

29 October 2015

September 2015 Quarterly Update and Appendix 4C

Highlights

- **Positive cashflow from operations for the September 2015 quarter;**
- **Favourable forex conditions for US and EU based customers;**
- **79% increase in sales of Probiotic (PCC) products on a year/year quarter;**
- **36% increase in cash collections from sales of PCC products over the last quarter.**
- **Results for September quarter provided a solid foundation for a strong FY2016 forecast results**

Bioxyne Limited (the Company) completed the September quarter exceeding prior quarter performance with a positive net operating cash flow of \$268,000. The results were driven by increased sales from the probiotics business (PCC). Cash collections were \$662,000. This represents a 36% increase over the previous quarter.

The Company reported an unaudited YTD 30 September 2015 net profit of \$387,000 (2014: \$105,000) with a closing cash balance of \$1,319,000. This resulted from increased sales for the quarter of \$781,000 (2014: \$435,000) being 79% higher than the same quarter last year.

The operating results for the quarter provided a solid foundation for a strong 2016 financial year forecast results.

The increase in revenue is from an increased sales focus and favourable foreign exchange conditions with US and European customers.

The Company continues to balance the short and longer term objectives of shareholders in its deliberations to acquire an appropriate project to grow shareholder value. This should leverage on the Company's proprietary Intellectual Property of *Lactobacillus fermentum* strain of Probiotics, and the Company's ability to generate consistent cash flow.

For more information, please contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Bioxyne Limited

ABN

97 084 464 193

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| Cash flows related to operating activities | | |
| 1.1 Receipts from customers | 662 | 662 |
| 1.2 Payments for | | |
| (a) staff costs | - | - |
| (b) advertising and marketing | - | - |
| (c) Royalty payments | - | - |
| (d) leased assets | - | - |
| (e) cost of goods sold | (338) | (338) |
| (f) other working capital | (55) | (55) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | - |
| 1.5 Interest and other costs of finance paid | (1) | (1) |
| 1.6 Income taxes paid | | |
| 1.7 Other (R&D Tax Concession Proceeds) | | |
| Net operating cash flows | 268 | 268 |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1.8 Net operating cash flows (carried forward) | 268 | 268 |
| 1.9 Cash flows related to investing activities | | |
| Payment for acquisition of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other | - | - |
| Net investing cash flows | - | - |
| 1.14 Total operating and investing cash flows | 268 | 268 |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | - |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from issue of convertible notes | - | - |
| 1.18 (Repayment)/Proceeds of borrowings | - | - |
| 1.19 Dividends paid | - | - |
| 1.20 Cost of issuing equity | - | - |
| Net financing cash flows | - | - |
| Net increase (decrease) in cash held | 268 | 268 |
| 1.21 Cash at beginning of quarter/year to date | 958 | 958 |
| 1.22 Exchange rate adjustments | 93 | 93 |
| 1.23 Cash at end of quarter | 1,319 | 1,319 |

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | Current quarter \$A'000 |
|---|----------------------------|
| 1.24 Aggregate amount of payments to the parties included in item 1.2 | 38 |
| 1.25 Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 Explanation necessary for an understanding of the transactions | |

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

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Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|--------------------------|----------------------------|-----------------------------|
| 4.1 | Cash on hand and at bank | 1,319 | 958 |
| 4.2 | Deposits at call | - | - |
| 4.3 | Bank overdraft | - | - |
| 4.4 | Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.23) | | 1,319 | 958 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|-----|---|-----------------------------|
| 5.1 | Name of entity | - |
| 5.2 | Place of incorporation or registration | - |
| 5.3 | Consideration for acquisition or disposal | - |
| 5.4 | Total net liability | - |
| 5.5 | Nature of business | - |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

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(Director/Company secretary)

Date: 29 October 2015

Print name: Jarrod T White

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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