

28 July 2016

June 2016 Quarterly Update and Appendix 4C

Highlights:

- Strong total revenues in excess of \$1,919,000 for 2016 (2015: \$1,464,000);
- 31% increase in sales of PCC year on year;
- \$1.35 million closing cash balance at 30 June 2016;
- Directors Exercised Options;
- New Clinical Trial announced

Bioxyne Limited (the Company) reported a net operating cash outflow for the quarter of \$97,000 however closed the year with positive cash inflows of \$348,000. Revenue from PCC® sales and royalties for the 2016 year were in excess of \$1,919,000 which is 31% higher than the 2015 Year of \$1,464,000.

Cash outflows for the quarter included increased activities in marketing and distribution initiatives to plan for the 2017 objectives (announced 31 March 2016), and preparation for the upcoming clinical trial (announced on 23 June 2016).

With the increased sales for the year and increased investment in incremental marketing, product development and strengthening of management, the Company expects to report an unaudited 30 June 2016 net profit of around \$215,000 (2015: \$201,000). An increase of around 10% year on year, and a closing cash balance of \$1,354,000 (2015: \$958,000).

During the quarter the three Non-Executive Directors of the Company exercised their options which increased cash reserves by \$44,000 and this is reflected in the cash inflows from financing activities.

The Company announced on the 23rd of June that it is undertaking a new clinical trial to examine the effect of PCC on gastrointestinal health of healthy adults to support its Australian launch and marketing of Progastrim* and proTract*. The clinical trial is expected to commence in August following Ethics approval. Marketing and product development costs are funded internally.

The Board continues to actively investigate further growth opportunities and new markets for its patented probiotic, PCC® to enhance shareholder value.

For more information, please contact:

Dr. Peter French	Executive Director	 Mobile +61 412 457 595
Mr. Tony Ho	Chairman	 Mobile +61 417 345 839

About Bioxyne Limited:

Bioxyne is an ASX-listed biomedical company (**ASX:BXN**) that owns international granted patents for a unique probiotic bacterium, *Lactobacillus fermentum* VRI-003, trademarked as PCC®. PCC®'s health benefits have been demonstrated in a range of scientific and clinical studies. Bioxyne licences the manufacturing and distribution of PCC® to Chr. Hansen (Denmark) a global leader in the manufacturing of natural food cultures and enzymes for the food, health and wellness, pharmaceutical and animal health industries. PCC® is also sold worldwide as ProBioPCC™ through Nu Skin Enterprises, an American multi-level marketing company which develops and sells personal care products and dietary supplements. Strategic initiatives are underway to launch products in Australia and to expand sales in high probiotic growth markets including China and South East Asia.

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 June 2016

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	254	1,919
1.2 Payments for		
(a) staff costs	(10)	(25)
(b) advertising and marketing	(29)	(54)
(c) Royalty payments	-	-
(d) research and development	(50)	(50)
(e) cost of goods sold	(133)	(802)
(f) other working capital	(129)	(641)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R&D Tax Concession Proceeds)	-	-
Net operating cash flows	(97)	348

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(97)	348
Cash flows related to investing activities		
1.9 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	(97)	348
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	44	44
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	44	44
Net increase (decrease) in cash held	(53)	393
1.21 Cash at beginning of quarter/year to date	1,365	958
1.22 Exchange rate adjustments	42	3
1.23 Cash at end of quarter	1,354	1,354

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	79
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Amounts included in item 1.24 include consultancy fees and Directors fees paid to Directors or their nominees. All transactions with related parties are net of any applicable GST and have been incurred on an arm's length basis.

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	-	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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	1,354	1,365
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		1,354	1,365

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:



.....
(Director/Company secretary)

Date: 28 July 2016

Print name: Jarrod T White

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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.

+ See chapter 19 for defined terms.