



BTC health.

Investor Presentation

**Hospital Infusion Business Acquisition
and Capital Raising**

13 May 2019

**Richard Treagus
Executive Chairman**

Forward Looking Statements

This presentation contains forward looking statements that involve risks and uncertainties. Although we believe that the expectations and assumptions reflected in the forward looking statements are reasonable at this time, BTC health can give no assurance that these expectations and assumptions will prove to be correct.

Actual results could differ materially from those anticipated. Reasons may include risks and uncertainties associated with early-stage companies, changes in the regulatory environment, future capital needs or other general risks or factors.

Executive Summary

BTC health is executing on its strategy of building a **high-growth**, sustainable medical products company in the Australian and NZ markets. BTC health is a fully compliant **Pooled Development Fund** (PDF) that provides both the company and its shareholders with access to substantial tax concessions and benefits.

Richard Treagus and Jon Pilcher have a successful track record of building significant **value for shareholders** in a PDF whilst at Acrux (ACR.ax) until 2013, and they now bring this same expertise and commitment to BTC health.

BTC health is focused on the development and commercialization of **specialized medical products** distributed through **hospitals**. The company's objective is to be a leading supplier of novel, high-quality products, building revenues and profitability over time through a combination of new product introductions and targeted acquisitions.

BTC health is now seeking to raise **approximately \$8m** through a private placement in order to fund the **acquisition of the Hospital Infusion Business** from Admedus Ltd (AHZ.ax).

This is a strategic acquisition giving BTC health a **strong platform for growth**, an experienced sales team and an established customer base. This infrastructure will be leveraged to deliver organic growth and provide the capability and capacity for the introduction of new products from the **BTC health pipeline**.



Board of Directors



Richard Treagus – Executive Chairman *BScMed, MBChB, MPharmMed, MBA, MAICD.*

Richard is a physician and entrepreneur with more than 20 years' experience across the international pharmaceutical and biotechnology industry. Richard is Executive Chairman of Neuren Pharmaceuticals (NEU.ax) and former Executive Chairman of Acrux Limited (ACR.ax). Acrux is also a Pooled Development Fund which Richard and the team grew from a \$70m market cap to \$700m. Richard held senior roles at Sigma and Aspen, responsible for in-licensing and distribution of medical devices and pharmaceuticals.



Peter Jones – Non-Executive Director *Chartered Accountant.*

Peter is a successful investor in public and private companies and has considerable investment experience in the biotechnology and life sciences sector. Peter is the Non-Executive Chairman of Site Group International (SIT.ax). Peter was a founding director in Investor Group Limited, the first consolidator of Accounting and Financial Planning business' on the ASX. Peter is a former Chairman of Self Wealth Limited (SWF.ax).



Jon Pilcher – Non-Executive Director and Head of Audit Committee *Chartered Accountant.*

Jon holds a degree in biotechnology from the University of Reading in the UK. Jon is the Company Secretary and Chief Financial Officer of Neuren Pharmaceuticals Limited (NEU.ax) and was previously the CFO of Acrux Limited (ACR.ax). He has extensive experience in the management and administration of Pooled Development Funds and pharmaceutical companies.



Highly capable and experienced executive team



Richard Treagus – Executive Chairman

- More than 25 years experience in the international pharmaceutical and healthcare industry
- Formerly head of sales, marketing and business development at Aspen Pharmacare and Sigma
- An extensive global network in US, Europe, South Africa and Asia.
- A strong track record of concluding partnering transactions, product and business acquisitions



Oskar Hakansson – Business Development Director

- More than 25 years experience in the international pharmaceutical and healthcare industry
- Held senior roles in sales, marketing and business development at Astra Zeneca, Sigma, Symbion and Cipla
- Brings strong experience in all aspects of the medical products supply chain, logistics and distribution
- A track record of sourcing innovative new products from a range of third parties in Europe, Asia and Australia



Stuart Jones – Company Secretary and Chief Financial Officer

- More than 10 years experience holding a variety of senior finance and operational roles in accounting and the financial sector dealing with a wide range of business'.
- Experienced with the administration of listed public companies and the Pooled Development Fund Act.



Glenn Gilchrist - Hospital Business Manager

- 20 years experience in the sales and marketing of specialist pharmaceutical and medical products in Australia and New Zealand
- A track record of growing sales and effectively managing sales teams for global medical product companies
- Strong key account management and established customer relationships
- Brings valuable insights into new customer and new medical product opportunities

Pooled Development Fund Overview

A beneficial structure for shareholders

A

BTC health is registered as a Pooled Development Fund (PDF), giving the company and its shareholders access to substantial tax concessions and benefits.*

B

Shareholders are entitled to concessionary tax treatment in Australia for income and capital gains derived from their shareholding.

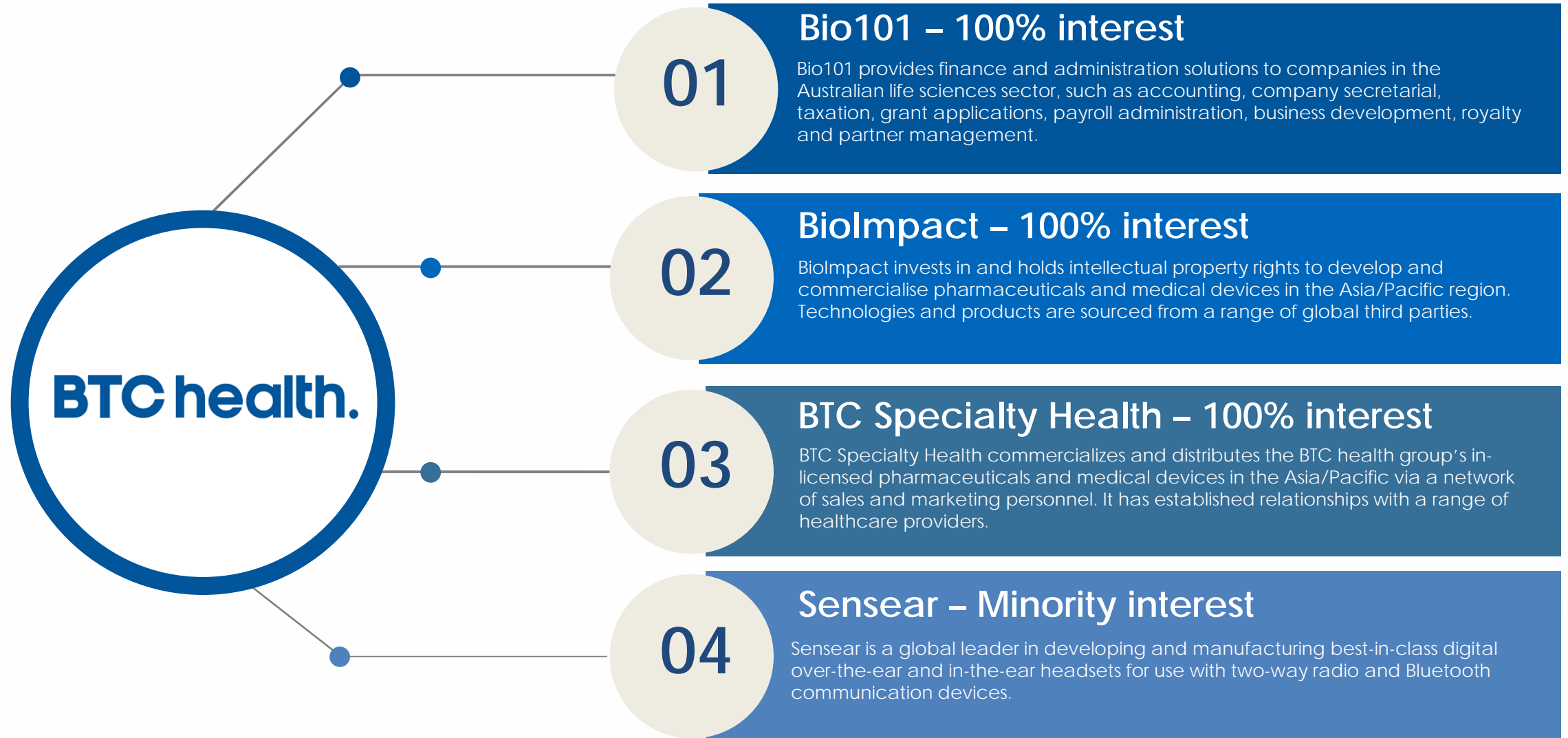
C

Gains realised on the disposal of shares **are not** included in an Australian investor's assessable income. An investor **is not** entitled to any deduction or capital loss on the sale of shares.

D

Unfranked dividends received by an Australian resident will be **exempt** from tax. Franked dividends will also be **exempt** from tax unless the shareholder elects to be taxed. Dividends paid to non-residents will not be subject to withholding tax.

BTC health Structure



Vision and Growth Strategy

BTC health's vision is to be a leading supplier of specialized medical products in Australia and NZ



Leverage **partnering, product development and commercialisation** capabilities to diversify the business and build scale



Deliver sustainable **organic growth, efficiencies** and appropriate **value accretive acquisitions** to add products to our offering and increase geographic reach



Primary focus for growth is the **hospital channel** and **specialized products**



Strong pipeline of high value-add investments - acquiring rights to novel drugs and medical devices



Hospital Infusion Business Acquisition and Capital Raising

A transformative acquisition for BTC health

Acquisition Overview

BTC health Limited (“BTC”) is pleased to announce a compelling acquisition, which will be funded by a private placement of \$8.0m.

Acquiring the **Hospital Infusion Business** from Admedus Limited, (excluding Swiss and Spanish infusion products), for A\$6.3m.



Transfer and **employment of key nominated staff** comprising a national sales team.



BTC health to assume **exclusive distribution rights** with key suppliers.



Transfer of all existing customer contracts and relationships.



Contracts are exclusive with terms of up to 8 years and opportunity for renewals.



Hospital Infusion Business to **trade as BTC health**.



Creating a platform for growth

Summit Medical Products

Summit Medical Products, Inc. is a privately-held, employee-owned company located in Salt Lake City, Utah, USA. Summit has broad experience in the design, development and distribution of medical products. Summit's primary focus is the ambIT® infusion pumps which are sold worldwide and the company invests heavily in new product development.



The Product range:

- The **ambIT®** Infusion system performs to the same high standards held by large digital fluid pumps while staying ambulatory and cost-effective. **ambIT®** pumps provide the efficiency, safety, and quality expected from stationary electronic devices.
- The **ambIT®** infusion pumps provide patients, doctors and hospitals a portable, flexible and cost-effective alternative to traditional stationary pumps. The **ambIT®** pumps are;
 - designed to allow patients the ability to receive needed infusions in the hospital or at home.
 - lightweight and portable devices, allowing patients greater flexibility and mobility.
 - cost effective while still offering the treatment flexibility of stationary pumps and at a significantly lower cost.
 - able to cover a broad range of infusions including pain management, chemotherapy, antibiotic infusions, etc.



Summit Medical Products

Target customers:

ambIT® infusion pumps are sold to hospitals, clinics, and physicians. In addition, various militaries around the world use the **ambIT**® pump. The **ambIT**® pump has been approved by the military for use on fixed wing (airplanes) and helicopters for transporting injured soldiers.

Looking ahead:

Summit Medical Products' mission is "Finding better ways to care for people". Summit is constantly developing new pumps and ancillary products to meet specific needs of healthcare providers to improve patient outcomes.

"Summit Medical Products, Inc. joins in congratulating BTC health on their acquisition of the infusion pump business. The ambIT® exclusive distributorship rights in Australia/New Zealand territory will now pass to the hands of BTC health. Summit is confident that BTC health will continue to successfully promote the ambIT® line and continue to build on its position as a strong competitor in the territory." Summit CEO Mr. LeVoy Haight:



ambIT[®] infusion pumps

Innovative ambulatory infusion pumps are a simple, accurate cost-effective solution for post-operative local anesthetic infusions.

ambIT[®] Continuous

Accurate infusion delivery, providing a simple, sophisticated solution for continuous infusions.

Clinical applications include chemotherapy, anaesthesia, hydration, palliative care, antibiotics.

ambIT[®] PCA

The innovative infusion pump provides a simple, accurate, cost-effective solution for all types of post-operative local anaesthetic infusions.

ambIT[®] PreSet[™] PCRA

The first ambulatory infusion pump with ease of set-up and a mechanical pump with the accuracy and versatility of electronic technology.

Clinical applications include regional nerve blocks, surgical site infusions, epidurals, IV PCA, and sub cutaneous infusions.

ambIT[®] PIB•PCA Pumps

Designed to meet patients' needs by combining features of both PCA and intermittent (bolus) systems into a single pump.



Hospital Infusion - Other Products

ELDOR Wound Catheter

Specialised fenestrated catheters for infusion of local anesthetic into surgical sites for post-operative pain management.

Specialised kit for ultrasound guided nerve blocks



CSEN Ultrasound guided needles



Rainbow Tray™

An innovative, simple colour-coded anaesthetic tray for operating theatre use to assist with patient safety.



Australian Hospital Market

PUBLIC HOSPITALS*

- 695 Public Hospitals with 62,000 beds
- \$67 billion recurring expenditure in public hospitals (increased by 3.2% after inflation adjustment)
- 13% of this amount (\$8.7 billion) spent on medical, surgical and drug supplies.

PRIVATE HOSPITALS*

- 630 Private Hospitals with 33,100 beds
- 68% of funding comes from non-government sources

HOSPITAL INFUSION BUSINESS

- Circa 90% of the prior 12 month sales were made to private hospital customers
- **ambIT**® range is included for re-imburement as per the Protheses List – Part A

Hospital expenditure continues to grow

1300+ hospitals Australia wide

68% of private hospital funding comes from non-govt sources

BTC health sees a significant opportunity in the hospital market

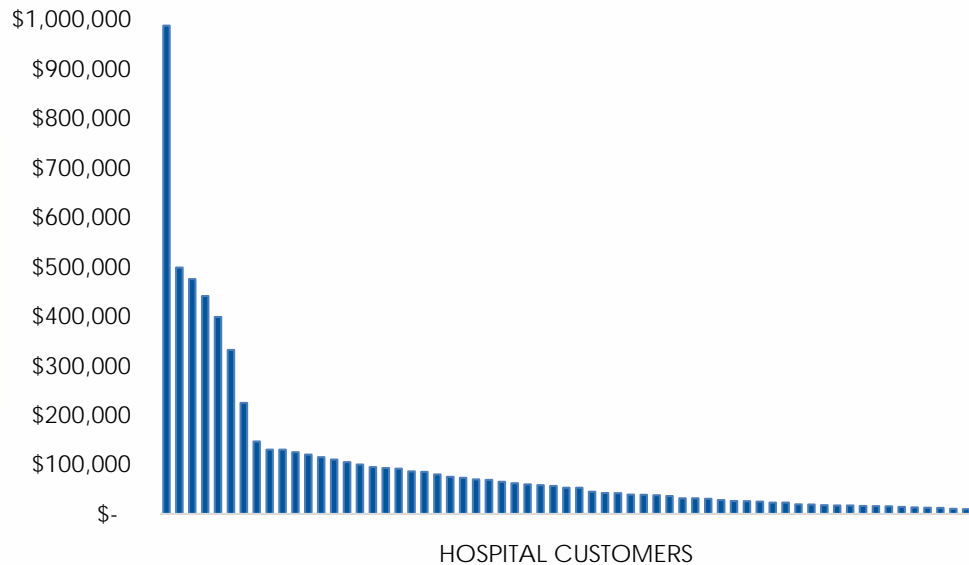
*Source: Hospital resources 2016–17: Australian hospital statistics (release date 27 June 2018) Australian Institute of Health & Welfare.

Hospital Infusion Business

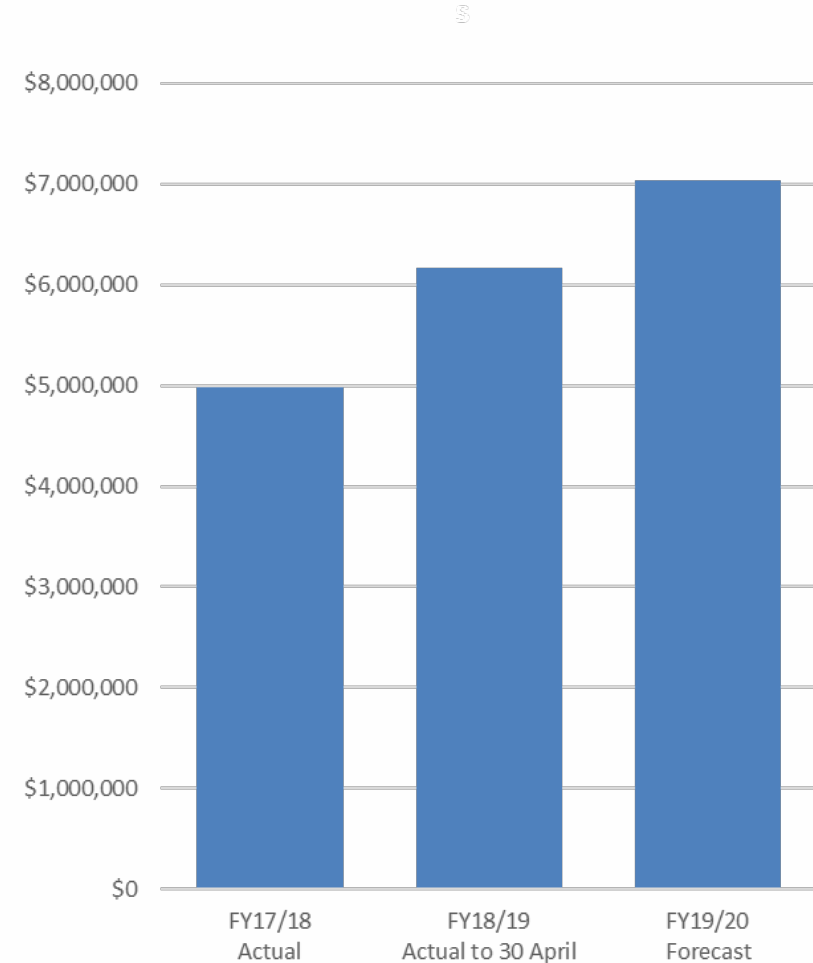
Existing customer base

- Sales of infusion products into 126 hospitals.
- Opportunity to increase sales within existing customer base and beyond.
- Capacity to introduce new hospital products into existing sales team.

Annual sales value by customer – Previous 12 months

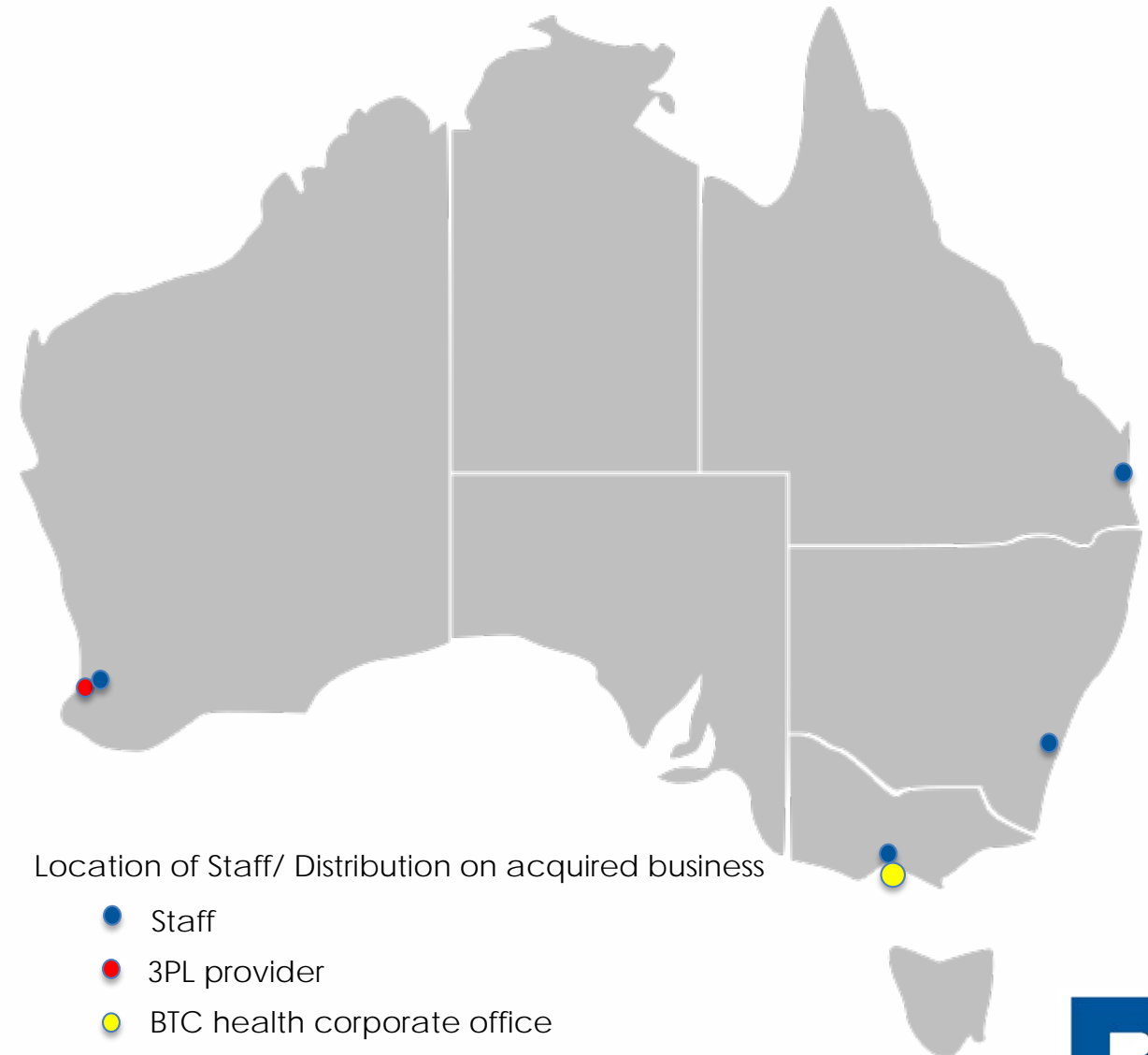


Historic sales and forecast



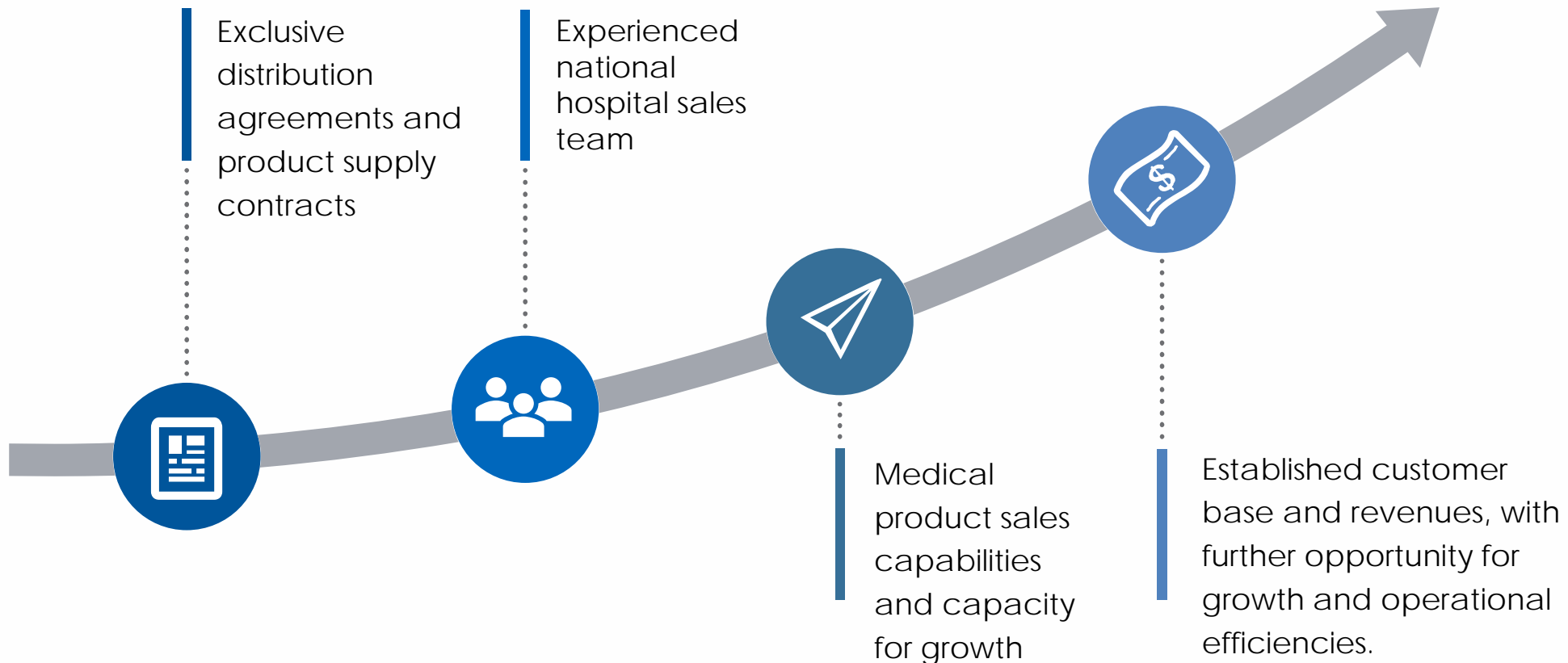
Hospital Infusion Business

- >95% of current sales within Australia
- Existing hospital customers in all major cities and regional centers
- Experienced national sales and specialist education team
- Third party logistics (3PL) provider in Perth, WA
- Head office - Melbourne
- BTC health group providing management, finance and administration services to the fully integrated business.



Acquisition Growth Strategy

Hospital Infusion acquisition provides BTC with infrastructure and platform for growth, boosting BTC health revenue.



Significant Opportunities in the Pipeline

Exclusive supply agreements
for Australia and New Zealand

Targeting 1-2 new product
introductions per year

Typical incremental revenues
of \$1-3M p.a. for each product
(30-50% margin)

Strong synergies with
established and experienced
hospital sales team

New Product Pipeline

CAMURUS AB (Sweden)

- Addressable market 20,000 cancer patients p.a. (Grade 3 & 4 Oral mucositis)
- Estimated sales potential approximately \$750k p.a.
- Exclusive license agreement for Episil® oral liquid, a unique and patent-protected product to relieve oral pain associated with oral mucositis (OM), a common and serious side effect of cancer treatment
- Estimated August 2019 launch in Australia.



RLS AB (Sweden)

- Diabetic ulcer market 15,000 patients p.a.
- Total ulcer market approximately 550,000 patients p.a.
- Estimated sales potential for diabetic ulcers approximately \$1.8m p.a.
- Exclusive license agreement for ChloraSolv, a treatment for chronic wounds which enables easier debridement and a faster healing process
- Awaiting European CE approval; estimated Australian launch in 2H2020.

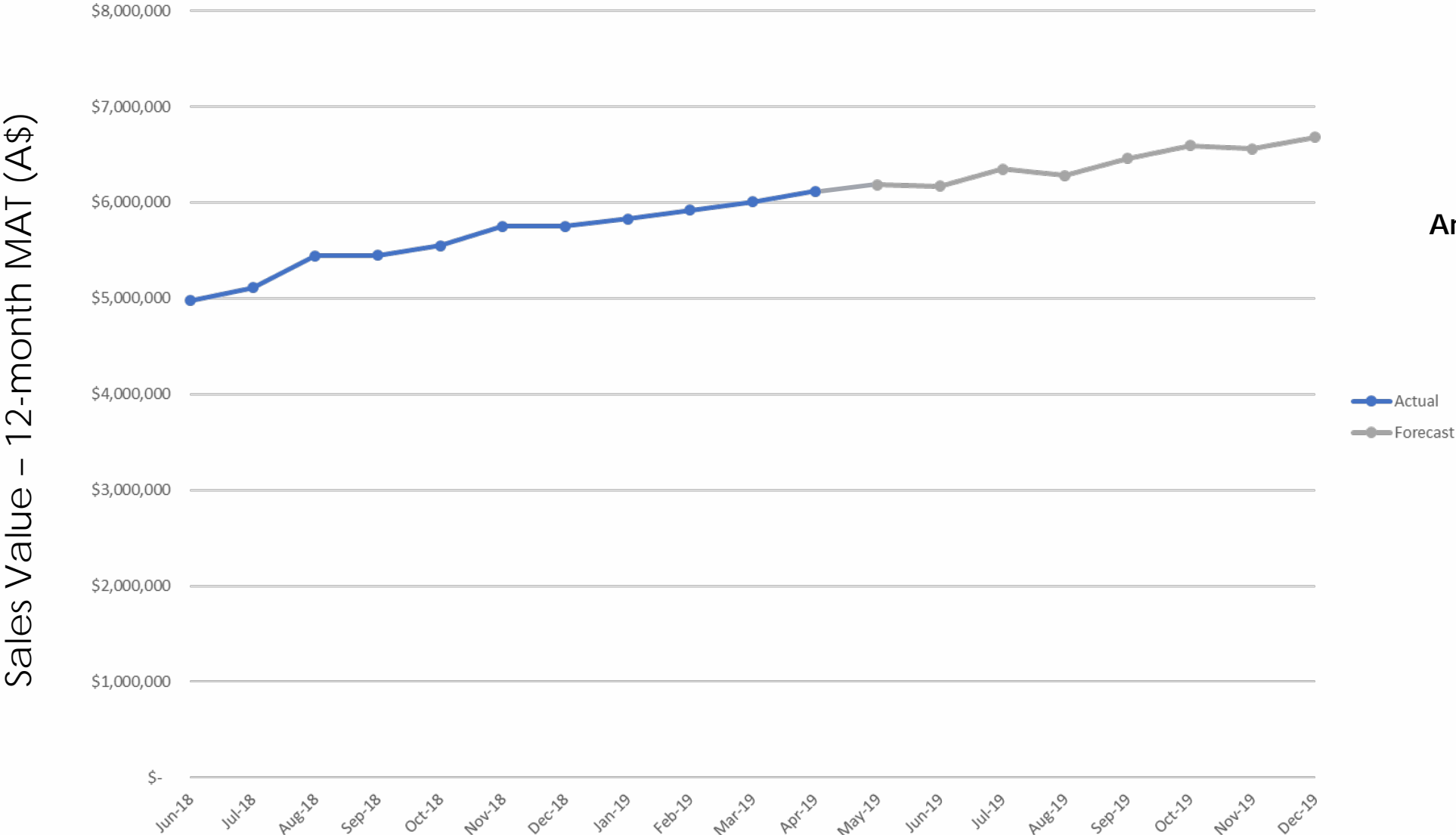


Partnerships under discussion

- In discussion with a range of third parties to secure exclusive rights to unique hospital products, including; infusion sets, innovative infection and sepsis control devices and novel anesthetic equipment.

Hospital Infusion Business – positive sales trend

Hospital Infusion Business Total Sales and Forecast



Annual Growth
14% p.a.



Hospital & Infusion Business - Financials and outlook

Financial Performance	2019 FY*	2020 FY	2021 FY	2022 FY	2023 FY
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Revenue					
- Infusion acquisition	577	7,033	8,018	9,140	10,420
- New products in-licensed	-	318	1,671	3,098	4,380
Total Revenue	577	7,351	9,689	12,238	14,800
Gross Profit					
- Infusion Acquisition	284	3,481	3,969	4,524	5,158
- New products in-licensed	-	148	673	1,228	1,777
Total Gross Profit	284	3,630	4,642	5,753	6,935
Overheads	(333)	(4,000)	(4,200)	(4,500)	(4,750)
Net Profit/ (Loss)	(49)	(370)	442	1,253	2,185
Integration costs [^]	(150)	(100)	-	-	-
Net Profit/ (Loss) after extraordinary	(199)	(470)	442	1,253	2,185

*Note: 1 month under BTC health control in 2019 financial year

[^] timing of integration costs subject to change

Assumptions (Infusion acquisition)

- Revenue growth of 14% p.a. maintained
- Current gross margin maintained
- Overhead growth 5-7%

Assumptions (New products In-licensed)

- Episil launched FY2020
- Chlorasolv launched FY2021
- Revenue from Other new products included from FY2021

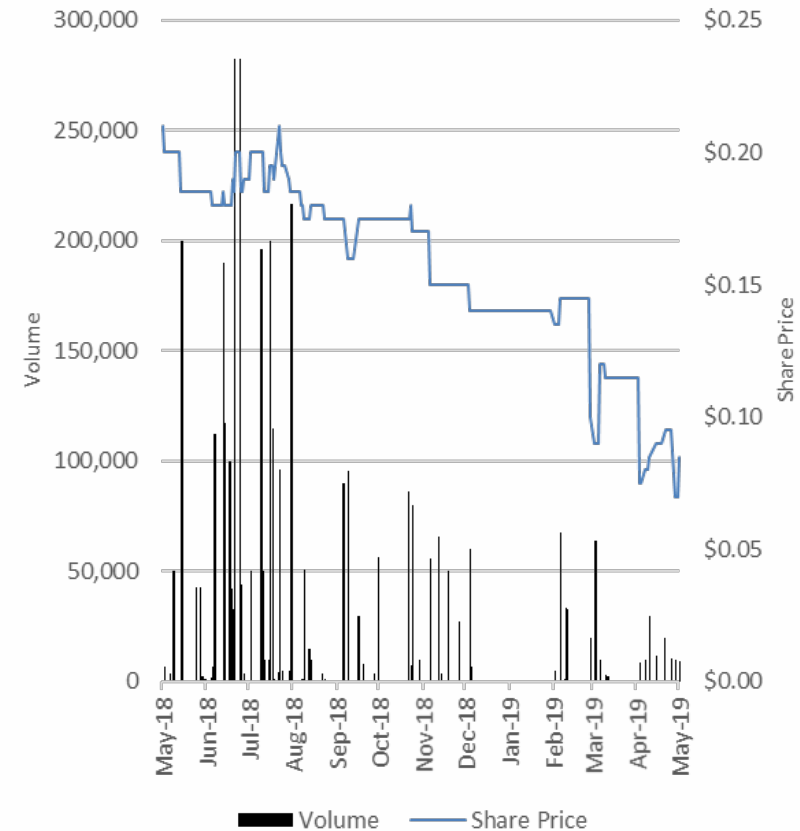
Corporate Snapshot

ASX ticker	BTC
Market capitalisation	\$11.1 million
Share price as at 10 May 2019	\$0.085
Shares on issue	130.3 million
Employee Share Options	2.5 million
Board/Management ownership	30%
Cash at bank as at 30 April 2019	\$1.5 million

Top 4 shareholders

Naos Asset Management	17.51%
Treagus Family Trust (Richard Treagus)	17.07%
Campaspe Family Trust (Peter Jones)	12.06%
Walker Group (Lang Walker)	10.58%
Total ownership percentage	57.22%

12-month Share Price Performance



Terms of Hospital Infusion acquisition

- Purchase consideration of \$6.3m
- Business assets being acquired include:
 - Long term supplier agreements
 - Transfer of existing field force
 - Transfer of Hospital customer relationships
 - Approximately \$1.75m of working capital (inventory and debtors)
 - Goodwill of \$4.55m
- Estimated Completion date 31 May 2019

Equity Raising Overview

BTC intends to raise \$8.0m via a two tranche private placement followed with a Share Purchase Plan.

Private Placement

- \$8.0m placement to sophisticated and wholesale investors
- Offer price of \$0.08 per new share
- Each participant will participate in both tranches and must commit to both tranches.
- First tranche of shares to raise \$2.6m under the 25% private placement capacity to settle and shares issued immediately under ASX listing rule 7.1 & 7.1A
- Second tranche of shares to raise \$5.4m will be subject to shareholder approval with subscription price payable and shares issued after shareholder approval obtained.

Share Purchase Plan

- Open to eligible shareholders up to a total amount of \$15,000 in new shares.

Ranking

- New shares issued under the offer will rank equally with existing ordinary shares of BTC health Limited.

Sources and Uses of Funds

Source	
Private Placement – Tranche 1	\$2.6m
Private Placement – Tranche 2	\$5.4m
Total	\$8.0m

Uses	
Purchase consideration	\$6.3m
Transaction fees including Legal, Stockbroker and Advisers	\$0.6m
Integration Costs associated with the Hospital Infusion Business	\$0.25m
Investment in the Hospital Infusion Business	\$0.85m
Total	\$8.0m

Appendices

Financing Timetable

Trading Halt and announcement of private placement	Monday, 13 May 2019
Private placement bookbuild opens	Monday, 13 May 2019
Private placement closes	Tuesday, 14 May 2019
Trading halt lifted and announcement of private placement	Wednesday, 15 May 2019
Private placement Tranche 1 Settlement	Wednesday, 15 May 2019
Notice of Extraordinary General Meeting issued	Tuesday, 23 May 2019
Shareholder short term loan granted	Monday, 27 May 2019
Completion of purchase – Hospital Infusion Business	Friday, 31 May 2019
Extraordinary General Meeting	Friday, 21 June 2019
Private placement Tranche 2 settlement	Wednesday, 26 June 2019
Shareholder short term loan repaid	No later than 30 June 2019

The above timetable is indicative and subject to variation. BTC health reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX listing Rules and Corporation Act 2001 (Cth) and other applicable law.

Risks

Key supplier risks

The supply agreement with Summit Medical Inc. accounts for >98% of the current revenues of the business. An unexpected termination of product supply, or a material change in the supply terms would have a significant impact on the business.

Key customer risks

Products are presently being supplied into 126 hospital, with a significant proportion of the revenues attributable to the top 20 customers. Loss of sales into any of these hospitals would have a negative impact on the projected profitability and growth of the business.

Key person risks

Strong relationships exist between the sales management and the buyers and senior decision makers within the hospitals. Any unplanned loss of sales personnel could have a negative impact on sales for an unknown period of time.

Financing risk

The growth strategy of BTC health will require funding for working capital requirements as well as product and business acquisitions. BTC health may not be able to meet these funding requirements as and when needed.

Implementation risk

BTC health will be transferring employees and existing customer relationships. New systems, processes and changes to the supply chain will be implemented as part of the integration process. New product introductions are planned and once product is made available, actual demand may be greater or lower than that which has been forecast and planned for.

In-licensing risk

BTC health has identified a number of new product opportunities with third party suppliers. These third party license and supply agreements may take longer to negotiate, the terms could be less favourable, or the parties may simply fail to agree suitable terms.

A hand wearing a white latex glove is shown holding a clear glass vial containing a liquid. A syringe is positioned below the vial, with its needle pointing towards the vial's opening. The background is a light, neutral color. The text "BTC health." is overlaid in a large, bold, blue font across the center of the image.

BTC health.