

BIOXYNE LIMITED

ABN 97 084 464 193

The Companies Announcements Office
The Australian Stock Exchange Limited
SYDNEY

29 February 2024

The Company Announcements Office
Australian Securities Exchange Limited
Sydney NSW

Appendix 4D – Half Year Report

1.	Name of Entity	Bioxyne Limited		
		ABN 97 084 464 193		
	Half year ended	31 December 2023		
	Reporting period	1 July 2023 to 31 December 2023		
	Previous period	1 July 2022 to 31 December 2022		
2.	Results for announcement to the market			
		31 December 2023	31 December 2022	% Change Up (Down)
2.1	Revenues from continuing operations	4,948,572	2,420,115	104%
2.2	Profit/(loss) from operations after tax attributable to members*	(12,284,661)	(818,424)	(100%-)
2.3	Net profit/(loss) attributable to members	(12,284,661)	(818,424)	(100%-)
2.4	Proposed dividends	Nil	Nil	
2.5	Record date for determining dividend	N/A	N/A	
2.6	An explanation of the above figures is contained in the “Review of Operations” included within the attached directors’ report.			
	*The loss is after the write down of goodwill in the amount of \$11,568,010, a non-cash adjustment. The result before the write down is a loss of \$716,651 (2022: Loss \$818,424).			
		31 December 2023	31 December 2022	% Change Up (Down)
3.	Net tangible asset per security	0.14 cent	0.4 cent	(65%)

4. Details of entities over which control has been gained or lost during the period.
NIL
5. There were no payments of dividends during the reporting period.
6. There is no dividend reinvestment plan in operation.
7. There are no associates or joint venture entities.
8. The Company is not a foreign entity.
9. The accounts are not subject to any audit dispute or qualification.

The Company's half year report follows.

For more information, please contact:

Bioxyne Limited
Mr Anthony Ho | Chairman
tony@bioxyne.com

Mr Guy Robertson | Company Secretary
Guy.robertson@bioxyne.com

About Bioxyne

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

About Breathe Life Sciences (BLS)

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

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

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

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

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

owner of Dr Watson® brand in the UK, Japan, Australia and New Zealand – Dr Watson is an internationally recognized health, lifestyle, and prescription products brand. Dr Watson products consist of cannabis-based food supplements, lifestyle products, cosmetics, functional mushrooms and nootropics, and prescription medicines in Australia;

contract manufacture and wholesale of raw materials and cannabinoid extracts in Japan, UK and Europe; white label manufacture of third-party wellness and supplements brands in Japan, UK and Europe in company-owned facilities;

research and development for third party customers; and

direct sales via online and wholesale sales of BLS-owned consumer brands, such as Dr Watson® (drwatsoncbd.com, nolcbn.com, drwatsoncbd.de)

Corporate: <https://bioxyne.com>

Australia: <https://bls.com.au>; <https://blsclinics.com.au>

International: <https://breathelifesciences.com>

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



Interim Financial Report

For the Half-year Ended 31 December 2023

BIOXYNE LIMITED
ABN 97 084 464 193

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Corporate Information

This half-year report covers Bioxyne Limited and its controlled entities. The Group's functional and presentation currency is Australian dollars (AUD).

A description of the Group's operation is included in the review of operations and activities in the Directors' report on page 3. The Directors' report has not been reviewed by the auditors and does not form part of the financial report.

Directors

Anthony Ho
Independent Non-Executive Chairman

Samuel Watson
Executive Director, Chief Executive Officer

Jason Hine
Executive Director

Chief Financial Officer | Company Secretary

Guy Robertson

Auditors

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000

Banker

National Australia Bank Limited
255 George Street
Sydney NSW 2000

Share Registry

Automic Pty Limited
Level 35, 477 Collins Street
Melbourne VIC 3000

Registered Office

Level 5, 50 Clarence Street
Sydney NSW 2000

Website

www.bioxyne.com

Bioxyne Limited shares (ASX Code: BXN) are listed on the Australian Securities Exchange.

Directors' Report

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidate entity') consisting of Bioxyne Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors who held office during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

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

Chief Financial Officer | Company Secretary

Guy Robertson

Principle activities

Bioxyne Limited acquired Breathe Life Sciences Pty Ltd (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 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 and wellness products, patented probiotics, health supplements, therapeutic goods, and alternative medicines.

In Australia, Breathe Life Sciences holds controlled substance licenses to import, export, wholesale and manufacture Schedule 3, 4 and 8 poisons (Medicinal cannabis), operating a wholesale distribution model as well as direct to patient supply of prescribed medications via telehealth platform BLS Clinics. Outside of Australia, the business has manufacturing and distribution centres in Japan, the UK, and Europe, and operates direct to consumer supply of its trademarked Dr Watson® brand. In early CY 2024 BLS was awarded a GMP medical cannabis, MDMA and Psilocybin manufacturing licence.

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.

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.

Bioxyne Limited financial statements for the half-year ended 31 December 2023

Bioxyne Limited acquired Breathe Life Sciences Pty Ltd (BLS) on 19 May 2023. For accounting purposes, the transaction has been accounted for by applying the principles of reverse acquisition accounting. These financial statements represent a continuation of BLS since that entity is deemed the accounting acquirer pursuant to the accounting standards, and therefore the comparative financial results are for Breathe Life Sciences Pty Ltd only, and not Bioxyne Limited. The comparatives will not compare to the consolidated financial statements of Bioxyne Limited published for the prior financial half-year. The current financial half-year financial statements are for the consolidated entity comprising Bioxyne Limited and the Breathe Life Sciences group. The comparatives represent the results of Breathe Life Sciences Pty Ltd only.

Review of operations

Operations Report

Sales revenue for the half year was \$4,702,735 (2022: \$2,434,974), a strong 93% increase year on year. The increase resulted from the growth of the BLS business, which has performed strongly since its acquisition in May 2023, and the combination of the BLS and Bioxyne trading results. The annualised revenue run rate based on the quarter ended 31 December 2023 is estimated to be in excess of A\$10 million.

Breathe Life Sciences consumer health products and lifestyle divisions in the UK, Europe, and Japan continue to perform consistently, and Australia is achieving rapid growth in wholesale of medicinal cannabis starting materials, Dr Watson® and Breathe Life Sciences final dose form products.

Further developments in Australia include the launch of the CanXChange AI-powered B2B therapeutic goods platform in early 2024. This targets Australia's fast growing ~\$500 million medicinal cannabis market to provide a portal to facilitate wholesale trading between licensed buyers, sellers, cultivators, and accredited manufacturers in the country. The platform has seen significant market interest in its first week since launch with in excess of \$10 million in sales interest.

Bioxyne's PCCT™ probiotics wholesale business underperformed for the period with BXN's major customer under market pressure from competitor probiotic products. The direct sales business has performed below expectations and BXN is looking to divest its interest in this division.

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 above provided an indicator of impairment, and a determination by the Company has resulted in a provision for its full impairment of goodwill as at 31 December 2023.

The result for the half year before taking the minority interest into account, is a loss of \$12,375,348 (2022: Loss \$818,424). This result is after recording a non-cash impairment of \$11,568,010 referred to above (2022: \$87,162). Excluding this non-cash impairment charge, the underlying loss of the group was \$807,339 (2022: Loss \$731,262).

Directors' Report

Operating cash was an outflow for the half-year of \$2,211,184 (2022: Outflow \$707,651). The increase in cash outflow reflects the increase in working capital required to fund the growth in demand for medical cannabis products.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the half-year.

Events subsequent to balance date

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

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

Auditor's Independence Declaration

The auditor's independence declaration is included on page 6 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s306 (3) of the Corporations Act 2001.

On behalf of the Directors,



Sam Watson
Managing Director
29 February 2024

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2023, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

A blue ink signature of "Rsm" in a stylized, cursive font.**RSM AUSTRALIA PARTNERS**A blue ink signature of "Cameron Hume" in a cursive font.

Cameron Hume
Partner

Sydney, NSW

Dated: 29 February 2024

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Notes	Consolidated	
		Half-year ended 31 December 2023	Half-year ended 31 December 2022
		\$	\$
Revenue from continuing operations			
Sale of goods	3	4,702,735	2,434,974
Other income		245,837	85,141
Cost of goods sold		(2,680,661)	(1,101,440)
Expenses			
Research and development		(346,341)	-
Personnel costs		(798,043)	(541,443)
Business development		(419,656)	(206,808)
Marketing		(160,315)	(77,170)
Professional and legal fees		(489,995)	(540,726)
Compliance costs		(122,569)	-
Directors' fees		(392,043)	-
General and administration		(272,022)	(276,668)
Share based payments		(57,624)	(507,122)
Other expenses		(16,641)	-
Impairment	4	(11,568,010)	(87,162)
Loss before income tax		(12,375,348)	(818,424)
Income tax benefit		-	-
Loss after income tax		(12,375,348)	(818,424)
Loss attributable to:			
Owners of Bioxyne Limited		(12,284,661)	(818,424)
Non-controlling interests		(90,687)	-
		(12,375,348)	(818,424)
Exchange differences on translation of foreign operations		(14,985)	(42,204)
Other comprehensive loss for the period, net of tax		(14,985)	(42,204)
Total comprehensive loss for the period, net of tax		(12,390,333)	(860,628)
Total comprehensive loss for the period is attributable to			
Owners of Bioxyne Limited		(12,299,646)	(860,628)
Non-controlling interests		(90,687)	-
		(12,390,333)	(860,628)
Earnings per share and diluted earnings per share, cents		(0.65)	(0.07)

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

Statement of Financial Position

As at 31 December 2023

		Consolidated	
	Notes	As at 31 December 2023	As at 30 June 2023
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		1,525,512	3,845,969
Trade receivables	5	1,205,582	826,477
Current tax receivables		78,616	109,861
Other current assets		292,929	262,976
Inventories	6	1,562,752	994,806
Total Current Assets		4,665,391	6,040,089
Non-Current Assets			
Intangible assets	7	-	11,568,010
Plant and equipment		71,316	85,024
Total Non-Current Assets		71,316	11,653,034
Total Assets		4,736,707	17,693,123
LIABILITIES			
Current Liabilities			
Trade and other payables		1,984,372	2,621,887
Provisions		78,909	65,101
Total Current Liabilities		2,063,281	2,686,988
Total Liabilities		2,063,281	2,686,988
Net Assets		2,673,426	15,006,135
EQUITY			
Contributed equity	8	17,547,751	17,547,751
Reserves		115,768	73,129
Accumulated losses		(14,768,411)	(2,483,750)
Capital and reserves attributable to the owners of Bioxyne Limited		2,895,108	15,137,130
Non-controlling interests		(221,682)	(130,995)
Total Equity		2,673,426	15,006,135

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

Statement of Changes in Equity

For the half-year ended 31 December 2023

	Contributed equity	Accumulated losses	Reserves	Non-controlling interests	Total
Consolidated 2023					
At 1 July 2023	17,547,751	(2,483,750)	73,129	(130,995)	15,006,135
Loss after income tax for the half-year	-	(12,284,661)	-	(90,687)	(12,375,348)
Foreign exchange differences on translation	-	-	(14,985)	-	(14,985)
Total comprehensive loss for the half-year	-	(12,284,661)	(14,985)	(90,687)	(12,390,333)
Share based payment expense	-	-	57,624	-	57,624
As at 31 December 2023	17,547,751	(14,768,411)	115,768	(221,682)	2,673,426

	Contributed equity	Accumulated losses	Reserves	Non-controlling interests	Total
Consolidated 2022					
At 1 July 2022	128,935	(543,780)	50,001	-	(364,844)
Loss after income tax for the half-year	-	(818,424)	-	-	(818,424)
Foreign exchange differences on translation	-	-	(42,204)	-	(42,204)
Total comprehensive loss for the half-year	-	(818,424)	(42,204)	-	(860,628)
Issue of shares	2,037,751	-	-	-	2,037,751
Transfer from reserves	52,558	-	(52,558)	-	-
As at 31 December 2022	2,219,244	(1,362,204)	(44,761)	-	812,279

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

Statement of Cash Flows

For the half-year ended 31 December 2023

	Consolidated	
	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$	\$
Cash flows from operating activities		
Receipts of other income (incl. of goods and services tax)	4,672,271	2,307,968
Payments to suppliers and employees (incl. of goods and services tax)	(6,909,581)	(3,015,622)
	(2,237,310)	(707,654)
Interest receipts	26,126	3
Net cash used in operating activities	(2,211,184)	(707,651)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(15,348)	(27,207)
Cash received on acquisition of a business	-	141,812
Net cash from investing activities	(15,348)	114,605
Cash flows from financing activities		
Proceeds from share issues	-	575,717
Proceeds from loans	-	243,824
Net cash from financing activities	-	819,541
Net (decrease)/increase in cash and cash equivalents	(2,226,532)	226,495
Cash and cash equivalents at the beginning of the period	3,845,969	65,932
Foreign exchange adjustment to cash balance	(93,925)	44,254
Cash and cash equivalents at the end of the period	1,525,512	336,681

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

Notes to the Financial Statements

For the half-year ended 31 December 2023

1 Summary of significant accounting policies

(a) Basis of preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities. Compliance with Australian Accounting Standards 134 ensures that the financial statements and notes comply with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'.

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

The interim financial report is intended to provide users with an update on the latest annual financial statements of Bioxyne Limited. As such, it does not contain the information that represents relatively insignificant changes occurring during the half-year. It is recommended that this financial report be read in conjunction with the annual report for the year ended 30 June 2023 together with any public announcements made during the half-year.

Bioxyne Limited acquired Breathe Life Sciences Pty Ltd (BLS) on 19 May 2023. For accounting purposes, the transaction has been accounted for by applying the principles of reverse acquisition accounting. These financial statements represent a continuation of BLS since that entity is deemed the accounting acquirer pursuant to the accounting standards, and therefore the comparative financial results are for Breathe Life Sciences Pty Ltd only, and not Bioxyne Limited. The comparatives will not compare to the consolidated financial statements of Bioxyne Limited published for the prior financial half-year. The current financial half-year financial statements are for the consolidated entity comprising Bioxyne Limited. The comparatives represent the results of Breathe Life Sciences Pty Ltd only.

Other than as outlined above, the accounting policies and methods of computation have been consistently followed in this interim financial report as were applied in the previous annual financial statements.

(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 \$12,375,348 (including a non-cash impairment of \$11,568,010) had net cash outflows from operating activities of \$2,211,184 and net cash outflows from investing activities of \$15,348, for the half-year ended 31 December 2023.

Notes to the Financial Statements

For the half-year ended 31 December 2023

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 \$1,525,512 in cash on hand at 31 December 2023;
- The Company has net working capital, in addition to cash, of \$1,076,598 at 31 December 2023;
- 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.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Company not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

(c) Critical accounting estimates and judgements

There have been no significant changes to the critical accounting estimates and judgements applied and disclosed in the annual report for the year ended 30 June 2023.

(d) New and revised accounting requirements applicable to the current half-year 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 half-year ended 31 December 2023

2 Segment information

The Group is organized into three operating segments based on differences in products provided and method of sales to market.

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 who is the Chief Executive Officer (was the co-Chief Executive Officer up to the resignation of NH Chua on 17 November 2023). The operating segments are as follows:

1. BLS manufactures, commercializes and distributes plant-based wellness products and supplements, including CBD, cannabis extracts, vitamins, manuka honey, skin care products and mushroom complexes. BLS operates in Australia, the UK, Japan, and Europe with 4 accredited manufacturing facilities across 4 countries (Japan, Australia, UK, and Czechia). In January 2024 BLS was awarded a Good Manufacturing Practice ("GMP") license to manufacture medical cannabis. This was also Australia's first GMP license to manufacture Psilocybin and MDMA. The Company's Therapeutic Goods Administration ("TGA") GMP license covers parts 1 and 2, allowing it to manufacture MDMA (3,4-methylenedioxymethamphetamine) and psilocybin active pharmaceutical ingredients ("APIs") as well as final dose form capsules for supply to authorised prescribers and clinical trials.
2. Bioxyne's wholesale probiotic business, through its proprietary probiotic, *Lactobacillus fermentum* VRI-003 (PCC), is supported by a manufacturing and distribution agreement with Chr. Hansen (Denmark) a global leader in the manufacturing of natural food additives and supplements products for the food, health, pharmaceutical and agriculture industries. Bioxyne has a distribution agreement for PCC® with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.
3. Bioxyne International is the Group's direct sales arm and has developed a range of functional food products containing ingredients sourced exclusively from New Zealand, and sold in Asia.

Management has determined that it is appropriate to report by sales channel which correspondence with geographical areas as follows:

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

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the periods ended 31 December 2023 and 31 December 2022.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

2 Segment information

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The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the periods ended 31 December 2023 and 31 December 2022.

Notes to the Financial Statements

For the half-year ended 31 December 2023

2 Segment information (Cont.)

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the half years ended 31 December 2023 and 31 December 2022.

For the half-year ended 31 December 2023

	Wholesale PCC/USA	Consumer Health Products UK/ EU/JPN	Pharmaceuticals AUS	Unallocated	Total
Sales	432,588	3,208,628	1,061,519	-	4,702,735
Cost of sales	(291,047)	(1,864,875)	(524,739)	-	(2,680,661)
Gross margin	141,541	1,343,753	536,780	-	2,022,074
Other income	-	-	-	245,837	245,837
Impairment	-	-	-	(11,568,010)	(11,568,010)
Overhead expenses	-	(2,312,357)	-	(762,892)	(3,075,249)
Profit/(loss) before tax	141,541	(968,604)	536,780	(12,085,065)	(12,375,348)
Taxation	-	-	-	-	-
Profit/(loss) after tax	141,541	(968,604)	536,780	(12,085,065)	(12,375,348)

As at 31 December 2023

	Wholesale PCC/USA	Consumer Health Products UK/ EU/JPN	Pharmaceuticals AUS	Unallocated	Total
Total assets	198,803	1,694,847	1,915,609	927,448	4,736,707
Total liabilities	33,085	424,996	876,931	728,269	2,063,281
Cash and cash equivalents	-	537,569	188,166	799,777	1,525,512
Trade receivables	198,803	242,204	764,575	-	1,205,582
Trade and other payables	-	1,301,926	331,218	351,228	1,984,372
Inventories	-	643,161	793,412	126,179	1,562,752

Notes to the Financial Statements

For the half-year ended 31 December 2023

2 Segment information (Cont.)

For the half-year ended 31 December 2022

	Plant Based/UK/ EU/JPN	Unallocated	Total
Sales	2,434,974	-	2,434,974
Cost of sales	(1,101,440)	-	(1,101,440)
Gross margin	1,333,534	-	1,333,534
Other income	-	85,141	85,141
Overhead expenses	(2,237,099)	-	(2,237,099)
Profit/(loss) before tax	(903,565)	85,141	(818,424)
Taxation	-	-	-
Profit/(loss) after tax	(903,565)	85,141	(818,424)

As at 31 December 2022

	Plant Based/UK/ EU/JPN	Unallocated	Total
Total assets	1,752,613	-	1,752,613
Total liabilities	1,005,657	-	1,005,657
Cash and cash equivalents	336,681	-	336,681
Trade receivables	711,528	-	711,528
Trade and other payables	992,355	-	992,355
Inventories	566,860	-	566,860

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.

Notes to the Financial Statements

For the half-year ended 31 December 2023

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 CODM for the purposes of resource allocation and assessment of segment performance.

3 Revenue

Timing of revenue recognition

All goods are transferred at a point in time, with revenue being recognised on PCC® sales and wholesale sales when goods are shipped, and for direct sales when cash is received.

4 Expenses

	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$	\$
Asset write-offs		
Provision for goodwill impairment (Note 7)	11,568,010	-
Inventories	-	87,162
	11,568,010	87,162

5 Trade and other receivables

	Half-year ended 31 December 2023	30 June 2023
	\$	\$
Trade receivables	1,281,037	902,239
Less: Allowance for expected credit losses	(75,455)	(75,762)
	1,205,582	826,477

6 Current assets - Inventories

	Half-year ended 31 December 2023	30 June 2023
	\$	\$
Raw materials	41,637	712,818
Finished goods	1,521,115	281,988
	1,562,752	994,806

During the half-year ended 31 December 2023, \$Nil (2022: \$87,162) was recognised as an expense for inventories written down to their net realisable value.

Notes to the Financial Statements

For the half-year ended 31 December 2023

7 Goodwill

	31 December 2023	30 June 2023
	\$	\$
Goodwill	11,568,010	11,568,010
Provision for impairment	(11,568,010)	-
	-	11,568,010

On 19 May 2023, Bioxyne Limited acquired Breathe Life Sciences Pty Ltd. 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 31 December 2023.

Accordingly, during the half-year ended 31 December 2023, \$11,568,010 (2022: Nil) was recognised as a provision for impairment of goodwill.

Notes to the Financial Statements

For the half-year ended 31 December 2023

8 Contributed equity

(a) Share capital

	31 December 2023	31 December 2023	30 June 2023	30 June 2023
	Shares	\$	Shares	\$
Ordinary Shares - Fully Paid	1,901,645,398	17,547,751	1,901,645,398	17,547,751

On 19 May 2023, Bioxyne Limited acquired Breathe Life Sciences Pty Ltd. 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 31 December 2023.

Accordingly, during the half-year ended 31 December 2023, \$11,568,010 (2022: Nil) was recognised as a provision for impairment of goodwill.

(b) Movements in ordinary share capital

	No. 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 on 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
Closing balance 30 June 2023	1,901,645,398	17,547,751
Opening balance 1 July 2023	1,901,645,398	17,547,751
Shares issued	-	-
Closing balance 31 December 2023	1,901,645,398	17,547,751

No share options were issued during the period.

Notes to the Financial Statements

For the half-year ended 31 December 2023

9 Commitments

As at 31 December 2023, the Company had no capital expenditure commitments (31 December 2022: Nil).

10 Contingencies

At 31 December 2023, the Company did not have any contingent liabilities (31 December 2022: Nil).

11 Events Subsequent to Balance Date

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- d) The Company's operations in future financial periods; or
- e) The results of those operations in future financial periods; or
- f) The Company's state of affairs in future financial periods.

12 Dividends

There were no dividends paid, recommended or declared during the current or previous reporting period.

Directors Declaration

For the half-year ended 31 December 2023

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 19, are in accordance with the Corporations Act 2001 including:
 - (a) compliance with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Sam Watson
Managing Director
29 February 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Bioxyne Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Bioxyne Limited which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bioxyne Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual 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 Bioxyne Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Bioxyne Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that appears to read 'Cameron Hume'.

Cameron Hume
Partner

Sydney, NSW

Dated: 29 February 2024

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Bioxyne

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