

27 April 2017

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2017

Bioxyne Limited (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 31 March 2017.

Revenue from PCC® sales and royalties for the quarter were \$413,000 (2016 - \$245,000), bringing the year to date revenues in line with the previous year.

The Company has completed its first shipment of product to pharmacies in Western Australia and Tasmania in late March and plans to range in other pharmacy groups in the current quarter. The Company finalised a contract for the distribution of its products in China via QBID on the JD.Com eCommerce platform during the quarter and made its first shipment in early April.

The Company will launch a new product, Progastrim® + Vitamin C, in the current quarter. It combines Bioxyne's patented probiotic, PCC®, which has been shown in clinical studies to reduce the incidence and severity of cold symptoms in children and elite athletes, with vitamin C and zinc. The product thus may support the immune system in three separate but complementary ways as we approach the winter cold and flu season.

Net operating cash outflow for the quarter was \$234,000 which included \$120,000 relating to research and development and the clinical trial announced on 17 October 2016¹ which is underway.

Cash at the end of the Quarter was \$965,000.

In April the Company announced the acquisition of a New Zealand based product development and sales business² that can take the existing and new products into Asia by establishing direct sales and marketing teams. To facilitate the planned expansion the company has:

- completed a placement of 28,106,524 shares to raise \$534,024 before costs
- announced plans for a non-renounceable rights issue, on the basis of one new share for every share held at 1 cent per share (and one free attaching option for every two new shares issued with an exercise price of 1 cent and expiry date 15 December 2017) to raise a further \$2.5 million.

¹ ASX Announcement 17 October 2016

² ASX Announcement 19 April 2017

Mr Nam Hoat Chua, an executive with over 33 years' experience in the direct selling industry will join the Company as Chief Executive Officer and, on completion of the rights issue, will join the Board.

Mr Maxwell Parkin, an experienced public company director with over 35 years' experience of dairy management and consulting in Asia Pacific, the Americas and Africa, will also join the Board at that time as a Non-Executive Director.

For more information, please contact:

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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* VRI-003 (PCC®). Bioxyne is a company creating value for consumers and investors by delivering safe and clinically effective health and wellness solutions.

Bioxyne's focus is currently on the Company's probiotic business and its proprietary product 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")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	280	1,334
1.2 Payments for		
(a) research and development	(120)	(415)
(b) product manufacturing and operating costs	(143)	(693)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs		
(f) administration and corporate costs	(251)	(634)
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	(234)	(408)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		(4)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	(d) intellectual property		
	(e) other non-current assets		
	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
2.3	(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)

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	1,214	1,354
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(234)	(408)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(15)	23
4.6	Cash and cash equivalents at end of quarter	965	965

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	965	1,214
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)	965	1,214

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**

90

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	130
9.2 Product manufacturing and operating costs	430
9.3 Advertising and marketing	50
9.4 Leased assets	
9.5 Staff costs	
9.6 Administration and corporate costs	150
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:27 April 2017.....
(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.