



28 February 2018

The Company Announcements Office
Australian Securities Exchange Limited
Sydney NSW

Appendix 4D – Half Year Report

1. Name of Entity	Bioxyme Limited ABN 97 084 464 193
Half year ended	31 December 2017
Reporting period	1 July 2017 to 31 December 2017
Previous period	1 July 2016 to 31 December 2016

2. Results for announcement to the market

	31 December 2017	31 December 2016	% Change Up (Down)
2.1 Revenues from continuing operations	770,065	916,156	(15.9)
2.2 Loss from operations after tax attributable to members	(722,653)	(72,186)	(901.1)
2.3 Net loss attributable to members	(722,653)	(72,186)	(901.1)
2.4 Proposed dividends	Nil	Nil	
2.5 Not applicable			
2.6			

The decrease in revenue is partly due to timing of orders received from a USA customer, delivery of a December order slipped into January 2018. This will be accounted for in the second half of the financial year. Sales of PCC® probiotic strain are determined by demand for the final consumer products marketed by our industrial customers. Sales of our PCC® probiotic strain were down on the previous half year, however this was partially offset by the first sale of consumer health products to Asia of \$230,929.

The 2017 half year results include costs of \$215,269 (2016: \$295,838) for research and development and completion of our PCC® clinical trial. Going forward, research and development costs will focus on new product development for the direct sales channel.

To be expected of a company executing a growth strategy, other overhead costs increased by \$482,277 to \$980,716. The Company now has a leadership team of a CEO and executives. The Company has also invested in infrastructure to support the direct sales business with offices in Kuala Lumpur, Malaysia and Cambridge, New Zealand. The main items of expenditure were on sales and marketing, costs of opening up new markets in Asia and product development. The first sale to Asia was made in late calendar 2017. Sales momentum is expected to continue through 2018.

The Company also took up a non-cash charge of \$37,500 for share based payments.

Milestones during the six months to 31 December 2017 included:

- Establishment of an office in Kuala Lumpur, Malaysia – August 2017
- Successfully applied for and received a Direct Sales Licence to operate in Malaysia – October 2017
- Launch of Allura and BEssence (consumer health and beauty products) in Malaysia – November/December 2017
- Re-launch of Progastrim and proTract (consumer health probiotics) in 3 pack format to the direct sales channel in Australia
- Achieved sales of consumer health and beauty products of \$230,929 in December 2017

Highlights subsequent to 31 December 2017:

- Launch of Mustang (consumer health product) in late January 2018
- Launch of Mymana (consumer health product) in late February 2018

Mymana is a unique formulation of New Zealand's colostrum, honey, and dairy milk formula. This provides added nutrition for daily consumption to support wellbeing for the entire family. This exciting product is targeted for China and South East Asia.

The Group is well funded to implement its growth strategy with a cash balance at 31 December 2017 of \$4,173,085 (31 December 2016: \$1,185,536).

This appendix 4D should be read in conjunction with the 31 December 2017 Interim Financial Report and any announcements made to the market in the period by the Company in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

		31 December 2017	31 December 2016	% Change Up (Down)
3.	Net tangible asset per security	0.1 cent	0.1 cent	-

4. The Company did not gain or lose control over any other entity during the reporting period.
5. There were no payments of dividends during the reporting period.
6. There is no dividend reinvestment plan in operation.
7. There are no associates or joint venture entities.
8. The Company is not a foreign entity.
9. The accounts are not subject to any audit dispute or qualification.

The Company's half year report follows.

Guy Robertson
Company Secretary



ABN: 97 084 464 193

Suite 506, Level 5
50 Clarence Street
Sydney NSW 2000

P: +61 2 9078 8180
F: +61 2 9078 7661



BIOXYNE LIMITED

ABN 97 084 464 193

**Interim Financial Report
For the Half-Year ended 31 December 2017**



Index	Page
Corporate Information	2
Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report to the Members	15

**Bioxyne Limited Half-Year Report
31 December 2017**

Corporate Information

This half-year report covers Bioxyne Limited and its controlled entities. The Group's functional and presentation currency is AUD.

A description of the Group's operation is included in the review of operations and activities in the Directors' report on page 3. The Directors' report has not been reviewed by the auditors and does not form part of the financial report.

Directors

Anthony Ho	Non-Executive Chairman
N H Chua	Managing Director
Patrick Douglas Ford	Non-Executive Director
Maxwell Parkin	Executive Director

Chief Financial Officer | Company Secretary

Mr Guy Robertson

Auditors

RSM Australia Partners
Level 13, 60 Castlereagh Street
SYDNEY NSW 2000

Banker

National Australia Bank Limited

Security Transfer Registrar Pty Limited
Suite 913, 530 Little Collins Street,
Melbourne VIC 3000

Internet Address

www.bioxyne.com

**Bioxyme Limited
Directors' Report**

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidate entity') consisting of Bioxyme Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half - year ended 31 December 2017.

Directors

The following persons were directors who held office during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Anthony Ho	Non-Executive Chairman
N H Chua	Managing Director
Patrick Ford	Non-Executive Director
Maxwell Parkin	Executive Director
Dr Peter French	Scientific Director (resigned 15 February 2018)

Chief Financial Officer | Company Secretary

Mr Guy Robertson

Review of operations

Operations Report

Sales revenue for the half year were \$770,065 (31 December 2016: \$916,156). The shortfall over the prior year is largely attributable to overseas wholesale sales of PCC®. Full year PCC sales are expected to recover to approximately 90% of the prior year. The current year results also include the first sale of the BK18 product to Asia.

The result for the half year is a loss of \$722,653 (2016: loss \$72,186). The result reflects the scale up of operations with offices in Kuala Lumpur, Malaysia and Cambridge, New Zealand, and the development of new markets and product development costs associated with the direct selling business.

Following a period of development and testing following the acquisition of the New Zealand and Malaysian companies in April 2017, the Company was pleased to launch the following products during the period ended 31 December 2017:

Allura – a weight management and beauty product for women
BEssence – a skin care range including an anti-ageing serum

In addition, the Company relaunched Progastrim® and proTract® its probiotic products now available in a pack of 3 X 30 tablets for the direct sales market, in early January 2018 launched Mustang, a nutritional shake for men for general health, weight management and vitality and in late February 2018 launched Mymana a unique formulation of New Zealand's colostrum, honey, and dairy milk formula, an exciting product targeted for China and South East Asia.

Bioxyne Limited
Directors' Report (Cont.)

In October 2017, a subsidiary company, Bioxyne International Sdn Bhd received its Malaysian direct selling licence. The Company also established an office and showroom in Kuala Lumpur at this time to provide regional support for Bioxyne International's plans to expand and become a leading direct selling company in Asia.

The clinical trial examining the effects of PCC® on microbiome composition, gastrointestinal symptoms, quality of life, medication and adverse events concluded during the period with results being received late in the calendar year. An announcement was made (11 December 2017) on the positive influence of Bioxyne's probiotic PCC to gastrointestinal health and health in general. Further review is ongoing on the substantial amount of data.

The Company raised \$1,348,601 from the exercise of options during the half year bringing the cash balance as at 31 December 2017 to \$4,173,085 (31 December 2016: \$1,185,536). Net trading cash outflow for the half year was \$922,266 (31 December 2016: inflow \$147,457).

The Company and its Managing Director have been notified of a claim by New Image Group Limited, a New Zealand Company. The claims are without foundation and will be vigorously defended. The Company will file a statement of defence in due course. Kensington Swan, an Auckland based legal firm is advising and acting for the Bioxyne Group.

Events Occurring After the Balance Sheet Date

There are no events subsequent to the end of the period that would have a material effect on the entity's financial statements at 31 December 2017.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s306 (3) of the Corporations Act 2001.

On behalf of the Directors,



Anthony Ho
Chairman
28 February 2018

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bioxyne Limited for the half year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'W. E. Beauman'.

W. E. Beauman
Partner

Sydney, NSW

Dated: 28 February 2018

Bioxyne Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year ended 31 December 2017

	Consolidated	
	Half-year ended 31 December 2017	Half-year ended 31 December 2016
	\$	\$
Revenue from continuing operations		
Sale of goods	770,065	916,156
Other income	101,162	198,762
Cost of goods sold	(397,897)	(392,829)
Expenses		
Audit	(21,010)	(18,000)
Professional fees	(253,021)	(98,137)
Compliance costs	(75,874)	(67,363)
Employee and directors' benefits	(328,461)	(116,850)
Research and development including clinical trial	(215,269)	(295,838)
General and administration	(149,149)	(65,251)
Marketing	(153,199)	(132,836)
Loss before income tax	(722,653)	(72,186)
Income tax benefit	-	-
Other comprehensive income/(loss) for the period, net of income tax, foreign exchange translation	(8,592)	-
Total comprehensive loss for the period	(731,245)	(72,186)
Loss attributable to:		
Members of Bioxyne Limited	(731,245)	(72,186)
Earnings per share		
<i>From continuing operations</i>		
- Basic earnings per share, cents	(0.12)	(0.04)
- Diluted earnings per share, cents	(0.12)	(0.04)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Bioxyne Limited
Statement of Financial Position
As at 31 December 2017

	Consolidated	
	As at	As at
	31 December 2017	30 June 2017
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	4,173,085	3,875,864
Trade and other receivables	349,708	258,370
Current tax receivables	388,743	278,440
Inventories	230,479	101,349
Total Current Assets	5,142,015	4,514,023
Non-Current Assets		
Intangible assets	154,225	223,396
Plant and equipment	132,564	2,920
Other financial asset	-	-
Total Non-Current Assets	286,789	226,316
Total Assets	5,428,804	4,740,339
LIABILITIES		
Current Liabilities		
Trade and other payables	634,525	597,617
Provisions	8,701	12,000
Total Current Liabilities	643,226	609,617
Total Liabilities	643,226	609,617
Net Assets	4,785,578	4,130,722
EQUITY		
Contributed equity	62,164,597	60,815,996
Reserves	39,526	10,618
Accumulated losses	(57,418,545)	(56,695,892)
Total Equity	4,785,578	4,130,722

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Bioxyne Limited
Statement of Changes in Equity
For the Half-Year ended 31 December 2017

	Contributed Equity	Accumulated Losses	Reserves	Total
Consolidated				
2016				
At 1 July 2016	57,478,121	(55,930,140)	3,274	1,551,255
Loss after income tax for the half year	-	(72,186)	-	(72,186)
Total comprehensive income for the half year	-	(72,186)	-	(72,186)
Issue of options	-	-	5,524	5,524
As at 31 December 2016	57,478,121	(56,002,326)	8,798	1,484,593
Consolidated				
2017				
At 1 July 2017	60,815,996	(56,695,892)	10,618	4,130,722
Loss after income tax for the half year	-	(722,653)	-	(722,653)
Foreign exchange differences on translation	-	-	(8,592)	(8,592)
Total comprehensive income for the half year	-	(722,653)	2,026	(731,245)
Share based payments	-	-	37,500	37,500
Issue of shares on exercise of options	1,348,601	-	-	1,348,601
As at 31 December 2017	62,164,597	(57,418,545)	39,526	4,785,578

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Bioxyne Limited
Statement of Cash Flows
For the Half-Year ended 31 December 2017

	Consolidated	
	Half-year ended	Half-year ended
	31 December 2017	31 December 2016
	\$	\$
Cash flows from operating activities		
Receipts of other income (incl. of goods and services tax)	794,671	996,469
Payments to suppliers and employees (incl. of goods and services tax)	(1,716,937)	(1,143,926)
	<u>(922,266)</u>	<u>(147,457)</u>
Finance charges	-	(888)
Interest received	4,266	146
Net cash provided by operating activities	<u>(918,000)</u>	<u>(148,199)</u>
Cash flows from investing activities		
Purchase of plant and equipment	(133,380)	(3,920)
Net cash used in investing activities	<u>(133,380)</u>	<u>(3,920)</u>
Cash flows from financing activities		
Share issue on exercise of options	1,348,601	-
Net cash from financing activities	<u>1,348,601</u>	<u>-</u>
Net increase in cash and cash equivalents	297,221	(152,119)
Cash and cash equivalents at the beginning of the financial period	3,875,864	1,353,604
Foreign exchange adjustment	-	(15,949)
Cash and cash equivalents at end of the period	<u>4,173,085</u>	<u>1,185,536</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2017

1 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2017 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Bioxyne Limited. As such, it does not contain the information that represents relatively insignificant changes occurring during the half-year. It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2017 together with any public announcements made during the half year.

The accounting policies and methods of computation have been consistently followed in this interim financial report as were applied in the previous annual financial statements.

(b) Critical accounting estimates and judgements

There have been no significant changes to the critical accounting estimates and judgements applied and disclosed in the 30 June 2017 annual report.

(c) New and revised accounting requirements applicable to the current half- year reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are yet to be mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2017

2 Segment information

Bioxyne operates in the direct sales industry in Asia, New Zealand and Australia. The principal operations are to research, develop, market and distribute health and nutritional supplements, including probiotics.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the half years ended 31 December 2017 and 31 December 2016.

Segment revenues and results

Business Segments

	USA/Europe	Australia/New Zealand	Asia	Unallocated	Total
31 December 2017	\$	\$	\$	\$	\$
Segment revenue	516,195	1,526	252,344	101,162	871,227
Segment expenses	(228,173)	(1,347)	(148,101)	(1,216,259)	(1,593,880)
Segment result	288,022	179	104,243	(1,115,097)	(722,653)
Segment assets	198,004	-	1,380,166	3,850,634	5,428,804
Segment liabilities	83,957	-	45,935	513,334	643,226

Business Segments

31 December 2016	\$	\$	\$	\$	\$
Segment revenue	973,550	-	-	141,368	1,114,918
Segment expenses	(392,828)	-	-	(794,276)	(1,187,104)
Segment result	580,722	-	-	(652,908)	(72,186)
Segment assets	174,507	-	-	1,789,901	1,964,408
Segment liabilities	71,521	-	-	408,294	479,815

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2016: Nil).

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' fees, share of profits of associates, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2017

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than tax assets and goodwill;
- Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial, liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

3 Contributed equity

(a) Share capital

	31 December 2017	31 December 2017	30 June 2017	30 June 2017
	Shares	\$	Shares	\$
Ordinary Shares Fully Paid	640,145,398	62,164,597	507,565,250	60,815,996

(b) Movements in ordinary share capital

	Issue date	Number of Shares	Issue price	\$
Opening balance 1 July 2016		202,426,100		57,478,121
Shares issued on acquisition of business and sign on fee	19 April 2017	22,500,000	0.019	427,500
Share placement	21 April 2017	28,106,525	0.019	534,024
Shares issued on exercise of options	5 May 2017	750,000	0.0234	24,977
Rights issue	30 May 2017	253,782,625	0.01	2,537,826
Cost of capital raising		-		(186,452)
Balance	30 June 2017	507,565,250		60,815,996
Share issue on exercise of options	1 July 2017 to	130,780,148	0.01	1,307,801
Share issue on exercise of options	31 December	550,000	0.021	11,550
Share issue on exercise of options	2017	1,250,000	0.0234	29,250
Balance	31 December 2017	640,145,398		62,164,597

Bioxyne Limited
Notes to the Financial Statements
For the Half-Year ended 31 December 2017

(c) Options

As at the date of the interim financial report, the following options over unissued ordinary shares were on issue:

Details	No of options	Issue date	Date of expiry	Conversion price (\$)
Director options	3,750,000	23/12/16	24/11/19	0.0234
Employee options	1,000,000	2/2/17	24/11/19	0.0234
Total	4,750,000			

	Year to 30 June	
	2017	2017
Options	No.	No.
Balance at beginning of period	137,808,336	917,000
Granted during the period	-	137,641,336
Lapsed during the period	(478,188)	-
Exercised during the period	(132,580,148)	(750,000)
Balance at end of year	4,750,000	137,808,336

(d) Performance rights

Shareholders at a General Meeting on 3 August 2017 approved the grant of 40,000,000 performance rights to the Chief Executive Officer (CEO). The performance rights were valued by 22 Corporate Advisory Pty Limited, at between 6.8 cents and 6.1 cents a share being the share price on grant date discounted for lack of marketability. Vesting occurs at the end of the Performance Period ended 30 June 2020, if the following performance conditions are met:

- (i) The CEO remaining employed by the Company or one of its subsidiaries for the duration of the Performance Period; and
- (ii) The CEO meeting the following performance hurdles during the Performance Period, in respect of the percentage of Rights allocated to each hurdle:

For the year ended 30 June 2018 – 8 million shares on the basis of:

- 1.1 Share price hurdle, if the Volume Weighted Average Price is 2.5 cents for 10 consecutive days in the year to 30 June 2018, the provision of (a)(ii) shall apply.
- 1.2 If Export Sales exceed A\$1.5m then 6 million shares plus 4 shares for every A\$ of export revenue up to \$2million.

1.3 The maximum performance shares issued shall be 8 million shares

For the year ended 30 June 2019 – 12 million shares on the basis of:

- 2.1 Share price hurdle, if the Volume Weighted Average Price is 4.5 cents for 10 consecutive days in the twenty four months preceding 30 June 2019, the provision of (b)(ii) shall apply.
- 2.2 If Export Sales exceed A\$3m then 9 million shares plus 3 shares for every A\$1 of sales up to A\$4million.
- 2.3 The maximum performance shares issued shall be 12 million shares
- 2.4 Where cumulative Export Sales for the two years ended 30 June 2019 is more than \$6 million; any vesting shortfall of Performance Rights pursuant to clause 6.2 (a) (ii) and 6.2 (b) (ii) shall vest.
- 2.5 For the avoidance of doubt the maximum vesting of shortfall per 6.2 (b) (iii) and 6.2 (a) (ii) and 6.2 (b) (ii) shall be 20,000,000 Performance Rights.

For the year ended 30 June 2020 – 20 million shares on the basis of:

- 3.1 Share price hurdle, if the Volume Weighted Average Price is 6.5 cents for 10 consecutive days in the thirty six months ended 30 June 2020, the provision of (c)(ii) shall apply,
- 3.2 If export sales exceed A\$6m then 15 million shares plus 2.5 shares for every A\$1 of sales up to A\$8million.
- 3.3 The maximum performance shares issued shall be 20 million

An expense of \$37,500 was recognised for the period ended 31 December 2017 in relation to these performance rights.

4. Commitments

There were no commitments as at 31 December 2017.

5. Contingent liability

The Company and its Managing Director have been notified of a claim by New Image Group Limited, a New Zealand Company. The claims are without foundation and will be vigorously defended. The Company will file a statement of defence in due course. Kensington Swan, an Auckland based legal firm is advising and acting for the Bioxyne Group.

6. Events Occurring After the Balance Sheet Date and Contingent Assets

There were no significant subsequent events that have occurred since balance date.

7. Dividends

There were no dividends paid, recommended or declared during the current or previous reporting period.

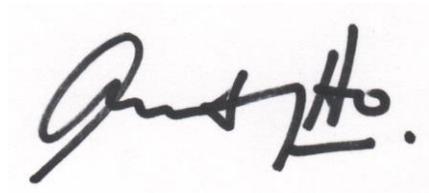
Bioxyne Limited
Directors Declaration
For the Half-Year ended 31 December 2017

Declaration by Directors

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 13, are in accordance with the Corporations Act 2001 including:
 - (a) compliance with Accounting Standard *AASB 134 Interim Financial Reporting*; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'Anthony Ho', with a period at the end. The signature is written in a cursive style.

Anthony Ho
Chairman
28 February 2018

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****BIOXYNE LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Bioxyne Limited which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bioxyne Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bioxyne Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bioxyne Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'W. E. Beuman'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'W. E. Beuman'.

W. E. Beuman
Partner

Sydney, NSW
Dated: 28 February 2018