES

	2024	2023
	\$	\$
(a) Reserves		
Foreign currency translation reserve		
Balance 1 July	7,821	(2,557)
Movement in foreign currency translation reserve	361	10,378
Balance 30 June	8,182	7,821
Share based payment reserve		
Balance 1 July	65,308	52,558
Transfer from share based payment reserve	-	(52,558)
Transfer to share based payment reserve	138,731	65,308
Balance 30 June	204,039	65,308
Total reserves	212,221	73,129

17. NON-CONTROLLING INTEREST

	2024	2023
	\$	\$
Retained profits	(306,668)	(130,995)
	(306,668)	(130,995)

The non-controlling interest has a 49% interest in the direct selling business

Notes to the Financial Statements

For the year ended 30 June 2024

18 SUBSIDIARIES

Name of Entity ¹	Country of Incorporation	Ownership Interest	Ownership Interest
		2024 %	2023 %
Breathe Life Sciences Pty Ltd	Australia	100%	100%
BLS Wholesalers Pty Ltd	Australia	100%	100%
BLS Panther Pty Ltd	Australia	100%	100%
Breathe Life Science UK Ltd	United Kingdom	100%	100%
Always Pure Organics AG ²	Switzerland	Nil	100%
Always Pure Organics EU	Czech Republic	100%	100%
Always Pure Organics Japan KK ²	Japan	100%	100%
Dr Watson Japan KK	Japan	Nil	100%
Mirai Solution Co KK	Japan	100%	100%
Global Treasure New Zealand Limited	New Zealand	51%	51%
New Zealand Nutritional Research Institute Limited	New Zealand	51%	51%
Bioxyne International Malaysia Sdn Bhd	Malaysia	51%	51%
Bioxyne International Pty Ltd	Australia	51%	51%
P.T. Gamata Utama	Indonesia	51%	51%
Bioxyne International (NZ) Limited	New Zealand	51%	51%

¹All entities are body corporate.

²Always Pure Organics AG (APO AG) was in liquidation with effect from 7 May 2024. All equity interest of Breathe Life Sciences Pty Ltd in APO AG was lost including its control over its wholly owned subsidiary Always Pure Organics Japan KK. The Group recorded the loss of subsidiary in its Statement of Profit or Loss amounting to \$82,168.

19 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2024	2023
	\$	\$
Loss for the year	(13,500,723)	(1,964,443)
Depreciation	234,401	109,643
Amortisation of capitalised costs	25,709	-
Loss of control of subsidiary	82,168	-
Impairment of intangibles	11,568,010	87,162
Unrealised foreign exchange gain	-	(2,820)
Share based payment	138,731	696,428
Other non-cash items	217,359	(348,988)
<i>Change in operating assets and liabilities</i>		
Increase in trade and other receivables	(1,215,859)	(595,492)
Increase in inventory	(1,147,117)	(919,255)
Increase in trade and other payables	37,367	1,806,739
Net cash outflow from operating activities	(3,559,954)	(1,131,026)

Notes to the Financial Statements

For the year ended 30 June 2024

20 SEGMENT INFORMATION

Bioxyne Limited (ASX:BXN) is an Australian health and wellness products company (incorporated in 2000). In May 2023 the Company acquired Breathe Life Sciences Pty Limited (BLS).

The Bioxyne group operates in several high growth markets, including psychedelics, medical cannabis, preventative medicine and novel foods with three core areas of business/

The operating segments are based on the internal reports that are reviewed and used by Management (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. The CODM is Samuel Watson (CEO) and Jason Hine (COO). The operating segments are as follows:

1. Pharmaceutical manufacture and wholesale supply (business to business) of novel medicines, cannabis, Psilocybin, and MDMA under BLS, which is licensed by the Therapeutic Goods Administration (TGA), Office of Drug Control (ODC), and Queensland Health.
2. Manufacture and distribution (wholesale, online, and retail) of consumer health and novel food products (cannabidiol and functional mushrooms) under the company's Dr Watson® brand (regulated by FSA, EFSA) in the UK, Europe, and Japan.
3. Wholesale of patented Probiotics for gastrointestinal health and immunity, primarily to the USA.

Management have determined that it is appropriate to report by sales channel which correspondence with the business divisions outlined above.

In the prior year reporting was by geographical areas as follows:

1. PCC Wholesale - contract manufactured in Denmark and sold to NuSkin in USA.
2. BLS - plant-based wellness products sold in UK, Europe and Japan.
3. Functional food products contract manufactured in New Zealand and direct sales in Asia (now discontinued).

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 30 June 2024 and 30 June 2023.

Notes to the Financial Statements

For the year ended 30 June 2024

20 SEGMENT INFORMATION (CONTINUED)

2024

	Wholesale PCC/USA	Plant Based/UK/EU /JPN/AUS	Manufacture /Sales Australia	Direct Sales/Asia	Unallocated	Total
Sales	886,906	5,438,817	2,999,297	104,691	-	9,429,711
Cost of sales	(378,599)	(3,692,924)	(1,855,575)	(90,320)	-	(6,017,418)
Gross margin	508,307	1,745,893	1,143,722	14,371	-	3,412,293
Other income	-	-	-	10,129	334,097	344,226
Overhead expenses	-	(2,402,179)	(770,122)	(550,572)	(13,534,369)	(17,257,242)
Profit/(loss) before tax	508,307	(656,286)	373,600	(526,072)	(13,200,272)	(13,500,723)
Taxation	-	-	-	-	-	-
Profit/(loss) after tax	508,307	(656,286)	373,600	(526,072)	(13,200,272)	(13,500,723)
Loss from discontinued operation	-	-	-	526,072	-	526,072
Loss for the year	508,307	(656,286)	373,600	-	(13,200,272)	(12,974,651)
Total assets	417,963	1,758,641	4,055,250	65,844	399,936	6,697,634
Total liabilities	162,155	650,034	1,250,389	21,748	1,313,752	3,398,078
Cash Balance	-	132,851	340,755	50,185	504,198	1,027,989
Trade receivables	417,963	257,786	295,366	7,328	-	978,443
Trade and other payables	162,155	521,957	857,231	21,748	1,091,780	2,654,871
Inventories	-	712,600	1,428,560	-	763	2,141,923

2023

	Wholesale PCC/USA	Plant Based/UK/ EU/JPN	Direct Sales/ASIA	Unallocated	Total
Sales	42,555	5,111,860	6,123	-	5,160,538
Cost of sales	(19,219)	(3,240,423)	(2,527)	(473,401)	(3,735,570)
Gross margin	23,336	1,871,437	3,596	(473,401)	1,424,968
Other income	-	-	1,983	182,038	184,021
Overhead expenses	-	(3,330,623)	(53,758)	(189,051)	(3,573,432)
Profit/(loss) before tax	23,336	(1,459,186)	(48,179)	(480,414)	(1,964,443)
Taxation	-	-	-	-	-
Profit/(loss) after tax	23,336	(1,459,186)	(48,179)	(480,414)	(1,964,443)
Total assets	238,036	2,119,587	1,151,088	14,184,412	17,693,123
Total liabilities	274,270	1,724,556	70,560	617,602	2,686,988
Cash Balance	-	492,181	898,697	2,455,091	3,845,969
Trade receivables	238,036	588,441	-	-	826,477
Trade and other payables	274,270	1,693,758	70,560	583,299	2,621,887
Inventories	-	827,653	167,153	-	994,806

Notes to the Financial Statements

For the year ended 30 June 2024

20 SEGMENT INFORMATION (CONTINUED)

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and in determining the allocation of resources.

Segment revenues and results

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are consistent with the Group's accounting policies described in Note 1. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

21 FINANCIAL RISK MANAGEMENT

(a) Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Group does not speculate in financial assets.

Credit risk

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The receivable balances are monitored on an ongoing basis. The Group's exposure to bad debts is mitigated by having a broad base of customers.

With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral security.

The maximum exposure to credit risk at balance date is as follows:

	2024	2023
	\$	\$
Cash and cash equivalents (Note 7)	1,027,989	3,845,969
Trade receivables (Note 8)	978,443	826,477
	2,006,432	4,672,446

Liquidity risk

The Company's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

Notes to the Financial Statements

For the year ended 30 June 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial liabilities - due for payment:</i>								
Trade and other payables	2,654,871	2,621,887	-	-	-	-	2,654,871	2,621,887
Lease liabilities	182,996	-	490,727	-	-	-	673,723	-
Total contractual outflows	2,837,867	2,621,887	490,727	-	-	-	3,328,594	2,621,887
Cash and cash equivalents	1,027,989	3,845,969	-	-	-	-	1,027,989	3,845,969
Trade receivables	978,443	826,477	-	-	-	-	978,443	826,477
Total anticipated inflows	2,006,432	4,672,446	-	-	-	-	2,006,432	4,672,446
Net inflow/(outflow) on financial instruments	(831,435)	2,050,559	(490,727)	-	-	-	(1,322,162)	2,050,559

(c) Net fair values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Notes to the Financial Statements

For the year ended 30 June 2024

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Sensitivity analysis

The Company has performed a sensitivity analysis relating to its exposure to foreign currency risk at balance date. The effect on profit and equity as a result changes in the value of the Australian Dollar to a range of currencies in which it holds funds including US Dollar, New Zealand Dollar, Euro, Pound Sterling, Japanese Yen, Indonesia Rupiah and Malaysian Ringgit, is as follows:

Consolidated

2024

Financial Assets

Cash and cash equivalents

Carrying Amount \$	Interest Rate Risk		Interest Rate Risk	
	-1%		+1%	
	Profit \$	Equity \$	Profit \$	Equity \$
1,027,989	(10,280)	(10,280)	10,280	10,280

2023

Financial Assets

Cash and cash equivalents

3,845,969	(38,460)	(38,460)	38,460	38,460
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Consolidated A\$ 5% stronger / (weaker)

2024

Financial Assets

Cash in US \$
Cash in £ Sterling
Cash in JPY
Cash in Euro
Cash in IDR
Cash in MYR
Cash in NZ\$
Cash in CZK

Carrying amount in original currency \$	Currency Risk		Currency Risk	
	+5%		-5%	
	Profit A\$	Equity A\$	Profit A\$	Equity A\$
301,969	(21,708)	(21,708)	21,708	21,708
21,340	(1,938)	(1,938)	1,938	1,938
6,037,221	(2,697)	(2,697)	2,697	2,697
33,815	(2,599)	(2,599)	2,599	2,599
313,194,364	(1,373)	(1,373)	1,373	1,373
24,940	(380)	(380)	380	380
20,772	(905)	(905)	905	905
148,775	(453)	(453)	453	453
	(32,053)	(32,053)	32,053	32,053

2023

Financial Assets

Cash in US \$
Cash in £ Sterling
Cash in JPY
Cash in Euro
Cash in IDR
Cash in MYR
Cash in NZ\$

533,226	(38,298)	(38,298)	38,298	38,298
55,382	(5,023)	(5,023)	5,023	5,023
9,434,758	(4,684)	(4,684)	4,684	4,684
170,022	(13,275)	(13,275)	13,275	13,275
2,680,795,157	(12,843)	(12,843)	12,843	12,843
137,058	(2,104)	(2,104)	2,104	2,104
636,787	(27,863)	(27,863)	27,863	27,863
	(104,090)	(104,090)	104,090	104,090

Notes to the Financial Statements

For the year ended 30 June 2024

22 REMUNERATION OF AUDITORS

Audit services

	2024	2023
	\$	\$
Audit of financial reports - RSM Australia Pty Ltd	110,000	150,000
Total remuneration for audit services	110,000	150,000

23 COMMITMENTS

Capital commitments

As at 30 June 2024, the Company has no capital commitments (2023: \$nil).

24 EARNINGS PER SHARE

	2024	2023
Loss for the period used in earnings per share		
From continuing operations	12,974,651	1,916,264
From discontinued operations	526,072	48,179
Weighted average number of shares¹		
Basic earnings per share calculation	1,930,248,138	1,344,132,135
Diluted earnings per share calculation	1,930,248,138	1,344,132,135
Earnings per share from continuing operations	Cents	Cents
Basic loss per share (cents per share)	0.67	0.14
Diluted loss per share (cents per share)	0.67	0.14
Earnings per share from discontinued operations		
Basic loss per share (cents per share)	0.03	0.00
Diluted loss per share (cents per share)	0.03	0.00

¹the number of ordinary shares outstanding from the beginning of the year to the acquisition date is computed on the basis of the weighted average number of ordinary shares of the accounting acquirer (BLS) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and (b) the number of ordinary shares outstanding from the acquisition date to the end of that period shall be the actual number of ordinary shares of (the accounting acquiree (BXN) outstanding during that period.

The basic earnings per share for the comparative period before the acquisition date presented in the consolidated financial statements following a reverse acquisition is calculated by dividing: (a) the profit or loss of the legal acquiree (BLS) attributable to ordinary shareholders in each of those periods by (b) the legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

Notes to the Financial Statements

For the year ended 30 June 2024

25 SHARE BASED PAYMENTS

Options

No share options were issued during the year and no options were outstanding at year end.

Performance rights

During the year the Company issued 17,638,890 performance rights to employees and consultants, to vest over two years, based on achieving sales milestones for CY2024 and CY2024. The fair value at grant date was determined using the Black-Scholes Option Pricing Methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. The Company recorded an expense for the year in respect of these performance rights in the amount of \$44,097.

	2024 Performance Rights Grants
i. Underlying share price	\$0.01
ii. Exercise price	\$nil
iii. Term	1.78 yrs
iv. Risk-free rate	4.07%
v. Dividend yield	Nil
vi. Volatility (rounded)	100.0%
vii. Performance Period	22/3/2024 to 31/12/25

The Company issued 26,666,667 performance rights during the previous year to two directors of the Company. The Company recorded an expense for the year in respect of these performance rights in the amount of \$94,634 (2023: 65,308). The total value of rights as at grant date amounts to \$428,000, and \$313,857 after taking into account the probability of achievement on the non-market based vesting conditions. This amount will be amortised in accordance with the vesting conditions and term outlined below.

The fair value at grant date has been independently determined by an independent external advisor using a Monte Carlo Simulation Methodology and Black-Scholes Option Pricing Methodology that takes into account the exercise price, the term of the right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. These inputs are as follows:

	Tranche 1 2023 STIs	Tranche 2 2023 LTIs	Tranche 3 2024 LTIs	Tranche 4 2025 LTIs
viii. Underlying share price	\$0.026	\$0.026	\$0.026	\$0.026
ix. Exercise price	\$nil	\$nil	\$nil	\$nil
x. Term	0.80 yrs	0.80 yrs	2.80 yrs	2.80 yrs
xi. Risk-free rate	3.519%	3.519%	3.203%	3.203%
xii. Dividend yield	Nil	Nil	Nil	Nil
xiii. Volatility (rounded)	90.0%	90.0%	90.0%	90.0%
xiv. Performance Period	1/1/23 to 31/12/23	1/1/23 to 31/12/23	1/1/24 to 31/12/25	1/1/24 to 31/12/25
xv. VWAP Milestones (30day VWAP)	(1) \$0.03 (7.5% vesting) (2) \$0.04 (10.0% vesting) (3) \$0.05 (12.5% vesting)		(1) \$0.03 (15.0% vesting) (2) \$0.04 (20.0% vesting) (3) \$0.05 (25.0% vesting)	

Notes to the Financial Statements

For the year ended 30 June 2024

25 SHARE BASED PAYMENTS (CONTINUED)

The performance rights have been allocated as follows:

	Samuel Watson	Jason Hine
2023 STI Performance Rights	5,000,000	1,666,667
2023 LTI Performance Rights	5,000,000	1,666,667
2024 LTI Performance Rights	5,000,000	1,666,667
2025 LTI Performance Rights	5,000,000	1,666,667

The 2023 to 2025 LTI Performance Rights are subject to the following share price and revenue milestones/vesting conditions.

%	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

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 2023 STI and 2023 LTI hurdles were not achieved and these performance rights, 13,333,334 in total have lapsed.

Notes to the Financial Statements

For the year ended 30 June 2024

26 PARENT ENTITY DISCLOSURES

(a) Financial position

	2024 \$	2023 \$
Total Current Assets	1,132,909	717,973
Total Assets	4,262,285	15,357,420
Total Liabilities	962,729	351,285
Net Assets/(Liabilities)	3,299,556	15,006,135
EQUITY		
Contributed equity	18,997,751	17,547,751
Reserves	212,221	73,129
Accumulated losses	(15,910,416)	(2,614,745)
Equity	3,299,556	15,006,135

(b) Reserves

Option reserve	-	-
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(c) Financial performance

	2024 \$	2023 \$
Loss for the year	(13,325,050)	(1,939,970)
Other comprehensive income	-	-
	(13,325,050)	(1,939,970)
(d) Commitments	-	-

27 RELATED PARTY TRANSACTIONS

(a) Key management personnel

Refer to the Remuneration Report contained in the Directors Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2024.

The total remuneration paid to key management personnel of the company and the group during the year is as follows:

	2024 \$	2023 \$
Short-term employee benefits	770,000	318,490
Post-employment benefits	24,200	3,837
Share based payments	102,966	435,308
	897,166	757,635

Notes to the Financial Statements

For the year ended 30 June 2024

27 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with other related parties

During the year the following transactions were undertaken with related parties on an arms' length basis:

- i. \$19,563 (2023: \$17,850) was paid to NH Chua a director of the Company as rental for the Malaysian office;
- ii. \$4,489 (2023: \$52,843) was paid to Jin Chua (a consultant to the Group and daughter of NH Chua a director of the Company) for consulting services.
- iii. \$132,000 (2023: \$48,500) was paid to Integrated CFO Solutions Pty Ltd, a company controlled by the Company Secretary, for accounting services.

28 EVENTS SUBSEQUENT TO BALANCE DATE

On 21 August 2024, the Company announced entering into a manufacture and supply agreement with one of Australia's major medicinal cannabis companies to supply THC and CBD medical pastilles ("gummies"). Forecast revenue from this agreement over 24 months is approximately \$28 million.

On 23 September 2024, the Company announced a further manufacturing and supply agreement with another major Australian medicinal cannabis company to supply THC and CBD medical pastilles and THC flower products. Forecast revenue from this agreement over 12 months is approximately \$5.94m.

Other than the foregoing, no matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- a) The Company's operations in future financial years; or
- b) The results of those operations in future financial years; or
- c) The Company's state of affairs in future financial years.

29 OTHER FINANCIAL ASSETS

Non-current

	2024	2023
	\$	\$
Available-for-sale financial assets	325,000	325,000
Less impairment	(325,000)	(325,000)
	-	-

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(a) of the Corporations Act 2001 and includes the required information for Bioxyne Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax Residency

S295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretation that could be adopted, and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

Name of Entity ¹	Country of Incorporation	Ownership Interest 2024 %	Income Tax Jurisdiction
Breathe Life Sciences Pty Ltd	Australia	100%	Australia
BLS Wholesalers Pty Ltd	Australia	100%	Australia
BLS Panther Pty Ltd	Australia	100%	Australia
Breathe Life Science UK Ltd	United Kingdom	100%	United Kingdom
Always Pure Organics AG	Switzerland	Nil	Switzerland
Always Pure Organics EU	Czech Republic	100%	Czech Republic
Always Pure Organics Japan KK	Japan	100%	Japan
Dr Watson Japan KK	Japan	Nil	Japan
Mirai Solution Co KK	Japan	100%	Japan
Global Treasure New Zealand Limited	New Zealand	51	New Zealand
New Zealand Nutritional Research Institute Limited	New Zealand	51	New Zealand
Bioxyne International Malaysia Sdn Bhd	Malaysia	51	Malaysia
Bioxyne International Pty Ltd	Australia	51	Australia
P.T. Gamata Utama	Indonesia	51	Indonesia
Bioxyne International (NZ) Limited	New Zealand	51	New Zealand

Directors' Declaration

1. In the opinion of the directors of Bioxyne Limited ("the Company" or "the Group"):
 - a. The consolidated financial statements and notes thereto, as set out on pages 13 to 46, are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of the performance of the Group for the year then ended; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
4. The consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Act 2001 is true and correct
5. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read "Sam Watson".

Sam Watson
Managing Director
30 September 2024

INDEPENDENT AUDITOR'S REPORT To the Members of Bioxyne Limited

Opinion

We have audited the financial report of Bioxyne Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 1(g) and 3 in the financial statements	
<p>Revenue for the year ended 30 June 2024 was \$9,325,020. The primary revenue stream is sale of goods.</p> <p>Revenue is considered to be a Key Audit Matter because revenue is generated from sales of high volumes of low value items, so a systemic error could materially impact revenue recognition.</p>	<p>Our audit procedures in relation to the recognition of revenue included:</p> <ul style="list-style-type: none"> • Obtaining a detailed understanding of each of the revenue streams and the process for calculating and recording revenue under <i>AASB 15 Revenue from Contracts with Customers</i>. • Assessing whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards. • Performing tests of detail on a sample basis to test the occurrence and accuracy of revenue. The detailed testing included agreeing transactions recorded at the sales listing to sales invoices, agreeing the receipt of cash to bank statements, agreeing the delivery of goods to proof of delivery; • Performing specific targeted cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period. • Assessing the appropriateness of the disclosures in the financial report.
Accounting for leases Refer to Note 1 (j) & 13 in the financial statements	
<p>The Group has significant lease arrangements. AASB 16 Leases, has introduced new complexities in lease accounting, requiring significant management judgment and estimation. This includes determining the lease term, discount rates, and the classification of leases as either operating or finance leases. Given the material impact on the financial statements and the complexity involved, accounting for leases was identified as a key audit matter.</p>	<p>Our audit procedures in relation to leases included:</p> <ul style="list-style-type: none"> • Inspect lease agreements and amendments to verify compliance with AASB 16 • Challenge management's assumptions such as IBR rates applied, duration and the option to renew, make good provisions and any incentives offered by the lessor. • Recalculate the initial recognition of right-of-use assets and lease liabilities and subsequent measurement of interest expense and depreciation expenses. • Ensure the financial statements disclose all relevant information as required by AASB 16.

Accounting for Share-Based Payments	
Refer to Note 1 (n (iii)) & 25 in the financial statements	
<p>During the year, the Company issued 17,638,890 performance rights as contemplated in AASB 2, Share-Based Payments. The share-based payment expense and share-based payment reserve is yet to be determined by Management.</p> <p>We consider this to be a key audit matter because of:</p> <ul style="list-style-type: none"> • the complexity of the accounting required to value the instruments; • the judgmental nature of inputs into the valuation models, including the likelihood of vesting conditions being met, and the appropriate valuation methodology to apply; • the variety of conditions associated with each instrument; and the non-routine nature of the transactions 	<p>Our audit procedures in relation to share-based payments included:</p> <ul style="list-style-type: none"> • Make enquiries of management, about the nature of and the rationale behind the instruments issued. • Review the terms and conditions of the instruments issued. • Review the valuation methodology to ensure it is in compliance with AASB 2. • Verifying the mathematical accuracy of the underlying model. • Test the inputs to the valuation model for reasonableness by critically evaluating the key assumptions used, considering the market, the grant-date share price and current-date share price, the expected volatility in the share price, the vesting period, and the number of instruments expected to vest. • Recalculate the value of the share-based payment expense to be recognised and the reserve balance, for accuracy, factoring in any cancellations, modifications, expiry, or vesting. • Reviewing the adequacy of the relevant disclosures, including the disclosures in respect of judgments made, in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 18 of the directors' report for the year to ended 30 June 2024.

In our opinion, the Remuneration Report of Bioxyne Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read "RSM".

RSM Australia Partners

A handwritten signature in blue ink, appearing to read "Cameron Hume".

Cameron Hume

Partner

Sydney, NSW, dated 30 September 2024

Shareholder Information

For the year ended 30 June 2024

ASX additional information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 18 September 2024.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of security are:

Holdings Range Report Bioxyne Limited

Security Classes: **BXN - ORDINARY FULLY PAID
SHARES**

As at Date: **18-Sep-2024**

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	89	28,119	0.00%
above 1,000 up to and including 5,000	62	184,872	0.01%
above 5,000 up to and including 10,000	80	651,949	0.03%
above 10,000 up to and including 100,000	386	19,539,146	0.95%
above 100,000	344	2,026,241,312	99.00%
Totals	961	2,046,645,398	100.00%

(b) Substantial shareholders

The company has the following substantial shareholders, as defined by the Corporations Act 2001, as at the date of this report:

Holder Name	Holding	% IC
BREATHE INTERNATIONAL LTD	614,001,384	32.29%
GLOBAL CR HOLDINGS LTD	175,450,850	9.22%
IAN EDWARD OWLES	132,488,966	6.97%

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Shareholder Information

For the year ended 30 June 2024

(d) Top twenty shareholders

Top holders grouped report
Bioxyne Limited

Security classes: **BXN - ORDINARY FULLY PAID SHARES**

As at date: **18-Sep-2024**

Display top: **20**

Position	Holder Name	Holding	% IC
1	BREATHE INTERNATIONAL LTD	576,268,527	28.16%
2	IAN EDWARD OWLES	132,488,966	6.47%
3	GLOBAL CR HOLDINGS LTD	114,050,086	5.57%
4	KIRKMAN TRADING LTD	82,805,604	4.05%
5	BPMGMT LTD	79,493,379	3.88%
6	KIRKMAN TRADING LTD	75,000,000	3.66%
7	NAM HOAT CHUA	63,574,013	3.11%
8	ZONETECH WELLNESS LTD	57,732,857	2.82%
9	PENG-HYANG NG	51,500,000	2.52%
10	PARAMOUNT STAR INVESTMENTS LIMITED	36,000,000	1.76%
11	GAVIN JAMES OGILVIE	34,778,354	1.70%
11	ANDREW ALEXANDER OGILVIE	34,778,354	1.70%
11	PAULA OGILVIE	34,778,354	1.70%
11	TERRENCE STEPHENS PTY LTD	34,778,354	1.70%
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	34,223,344	1.67%
13	GRACE INVESTMENTS - FZCO	30,000,000	1.47%
13	SADAMICHI TERAGUCHI	30,000,000	1.47%
14	MR ANTHONY PENG HO & MRS CHUI HOONG HO	24,390,750	1.19%
15	KEE-SIONG CHIA	23,050,000	1.13%
16	MR MAKRAM HANNA & MRS RITA HANNA <HANNA & CO P/L SUPER A/C>	22,588,594	1.10%
17	CHUN-CHIEH HSU	20,000,000	0.98%
18	TAOS PTY LTD <GEILINGS & CO PTY SUPER A/C>	18,750,036	0.92%
19	MR JASON JOHN STEPHENS	18,309,367	0.89%
20	SOUTHAM INVESTMENTS 2003 PTY LTD <WARWICKSHIRE INVESTMENT A/C>	17,021,550	0.83%
	Total	1,646,360,489	80.44%
	Total issued capital - selected security class(es)	2,046,645,398	100.00%

(e) The Company has 387 unmarketable parcels as at 18 September 2024.

(f) There is currently no on-market buy-back

Shareholder Information

For the year ended 30 June 2024

DIRECTORS

Anthony Ho (Non-Executive Chair)
Samuel Watson (Executive Director)
Jason Hine (Executive Director)

COMPANY SECRETARY

Guy Robertson

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