



PROPOSED DIVESTMENT OF BIOINTELECT

BTC health (ASX: BTC) announced today it has agreed to sell all interests in its wholly-owned consulting business Biointelect Pty Ltd (Biointelect).

In the Chairman's address to shareholders on 28 November 2017 it was noted that the first few months of the current financial year had proven more challenging for the Biointelect business than expected and that the anticipated return on the additional investment in people and new services had not been achieved.

Under the terms of a Sale Agreement between BTC health and the Herz Family Trust, a related party of Jennifer Herz, Biointelect is to be sold for cash consideration of \$700,000, subject to obtaining BTC health shareholder approval. The Company intends to issue a notice of an extra-ordinary general meeting along with explanatory notes in due course.

In determining the sale price, the BTC health Board has reviewed the current financial performance of the Biointelect business, made a reasonable estimation of future returns on capital employed and considered the realisable value of the investment. BTC health anticipates recording a once-off impairment charge of approximately \$720,000 and a charge for a non-recoverable loan of \$280,000. Immediately on completion BTC health will receive a payment of \$700,000, which will increase the cash position of the group.

The purchase consideration for Biointelect will be funded through a separate agreement between Windarri Investments Pty Ltd ATF The Herz Family Trust and BTC health's Executive Chairman Richard Treagus, whereby 5,000,000 BTC health ordinary shares will be sold by the Herz Family Trust and purchased by Richard Treagus or his nominee for a price of \$0.20 per share.

Biointelect was acquired by BTC health in April 2016 from the Herz Family Trust, a related party of Jennifer Herz, who is the founder and Managing Director of Biointelect. Under the Sale Agreement, Jennifer Herz will resign as a non-executive director of BTC health and options to acquire 2 million BTC health ordinary shares that were granted to Jennifer Herz and Karl Herz on 4 April 2016 will be cancelled.

BTC health Executive Chairman Dr. Richard Treagus commented; "We are naturally disappointed that the investment in Biointelect has not delivered the anticipated outcomes and returns to the group. In reaching this divestment decision we believe that BTC health and our shareholders will benefit from an even stronger focus on growing the in-licensing and product distribution elements of our business."

For more information please contact:

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Forward-looking Statements

This ASX-announcement contains forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks and important factors that may cause the actual results, performance or achievements of BTC health to be materially different from the statements in this announcement.