



31 July 2020

## QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2020

**Bioxyne Limited** (ASX Code: BXN) (Bioxyne or the Company) is pleased to report on its activities for the quarter ended 30 June 2020.

### Highlights

- **Product revenues up 6% on prior year**
- **Cash flow break even for year to 30 June 2020**
- **COVID-19 continues to slow development in Malaysia, Indonesia**
- **Result for year to include write off of intangibles of \$212k**
- **Successful R&D project brings exciting new product opportunities**
- **Cost saving focus continues**

### Results

Despite COVID-19, the Company's core wholesale sales of *Lactobacillus fermentum* PCC® remain consistent, while COVID-19 slowed the Direct Sales business in Asia.

Sales revenue for Q4 FY 2020 was \$637,695 (Q4 FY 2019: \$619,596). Year to date unaudited sales for the year were \$2,259,264 (YTD FY 2019: \$2,132,603) a 6% increase over the prior year.

The unaudited result for the quarter was a loss of \$284,833, with a YTD loss of \$592,172 (YTD FY19: Loss of \$1,265,882) a loss reduction of 53% over the corresponding year. Before a non-cash impairment charge of \$212,000 (a write off of goodwill and product development costs), the operating loss for the year was \$380,172 a significant loss reduction of 70%.

Operating cash was a positive inflow for the quarter of \$116,000 and cash at the end of the quarter \$1,747,886.

### Operations

It is pleasing to note that Wholesale sales of *Lactobacillus fermentum* PCC® remain consistent with new orders in line with previous years. The product is not impacted by COVID-19.



COVID-19 and lockdowns on people movement continues to weigh on our ability to build the business in Indonesia and Malaysia, that was hitherto driven by face to face meetings. Marketing efforts in both countries has shifted to online, and attendance at our promotional online meetings is growing slowly.

We continue to work with distributors in those markets where we do not have a direct sales presence, particularly those with low COVID-19 impacts.

### **Research and Development**

During the quarter the Company successfully completed a research and development project to incorporate the Company's proprietary strain of probiotics - PCC® into Mymana, its colostrum and fortified milk formula for nutrition and immune support. This new technology will open up new opportunities and allow Bioxyne to bring the significant benefits of its clinically tested probiotic to its range of products designed to improve general health and immune support.

While further process validation is required the Company expects to implement the new technology on a commercial scale before the end of this calendar year.

The Bioxyne retail product suite comprises:

**Progastrim™** (PCC®) - clinically tested proprietary owned probiotic, for general health and immune support

**Mymana** – colostrum and fortified milk formula for nutrition and immune support

**BK18** – NZ dairy based formula with probiotics and vitamins for general health and immune support

**Allura** – weight management and beauty drink for women

**Mustang** – weight management and vitality shake for men

**BEssence** – beauty range

### **Cost saving focus**

In view of the challenges presented by COVID-19 the Company is continuing to focus on reducing its costs.

### **Corporate**

Cash on hand as at 30 June 2020 amounted to \$1.7 million.



Payments to related parties and their associates during the quarter of \$37,000 comprise director and non-executive director salaries, fees and superannuation.

**This quarterly activity report has been approved by the Board.**

For more information, please contact:

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## About Bioxyne

Bioxyne Limited (ASX:BXN) is an Australian health and wellness products company (incorporated in 2000) with a focus on clinically effective health and wellness products particularly in the gut and immune health areas.

Bioxyne is in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* VRI-003 (PCC<sup>®</sup>), and through its direct sales business trading as Bioxyne International, the Company has developed a range of functional food and beauty products containing ingredients sourced primarily from New Zealand.

Bioxyne's probiotic business 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<sup>®</sup> with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company.

For more information on Bioxyne, please visit [www.bioxyne.com](http://www.bioxyne.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 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	685	2,817
1.2 Payments for		
(a) research and development	-	(60)
(b) product manufacturing and operating costs	(291)	(1,101)
(c) advertising and marketing	(1)	(41)
(d) leased assets		
(e) staff costs	(107)	(654)
(f) administration and corporate costs	(189)	(1,010)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	34
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>116</b>	<b>(2)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(47)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	14	14
	(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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>14</b>	<b>(33)</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	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<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	1,715	1,769
4.2	Net cash from / (used in) operating activities (item 1.9 above)	116	(2)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	14	(33)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held	(97)	14
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,748</b>	<b>1,748</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	840	788
5.2	Call deposits	908	927
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>1748</b>	<b>1,715</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**

37

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

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

**7. Financing facilities**

*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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

**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.

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**8. Estimated cash available for future operating activities****\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	116
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,748
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,748
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	12 months +

- 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?

Answer:

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?

Answer:

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

Answer:

## 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: ..31 July 2020.....

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.