

BIOXYNE (ASX:BXN) - \$50M CONTRACT

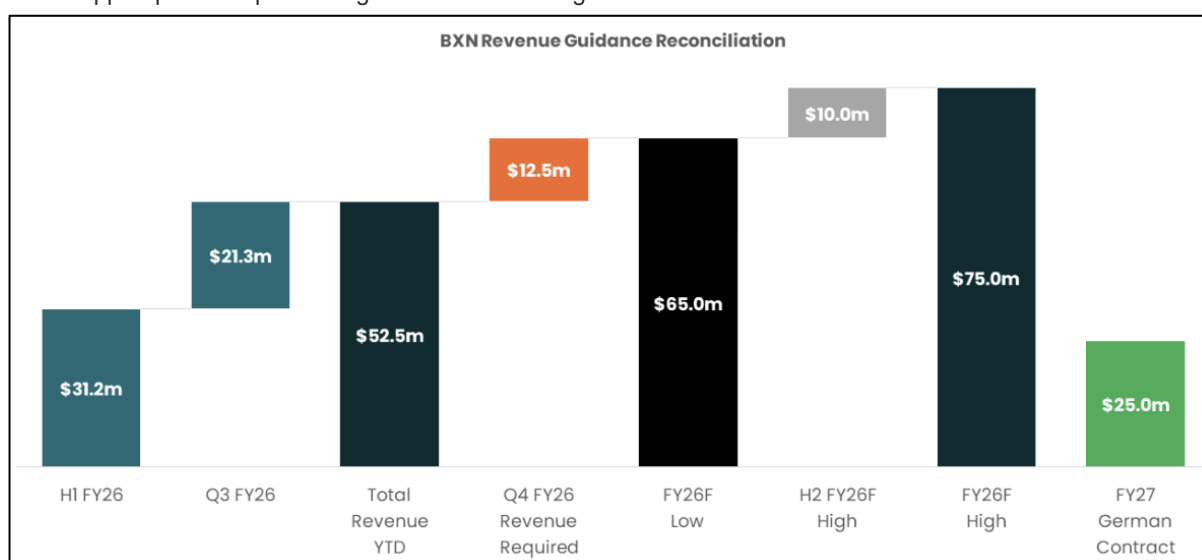
German Supply Agreement with ADREXpharma GmbH | \$25M Minimum Purchase Year 1

COMPANY OVERVIEW

Bioxyne Limited (ASX:BXN) is an ASX listed international consumer health and pharmaceutical company focused on clinically effective health and wellness products, psychotropic and investigational medicines, meeting patient's unmet needs. Bioxyne is the parent company of Breathe Life Sciences (BLS), an Australian pharmaceutical manufacturing company licensed by the ODC, TGA and QLD Health to import, export, manufacture and supply scheduled drugs including medicinal cannabis, MDMA and Psilocybin under its own brand and for third party brands.

CONTRACT OVERVIEW

- BXN has materially strengthened its European footprint via a two-year, \$50m German supply agreement with ADREXpharma GmbH (Adrex), including a \$25m minimum purchase commitment in the first 12 months and an automatic 12-month renewal. This expands on the initial June 2025 agreement and provides defined, contracted demand into what is now Europe's largest medicinal cannabis market, positioning BXN as a scaled GMP supplier into a structurally import-dependent jurisdiction.
- Adrex receives exclusive rights to BXN's Dr Watson brand in Germany, underpinned by the minimum commitment, which should support premium positioning and brand-led margin over time.



Source: BXN Announcements.

REVENUE & EARNINGS IMPLICATIONS

Revenue

BXN has previously guided to FY26 revenue of \$65–75m which provided the company continues to deliver should be largely derisked given the recent quarter on quarter growth exhibited. The market is now looking to FY27 growth. The Company is expected to give guidance on FY27 at the full year result. However, the Adrex contract alone implies \$25m of annualised revenue into FY27, as a percentage of FY26 guided revenue:

- Versus low end (\$65m): $25 / 65 \approx 38\%$; and
- Versus high end (\$75m): $25 / 75 \approx 33\%$;

Effectively anchoring a third of the FY26 top line in a single European pharma-grade off-take for FY27.

Margins

- The Adrex agreement is expected to deliver higher margin than BXN's domestic cannabis revenues for two critical reasons:
 1. **Private Label Product** — supply will be under BXN's in-house Dr Watson brand rather than white-label for third parties. Owning the brand and finished-dose IP generally allows BXN to capture a greater share of the final selling price, with less value leakage to intermediaries compared with pure contract manufacturing or bulk API.
 2. **German Pricing Dynamics** — German medicinal cannabis price points remain above those in the more competitive Australian market, supported by pharmacy-based distribution, prescription status and, in many cases, partial or full reimbursement. With Germany importing more than 200 tonnes of medicinal cannabis annually at pharmaceutical price

levels, BXN is effectively redirecting a portion of its capacity from lower-priced domestic channels into a higher-price, higher-margin European market.

- BXN has granted Adrex exclusive rights to distribute Dr Watson in Germany, which supports premium brand positioning, repeat prescribing and better pricing discipline across Adrex's pharmacy network. When combined with BXN's GMP manufacturing base, this shifts BXN further up the value chain from "toll manufacturer" towards "branded pharmaceutical supplier", which typically carries structurally higher gross margins.

GERMAN MEDICINAL CANNABIS MARKET — FRAMING BXN'S OPPORTUNITY

- BXN has consistently flagged Germany and the UK as key strategic markets given higher pricing and favourable regulatory reform, including Germany's 2024 denarcotisation of medicinal cannabis (CanG) and anticipated positive changes for telemedicine and mail-order channels from 2026.
- German patient numbers and imports have accelerated, with recent data indicating Germany imported around 200 tonnes of medicinal cannabis in 2025, up sharply on prior years.
- Industry expectations now see Germany remaining heavily import-driven, with 2026 imports projected to grow further and a medium-term trajectory towards significantly higher volumes as access expands, pharmacy participation grows and reimbursement/telehealth frameworks mature.

COUNTERPARTY OVERVIEW — ADREXpharma GmbH

- Adrex is a licensed German pharmaceutical company specialising in medicinal cannabis, operating under a full suite of German regulatory permissions, including narcotics handling, wholesale distribution and import/manufacturing licences.
- The company supplies pharmacies and healthcare providers, distributing via German full-line wholesalers and its own wholesale licence, which allows it to act as a direct bridge between foreign GMP manufacturers and domestic pharmacy networks.
- Adrex is recognised among the approved list of German medical cannabis importers and distributors and has built a broad pharmacy footprint in a market where access is increasingly shaped by pharmacy and digital-health channels. Management commentary from both BXN and Adrex emphasises that, over the past six months, the parties have focused on refining product quality, strengthening supply chains and building the operational foundations to scale volumes, with the new agreement framed as a material expansion of the June 2025 arrangement.

OUTLOOK & KEY CATALYSTS

Regulatory tailwinds in Australia remain favourable, with potential reforms to driving laws for medicinal cannabis, and additional state-based changes in Tasmania, Victoria and New South Wales expected to support further domestic uptake. Internationally, ramp-up into the UK and Germany — underpinned by the new Scotland GMP facility due by end-2026 — positions Bioxyne to tap materially larger and higher-margin markets than Australia.

Key potential catalysts over the next 6–12 months include:

- Execution of other additional material contracts;
- Delivery on, or above Revenue and EBITDA guidance range for FY26;
- Continued growth in psychedelics revenues, including follow-on and larger-scale orders for BLSPSIL25 and MDMA supplies as clinical trials and authorised prescriber activity build across Australia;
- Progress on the UK/European manufacturing footprint, including milestones on the Scotland facility and expanded distribution into Germany and broader Europe, where structural margins are expected to be higher than in Australia; and
- Potential acquisitions being undertaken. The Company has signalled previously that it is consistently assessing opportunities. Alpine Capital would anticipate that these are both acquisitions that bolster its domestic position and others that provide beachheads into a faster scaling position in the UK and European markets.

Increasing visibility on revenue and earnings growth into FY27, emerging cash generation and the deepening pipeline of high-value international contracts all support the view that Bioxyne remains a high-growth, early-stage pharmaceutical platform that is now beginning to demonstrate operating scale.

Source: BXN Announcements – contract announcement released 12 May 2026.

DISCLAIMER

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