



Biocyte
Investor update
ASX: BXN
March 2018



Disclaimer

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Investment highlights

- Bioxyne Limited (ASX: BXN) is a fast-growing Australian listed company, selling functional foods and probiotics into Asia Pacific markets
- Quality, dairy-based products, developed in Australia and New Zealand
- Foundation channel laid through PCC® ingredient sales to Chr. Hansen and Nuskyn with around \$2 million in annual sales
- New growth channel – direct sales of proprietary Bioxyne and Bioxyne International products – to deliver growth. New direct sales channel substantially focused on China and South East Asia
- Experienced Board and Management team – CEO, a highly experienced direct sales executive, currently building direct marketing infrastructure and distribution networks
- 450% share price appreciation over last 12 months, driven by support for change of company strategy and launch of new products into direct sales channel

Our mission: bringing science to wellbeing



Quality products and ingredients

- ⌘ Products are primarily sourced from and / or developed in Australia and New Zealand
- ⌘ Our product development is underpinned by a strong clinical and scientific foundation
- ⌘ Products are marketed under the **Bioxyne International** brand.



Multi-channel growth strategy



Direct sales channel – China and South East Asia

- Major growth channel – products sold through Bioxyne International
- Malaysian license granted in Oct 2017
- Initial sales made in Malaysia and marketing plan to ramp up growth



PCC® Ingredient sales to Chr. Hansen & Nuskin

- Bioxyne has been selling raw PCC® probiotic ingredient for > ten years
- Probiotic used as key ingredient in supplements sold by Sanofi et al
- Steady revenue base with current revenues around \$2m p.a. with good margin



Affiliate sales and marketing – Australia

- Affiliate sales channel launched in late 2017
- Targeting gut health experts and publishers – building brand champions
- Acquisition plan in place to target channel growth

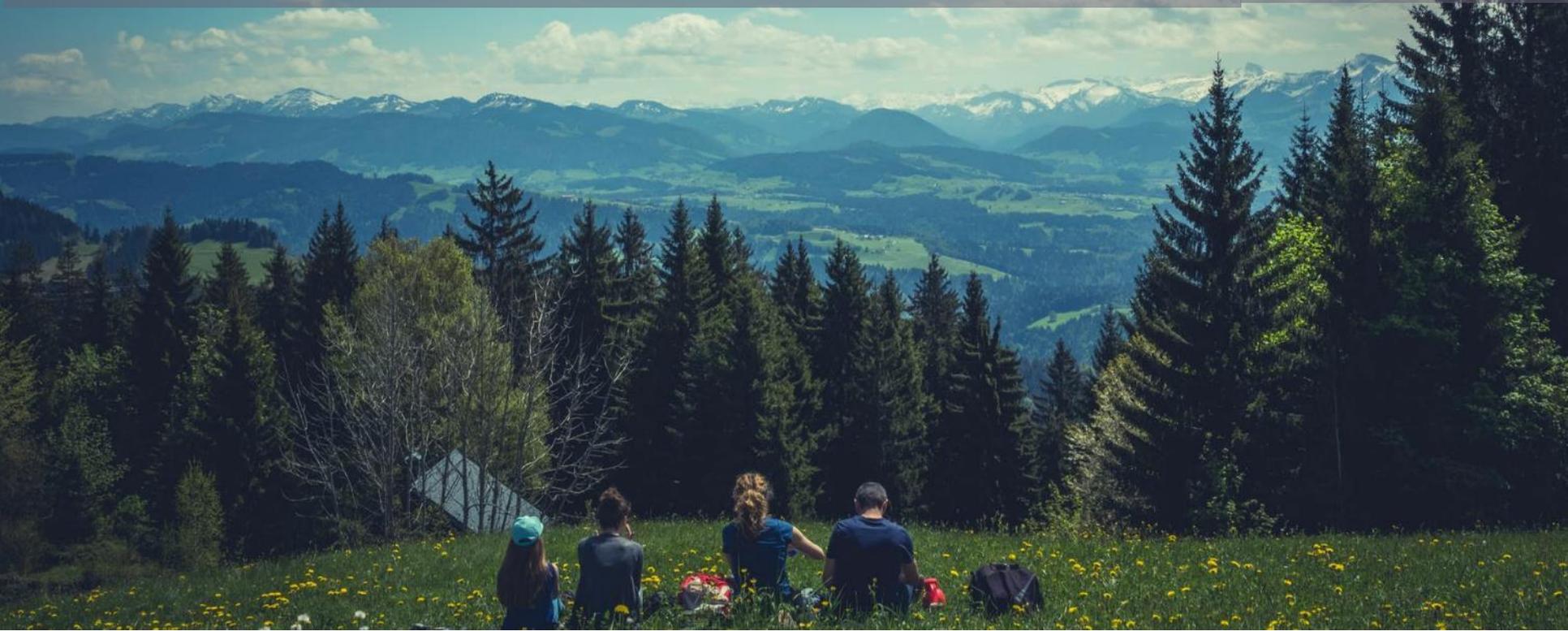
Bioxyne's consumer health and beauty products



BK18 – Dairy Based Food Supplement

A family breakfast replacement and/or nutritional drink to boost the immune system and improve wellbeing.

A New Zealand dairy-based formula, combined with probiotics and vitamins. Dairy ingredients sourced from the world renowned dairy region of Waikato.



Allura – Weight Management for Women

A beauty drink with soy protein and apple fibre and marine collagen extract.

Encourages weight management while promoting a younger looking skin.





Mustang

A revolutionary nutritional shake designed to support men's healthy weight management.

Mustang combines satiety factors that reduce feelings of hunger with prebiotic fibre to support a healthy gut environment with a wide range of vitamins and minerals, including deer velvet for improving men's vitality.

mymana

Mixed skim milk with colostrum & honey



Made in New Zealand
from local and imported ingredients

Powder Beverage

450g

Mymana

Mymana is a unique colostrum and honey based dairy formula product

Daily consumption supports a healthy immune system with sustained energy and wellbeing for the entire family.

BEssence



New Zealand's best anti-ageing serum.

BEssence contains a combination of natural ingredients to reduce fine lines and wrinkles.

Ingredients include bee venom, and Swiss apple stem cells, which stimulates naturally occurring collagen and elastin, and reduces wrinkles making skin look younger.



Progastrim® for gut and immune health

- Protects against traveler's gut problems
- Improves bowel function
- Reduces severity/duration of cold and flu
- Boosts immune response to flu vaccine
- improves quality of life

Progastrim®

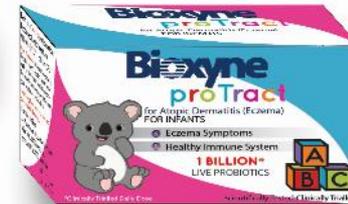




protract® - For Infants with eczema

Relieves symptoms of moderate to severe eczema in infants. Supports a healthy immune system

proTract® for Atopic Dermatitis



Direct sales: Malaysian operations start – Nov 17



Bioxyne's Managing Director, Mr N H Chua, receiving the Direct Sales License for Malaysia from the Secretary-General of Domestic Trade Malaysia, Dato Jamil Bin Saleh.

Malaysian launch of men's health product, Mustang



Mustang, Bioxyne International's weight management and vitality product for men launched on 28 January 2018 into Malaysian market

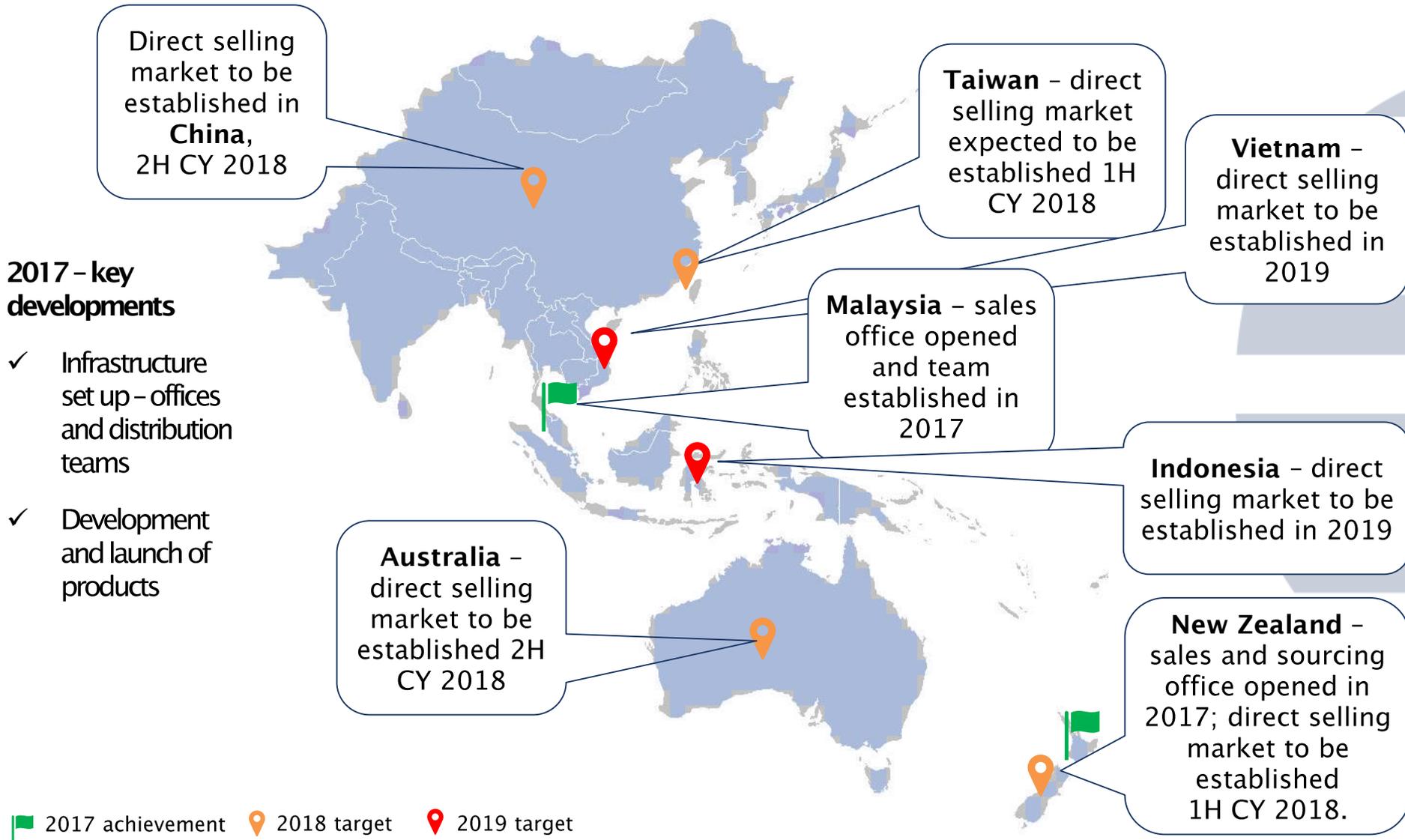
Strong interest in Mustang from launch event



Launch drives conversion of initial reseller agreements

- Presentation and product education
- Distributor purchases
- Support for distributors through website
- Compensation plans
- Conventions – and key seller incentives / recognition

Setting up for growth – Direct Sales into SE Asia

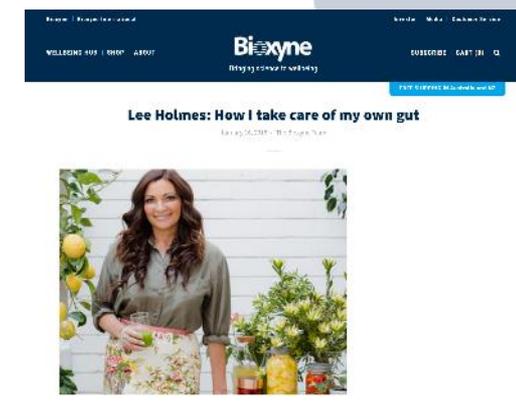


2017 – key developments

- ✓ Infrastructure set up – offices and distribution teams
- ✓ Development and launch of products

Green flag = 2017 achievement, Orange pin = 2018 target, Red pin = 2019 target

Australian affiliate sales commenced – Oct 2017



Influencer breakfast in 2017 drives interest in and demand for affiliate and wholesale sales of Progastrim®

Affiliate / influencer strategy

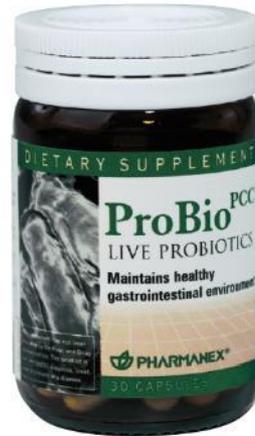
Building an army of influencers who are invested in the clinical benefits of Progastrim® and proTract®:

- Targeting health practitioners, gut health experts and publishers
- Referral agreements in place, with commissions paid monthly
- Bioxyne marketing supports influencers and affiliates with resources to help them market the product range
- Early stage strategy

The screenshot shows the Bioxyne website interface. At the top, there is a navigation bar with links for ABOUT, ADVERTISE, SUBSCRIBE, and CONTACT, along with social media icons for Facebook, Twitter, Instagram, YouTube, and LinkedIn, and a search bar. Below the navigation bar, the main headline reads "See. NEED. WANT." in a pink, serif font. A secondary navigation bar lists various categories: HOME, SHOP, FASHION, BEAUTY, HEALTH + FITNESS, TRAVEL, EAT, INTERIORS, WEDDINGS, MUM LIFE, and THE INFLUENCERS. The main content area features an article titled "Could Bad Gut Health Be Causing These Common Health Issues?" dated 5TH OCTOBER 2017, categorized under HEALTH + FITNESS. The article is by Rosie McKay and discusses the connection between gut health and immunity. To the right of the article is a "LATEST VIDEO" section featuring a video titled "Label Love: Mesop Summer Must-Have Looks" with a "WATCH VIDEO" button. Below the video is a "Showpo. STUNNING RACEWEAR AT SHOWPO" banner with a "SHOP NOW" button. The banner shows three models wearing different styles of racewear.

PCC® Ingredient sales

- PCC® is the active ingredient in existing products distributed globally
- Active ingredient manufactured by industry leader
- Products manufactured and distributed in USA and Europe via key industry relationships



PCC[®] is effective in boosting human health

Clinical studies conducted by Bioxyme indicate that PCC[®] has significant beneficial effects in gut and immune health:

- ✓ Reduces the severity and duration of cold and flu symptoms
- ✓ Reduces the symptoms of eczema in babies
- ✓ Reduces gas, bloating and other gastrointestinal symptoms
- ✓ Boosts general health and wellbeing
- ✓ Boosts the efficacy of the flu vaccine



PCC[®] patents

Title	Territory	Patent no.	Status	Priority Date
Probiotic Bacterium <i>Lactobacillus fermentum</i>	Australia	2003245473	Granted	17-Feb-03
	Australia	2003258366	Granted	8-Sep-03
	Brazil	PI0314060.1	Granted	6-Sep-02
	Canada	2497989	Granted	8-Sep-02
	China	ZL03823833.0	Granted	8-Sep-02
	Europe	1539927	Granted	8-Sep-02
	Japan	4455333	Granted	8-Sep-02
	New Zealand	538640	Granted	8-Sep-02
	Singapore	200501398.2	Granted	8-Sep-02
Treatment of Skin Disorders	Europe	1482959	Granted	17-Sep-02

Corporate overview

Market data	
ASX ticker	BXN
Market cap	\$57.6 million as at 23 Feb 2018
Shares on issue	640,145,398
Performance rights for CEO	40,000,000 based on achieving milestones
Performance rights in Trust for distributors	10,000,000 based on achieving certain sales hurdles
Annual revenues	~\$2 million
Cash reserves	\$4.2 million as at 31 Dec 2017

Top 10 shareholders		
Rank	Holder name	%
1	Cust Nom Co Ltd	12.90
2	Chua Nam Hoat	8.92
3	Ng Peng-Hyang	8.05
4	Forsyth Barr Custs Ltd	5.16
5	Waitara Ttees LTD	3.91
6	Chia Kee-Siong	3.60
7	P Ford Super PL +Diskdew	3.50
8	Ho Anthony + Chui	3.28
9	Hanna Makram + Rita	3.17
10	Hsu Chun-Chieg	3.12

Experienced leadership team

- ☰ **Tony Ho: Non-Executive Chairman.**
Extensive corporate finance and governance experience include Arthur Yates & Co, M. S. McLeod Holdings Limited (Downtown Duty Free), Galore Group Limited (Barbeques Galore) and Brazin Limited (Bras N Things, Sanity Music).
- ☰ **NH Chua: Managing Director.**
Over 33 years' experience in the direct selling industry. Vice President Asia Pacific for New Image Limited for over 10 years.
- ☰ **Patrick Ford: Non-Executive Director**
A Sydney-based stockbroker and Director, Equities at Veritas Securities Limited. Over 25 years experience as a financial markets advisor.
- ☰ **Max Parkin: Executive Director**
Over 35 years' experience of dairy management and consulting experience in New Zealand, Australia, China and South East Asia Pacific, the Americas, Africa and the Middle East. Previous roles include GM Manufacturing and Director International Manufacturing Fonterra, Non-Executive Director New Image and Director Miraka Limited.
- ☰ **Guy Robertson: Company Secretary/CFO**
Extensive experience as ASX listed company secretary, CFO and Director, previous experience includes GM Finance Franklins Limited

Comparables

	A2	Bellamy's	Wattle Health	Bubs	Bioxyne
					
Exchange / ticker	A2M	BAL	WHA	BUB	BXN
Market cap	\$6 billion	\$2 billion	\$224 million	\$354 million	\$57.6 million
Revenue	A\$337 million	\$240 million	\$621k (1/2 year)	\$3.2 million (1/2 year)	\$770k (1/2 year)
Profit	\$52 million	\$35 million	-\$4 million (1/2 year loss)	-\$4 million (1/2 year)	-\$723k (1/2 year loss)

Life-Space – January 2018 Chinese Acquisition

- China's By-Health announced it would acquire Melbourne-based, Life-Space Group in Jan 2018
- Deal had an enterprise value of \$690 million AUD, and Life-Space revenues were reported to be \$71 million in FY17
- Deal marks the latest Chinese acquisition of an Australian healthcare company, following three years of growing investment demand from China into Australia in healthcare
- Strong demand for attractive assets in the world's fast-growing consumer market for vitamins, infant formula and supplements

The screenshot shows a news article on the Financial Review website. The article title is "China's By-Health buys Australian probiotic firm Life-Space Group for almost \$700 million". The article includes a photo of Ben McKang, the managing director of Life-Space Group, and a caption identifying him. The article text mentions that the deal is the latest in a string of acquisitions of Melbourne-based probiotic manufacturers. The website header includes "FINANCIAL REVIEW NEWS WEBSITE OF THE YEAR" and navigation links for Home, News, Business, Markets, etc. There is also a sponsored content section for "Rebuilding Corporate Trust".

Investment summary

- High growth Australian listed company, selling functional foods and probiotics into Asia Pacific markets
- Quality, dairy-based products, developed in Australia and New Zealand
- Foundation channel laid through PCC® ingredient sales to Chr. Hansen and Nuskina with around \$2 million in annual sales
- New growth channel – direct sales of proprietary Bioxyne and Bioxyne International products – to deliver growth. New direct sales channel substantially focused on China and South East Asia
- Strong news flow expected over coming 6 to 12 months, built around launch into new SE Asian markets



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Bringing Science to Wellbeing

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