

26 October 2016

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Bioxyne Limited (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 30 September 2016.

Revenue from PCC[®] sales and royalties for the quarter were \$345,000 (2015 - \$790,000) with the variance attributable to timing which will reflect in the next quarter.

Net operating cash outflow for the quarter was \$205,000 which included \$214,000 relating to research and development and the clinical trial announced on 17 October 2016¹. This trial is to determine the effect of PCC[®] on the composition of gut bacteria. Scientific studies have previously indicated that PCC[®] exerts its potent effect on the immune system via the gastrointestinal tract. This study is designed to confirm that mechanism.

The Company plans to increase sales through the launch of its two TGA registered over-the-counter PCC[®] based consumer products in the quarter ending 31 December 2016. In addition, the Company is looking to expand its over-the-counter dietary wellness supplements product range through product development and possible licensing in the next twelve months.

Bioxyne is currently reviewing distribution opportunities in China to introduce its PCC[®] based consumer products into the Chinese market.

To strengthen operational management Mr. Guy Robertson, a finance executive with extensive retail experience and working experience in Hong Kong, joined the Company on 1 September 2016, as Chief Operating Officer.

Cash at the end of the Quarter is \$1.1 million.

For more information, please contact:

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¹ ASX Announcement 17 October 2016

About Bioxyne

Bioxyne Limited (ASX:BXN) is an Australian life sciences, health and medical technologies company (incorporated in 2000) with a focus on immune health and immunotherapeutic products.

Bioxyne has a strategic investment in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* PCC®. Bioxyne is a company creating value for consumers and investors by delivering safe and effective solutions.

Bioxyne's focus is currently on the Company's probiotic business and proprietary product *Lactobacillus fermentum* PCC® which is supported by a manufacturing and distribution agreement with Chr. Hansen (Denmark) a global leader in the manufacturing of natural food additives and supplements products for the food, health, pharmaceutical and agriculture industries.

Bioxyne also has a distribution agreement with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company who pride themselves in offering only quality solutions to their customers.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		390	390
1.2 Payments for			
(a) research and development		(214)	(214)
(b) product manufacturing and operating costs		(198)	(198)
(c) advertising and marketing			
(d) leased assets			
(e) staff costs			
(f) administration and corporate costs		(183)	(183)
1.3 Dividends received (see note 3)			
1.4 Interest received			
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(205)	(205)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(4)	(4)
(b) businesses (see item 10)			
(c) investments			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(4)	(4)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,354	1,354
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(205)	(205)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(33)	(33)
4.6	Cash and cash equivalents at end of quarter	1,111	1,111

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,111	1,354
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,111	1,354

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

67

Directors salaries and fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	220
9.2 Product manufacturing and operating costs	330
9.3 Advertising and marketing	30
9.4 Leased assets	
9.5 Staff costs	
9.6 Administration and corporate costs	180
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	760

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

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



Sign here: Date:26 October 2016.....
(Company secretary)

Print name:Guy Robertson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.