

19 December 2022

ASX Announcement

Bioxyne enters into Binding Term Sheet to acquire direct sales Health and Wellness company - Breathe Life Sciences Pty Ltd (BLS)

Highlights

- **BLS and its subsidiaries operate in Australia, United Kingdom, Japan and Europe**
- **Four accredited manufacturing facilities across 3 continents**
- **Products complement BXN health and wellness range and include supplements, skin care, probiotics, cannabinoid isolates and cannabinoid (CBD) based therapies**
- **Consideration for acquisition will be 1,230,000,000 shares in BXN, and completion subject to conditions precedent including due diligence, all BLS shareholders entering into binding long form share sale agreements, and Shareholder and any necessary regulatory and third party approvals**

Bioxyne Limited (ASX:BXN) (Bioxyne, BXN or Company) is pleased to announce that it has executed a binding term sheet with BLS and its majority shareholders to acquire health and wellness company, Breathe Life Sciences Pty Ltd (**BLS**). BLS and its subsidiaries (**Breathe Life Sciences**) manufactures and commercializes plant-based wellness products and supplements, including CBD, cannabis extracts, vitamins, manuka honey and mushroom complexes. Breathe Life Sciences operates in Australia, the UK, Japan, and Europe (France, Germany, Spain, Switzerland, Czech Republic) with 4 accredited manufacturing facilities across 3 continents, and a team of 40+ people.

The acquisition of Breathe Life Sciences by Bioxyne will bring together two of the leading direct sales companies in the food supplement, health and wellness industry. Breathe Life Sciences is known for its innovative approach to developing plant-based products including CBD based therapies that promote health and wellness, while Bioxyne is a pioneer in the field of probiotic and dairy and immune based supplements. Breathe Life Sciences is the owner and manufacturer of internationally recognised health brand, Dr Watson[®], and Bioxyne is the owner of proprietary probiotic, Lactobacillus fermentum PCC[®].

The acquisition will expand Bioxyne's product range and, importantly, catapult the Company to be a global health and wellness company. The combined Bioxyne/Breathe Life Sciences group will have direct sales operations in:

Asia Pacific

- Indonesia
- Malaysia
- Vietnam
- Japan
- Australia
- New Zealand

United Kingdom

- England
- Northern Ireland
- Scotland

USA

- Wholesale sales PCC[®] through NuSkin

Europe

- France
- Germany
- Spain
- Switzerland
- Czech Republic

The transaction will also provide Breathe Life Sciences with the resources and support it needs to continue to innovate and grow.

Mr Tony Ho, Chairman of Bioxyne commented *“This combination of two complementary businesses and geographies will transform the Company and we are excited about the prospect to welcome Breathe Life Sciences into the Bioxyne family. This proposed acquisition is a natural fit for both companies, and we look forward to working together to bring even more innovative supplements and health solutions to the market. Mr Sam Watson will also be joining the board as Joint CEO and brings energy to direct sales.”*

Sam Watson, CEO of Breathe Life Sciences said *“We are thrilled with the opportunity to join forces with Bioxyne. This proposed acquisition will allow us to take our wellness products and international market presence to the next level and continue to provide our community with high-quality, effective solutions for their health and wellbeing.”*

Key Transaction Terms

Consideration for the acquisition is 1,230,000,000 fully paid ordinary shares in Bioxyne Limited, at a deemed issue price of \$0.03 per share. The consideration shares will be escrowed for 12 months.

Completion of the acquisition is subject to the following conditions precedent:

- Completion of satisfactory due diligence by both parties
- BXN Shareholder approval, and any necessary regulatory and other third party approvals
- Entry by all BLS shareholders into binding long form share sale agreements with BXN
- New employment agreements for key BLS employees, including appropriate restraints
- No material adverse change occurring in relation to Breathe Life Sciences
- Other conditions customary for a transaction of this nature

Unless waived, the conditions precedent must be satisfied by 31 March 2023. BXN and BLS will work together, in good faith, to satisfy the conditions precedent and to implement the transaction. If the conditions precedent are not satisfied (or waived) by this date, then unless the date is extended by mutual agreement, either party may terminate the term sheet and the transaction.

It is proposed that the Board following completion will comprise

Anthony Ho (chairman, BXN)	Nam Huat Chua (joint CEO, BXN)
Sam Watson (joint CEO, BLS)	Jason Hines (BLS)

The combined business will have joint CEO's with responsibility for Asia Pacific and Rest of World.

Completion will require BXN Shareholder approval and a shareholders' meeting is expected to be held in or around mid-February 2023. The Notice of Meeting and accompanying Explanatory Statement and an Independent Expert's Report is expected to be despatched to Shareholders in mid-January 2023. Further details of the transaction will be contained in the Notice of Meeting, Explanatory Statement and Independent Expert's Report.

This announcement has been approved for release by the Board.

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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®), and through its direct sales business trading as Bioxyne International, the Company has developed a range of functional food 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® with Nu-Skin Enterprises (USA) a successful worldwide direct selling company.

For more information on Bioxyne, please visit www.bioxyne.com

About Breathe Life Sciences (BLS)

BLS is an Australian incorporated company that has wholly-owned subsidiaries in Japan, France, Czech Republic, Switzerland, United Kingdom and Australia (together, the **BLS Group**).

The BLS Group operates a health and wellness products business, focussed on naturally derived active nutraceuticals, wellness and lifestyle supplements and cannabinoid (CBD) based therapeutic goods.

The BLS Group commercialises products containing active ingredients, such as cannabinoids, mushroom extracts, vitamins, Manuka Honey and probiotic supplements. It primarily operates in the UK, Europe, Switzerland and Japan, and engages in the following activities:

- (a) contract manufacture and wholesale of raw materials and cannabinoid extracts in Japan, UK and Europe;
- (b) white label manufacture of third-party wellness and supplements brands in Japan, UK and Europe;
- (c) research and development for third party customers; and
- (d) direct sales via online and wholesale sales of BLS-owned consumer brands, such as Dr Watson (drwatsoncbd.com, via The Organic Pharmacy (theorganicpharmacy.com), VPZ (vpz.co.uk), National Hemp Store, Amazon.com), NOL (nolcbn.com), Bao Botanicals (baobotanicals.com), Apothecary CBD (via Amazon UK), Essentials CBD (via Amazon UK).

An entity in the BLS Group, BLS Wholesalers Pty Ltd (ACN 648 404 004), holds an import licence issued by the Australian government, a wholesale and manufacturing licence issued by the Queensland government, ISO-7 audited clean rooms, and a pending Pharmaceutical GMP (Good Manufacturing Practices) audit.