

17 October 2024

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

### Highlights

- Quarterly Revenue of \$4.6 million, up 48% on Q4 FY2024 and an 119% increase on Q1 FY2024
- Quarterly Cash receipts of \$5.8 million, generating positive operating cash flow for the Quarter of \$1.2 million
- Significant contracts executed, with revenue potential of over \$20 million per annum and with a growing customer base
- Production capability increased substantially, with additional equipment and facilities implemented and operating
- Cash on hand at the end of the Quarter at \$1.8 million
- Outlook extremely positive with growing order book, increased capacity for production, and overall accelerating growth.

Australian life sciences, pharmaceutical and consumer health products Company, **Bioxyne Limited (ASX:BXN)** (“Bioxyne” or the “Company”) is pleased to provide its quarterly activities report for the first quarter of the 2025 financial year (the “Quarter”).

The Company has achieved rapid growth following the granting of its Good Manufacturing Practice (“GMP”) Licence to manufacture medical cannabis products (also Australia’s first licence to manufacture Psilocybin and MDMA) by the Therapeutic Goods Administration (TGA) in February 2024. Within a short period, the Company has made outstanding progress towards becoming Australia’s leading manufacturer and wholesaler of novel medicines, complementing its sale and distribution of Dr Watson® health products.

**Commenting on the activities for the Quarter, Bioxyne’s CEO, Sam Watson, stated:** *“This period marks a significant milestone for Bioxyne and its wholly owned subsidiary, Breathe Life Sciences, in our journey to becoming Australia’s leading manufacturer and wholesaler of novel medicines.*

*The great progress our team and business has made towards this objective since the granting of our GMP licence in February 2024 is remarkable. The commercial manufacture of pharmaceutical cannabis pastilles at scale is a unique achievement in Australia. We are the leading pastille manufacturer and have established an outstanding THC flower packing service and team. We are only at the beginning of our journey in becoming a key player in the global medical cannabis and psychedelics industry.*

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Our focus going forward is to build a quality manufacturing business, to serve the entire industry and continue to exceed the expectation of our stakeholders and customers”.

## Revenue

Group revenue (Figure 1) from the sale of Dr Watson® health supplements, and the wholesale of the Company’s probiotic, *Lactobacillus Fermentum PCC*®, were in line with expectations, with outperformance coming from the newly established manufacturing capacity and improved operations.

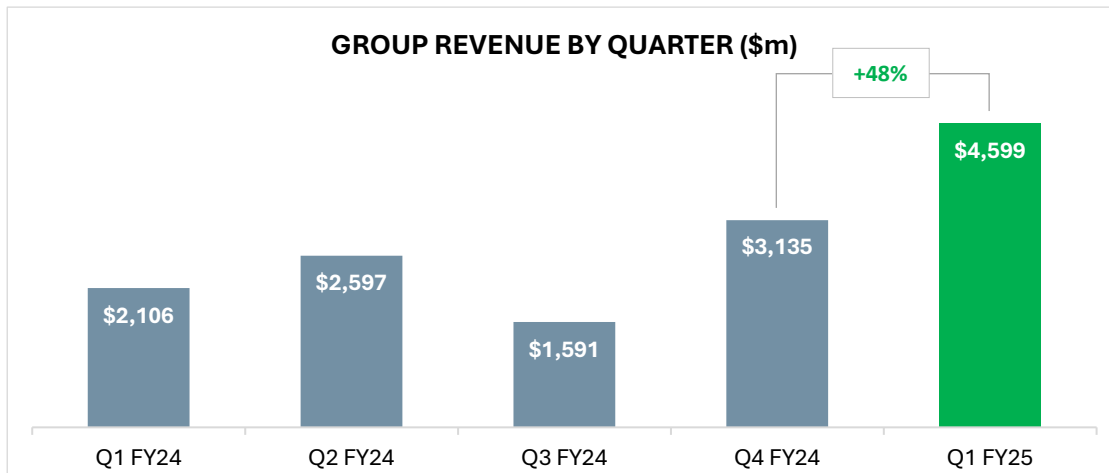


Figure 1 – BXN Group Revenue by Quarter (\$m)

## Operations

As outlined in the previous quarterly report, the Company’s focus is on profitable growth. Maintaining growth in revenue and managing operating costs will enable the Company to achieve its aim of profitable and cash flow positive trading in each quarter of the financial year ended 30 June 2025.

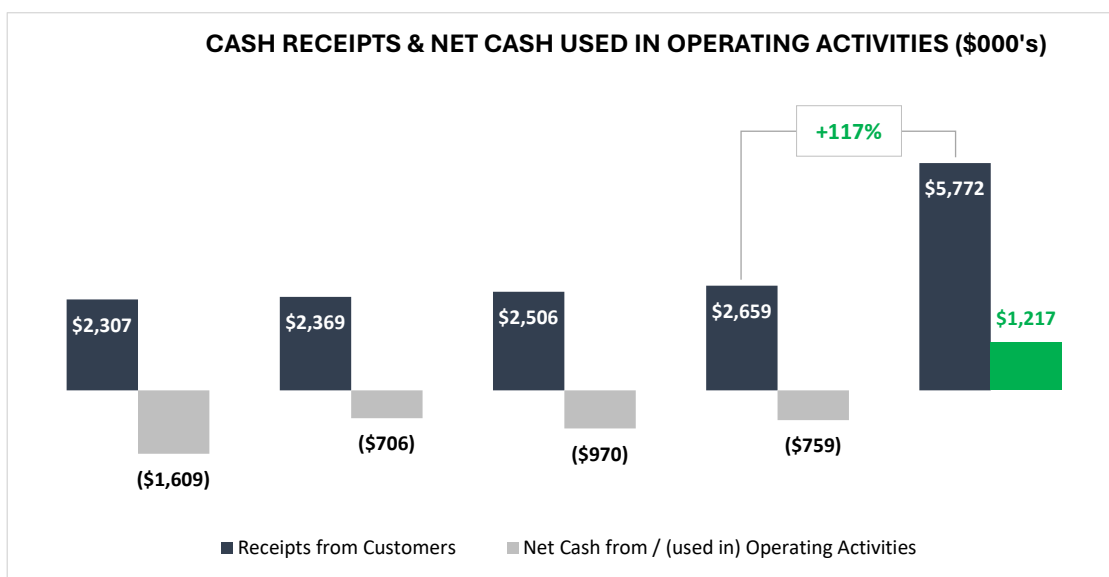


Figure 2 – BXN Cash Receipts and Cash from Operating Activities (\$000's)

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The Company commenced its first commercial manufacture of pharmaceutical-grade edible cannabis pastilles (often referred to as “gummies” or “edibles”) in July 2024. This included the supply of edible pastilles to one of Australia’s top 5 alternative (Authorised Prescriber) medicine clinics, by Breathe Life Sciences (BLS), with a forecasted minimum of \$28m worth of edible cannabis products over the next 24-months.

This was followed late in the quarter by a further major manufacturing agreement with Aura Therapeutics with potential annualised revenue of \$5.94 million to supply both THC Flower Products and edible cannabis pastilles.

Further supply contracts are currently in negotiation, with the Company now having the capacity to manufacture 12,000 kg of THC Flower Products and 24 million THC pastille products annually, for distribution to Australian and overseas customers. The Company’s planned expansion of its manufacturing capabilities for pastilles and flower products are scheduled to come online by December 2024. This expansion will triple the current manufacturing output.

BLS will also continue to manufacture and supply Australian, New Zealand, US, and European clinical trials with novel Psilocybin products to develop proprietary formulations and drug delivery methods, as well as supply Australian patients via the TGA’s Authorised Prescriber Scheme.

## **Corporate**

The Group had a net cash positive inflow of \$1.2 million for the Quarter.

The Company paid directors fees and salaries in the amount of \$151,000 for the Quarter.

Cash balance at the end of the Quarter is \$1.8 million.

## **Outlook**

The Company is focussed on growing its manufacturing customer base, the market for its Dr Watson® branded health and wellness products for consumers, and the introduction of its proprietary probiotic product into its existing global distribution channels.

The Company’s current order book for supplying customer companies continues to grow as it moves forward to scale operations whilst maintaining the high standards of quality that BLS has provided with its pharmaceutical-grade products to date.

As such, Bioxyne remains confident in delivering upon its guidance of \$20m revenue for FY2025.



This quarterly activities report has been approved for release by the Board.

**For further information contact:**

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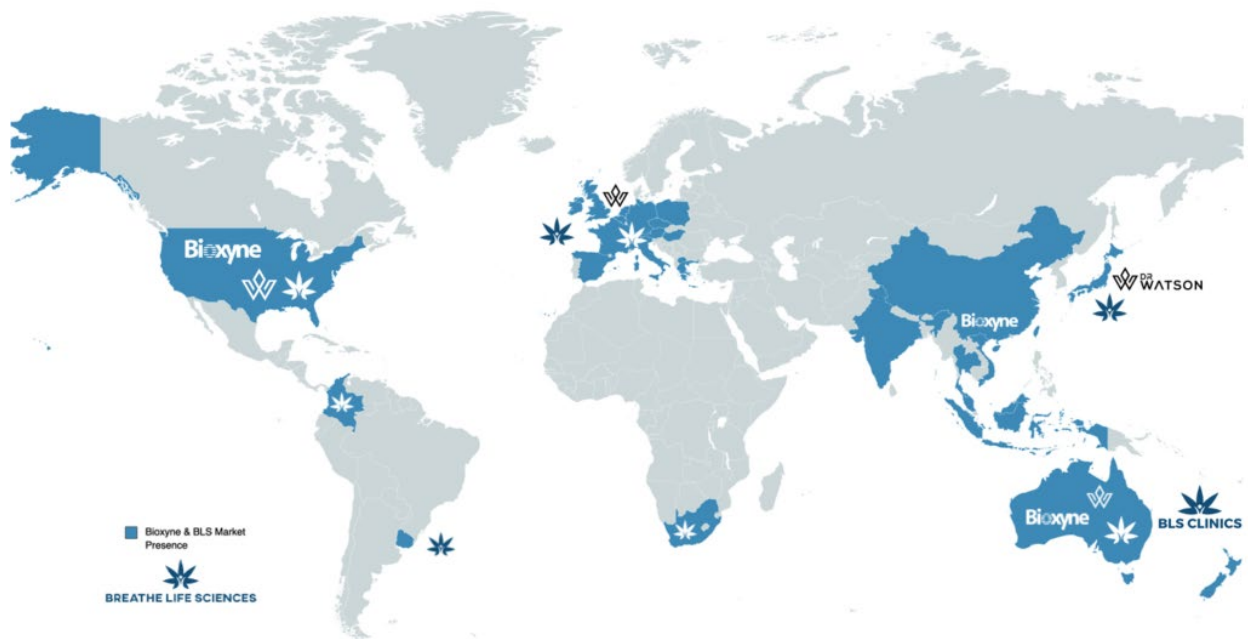


Figure 3 – Bioxyne Activity Worldwide

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## About Bioxyne Ltd.

**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:

- a) Owner of Dr Watson® brand in the UK, Japan, Australia and New Zealand – Dr Watson is an internationally recognized health, lifestyle, and prescription products brand. Dr Watson products consist of cannabis-based food supplements, lifestyle products, cosmetics, functional mushrooms and nootropics, and prescription medicines in Australia;
- b) Contract manufacture and wholesale of raw materials and cannabinoid extracts in Japan, UK and Europe;
- c) White label manufacture of third-party wellness and supplements brands in Japan, UK and Europe in company-owned facilities;
- d) Research and development for third party customers; and
- e) Direct sales via online and wholesale sales of BLS-owned consumer brands, such as Dr Watson®
  - **United Kingdom:** [drwatsoncbd.com](https://drwatsoncbd.com)
  - **Japan:** [nolcbn.com](https://nolcbn.com)
  - **Germany:** [drwatsoncbd.de](https://drwatsoncbd.de)

**Corporate:** <https://bioxyne.com>

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

**International:** <https://breathelifesciences.com>



## Appendix 4C

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

**Name of entity**

Bioxyne Limited

**ABN**

97 084 464 193

**Quarter ended ("current quarter")**

30 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,772	5,772
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(3,067)	(3,067)
(c) advertising and marketing	(106)	(106)
(d) leased assets		
(e) staff costs (including directors fees)	(467)	(467)
(f) administration and corporate costs	(915)	(915)
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)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,217</b>	<b>1,217</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(350)	(350)
(d) investments		
(e) intellectual property		
(f) other non-current assets	(76)	(76)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material) cash on acquisition of subsidiary		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(426)</b>	<b>(426)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Loan to Breathe Life Sciences		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other – timing of funds received for capital raise		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>		
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,028	1,028
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,217	1,217
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(426)	(426)
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,815</b>	<b>1,815</b>

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	1,815	1,028
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,815</b>	<b>1,028</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

151

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

The amount in item 6.1 represents directors fees and salaries.



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

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

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

The Company raised \$1.45 million in April 2024

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

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

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

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

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

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

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

**Compliance statement**

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

Date: 17 October 2024.....

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

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.