



Chairman's Address to Shareholders

Ladies and gentlemen,

I am pleased to report that we are successfully executing on our growth strategy and realising our ambition of building BTC health into a group of high-growth businesses within the healthcare space. In the last 12 months we have taken decisive steps in terms of positioning the company for a strong and exciting phase of growth.

We believe that our vision to become a leading supplier of innovative medical products in Australia and New Zealand is highly relevant given the prevailing factors of an ageing population combined with the constant push towards better patient outcomes and greater efficiencies in healthcare expenditure. New, innovative technologies and medical products will continue to play a very important role in how healthcare is delivered to patients in the hospital as well as at home.

On 31st May BTC Speciality Health acquired the hospital infusion business from Admedus Australia. The acquisition included all saleable inventory, an agreed provision for debtors, the novation of an 8-year agreement for the exclusive distribution rights for the ambIT[®] infusion pumps in Australia and New Zealand, as well as the transfer of an experienced national sales team. The ambIT[®] infusion pumps are high quality products that fulfil a strong need, particularly in the setting of post-operative pain relief. Our rationale for the acquisition was two-fold. Firstly, we recognised the opportunity to expand the use of the ambIT[®] pumps and Eldor catheter product ranges within private and public hospitals, and secondly, the business and its infrastructure provided us with a strong platform from which we have the ability to introduce new products into the hospital channel.

Following completion of the transaction, we managed to integrate the business very quickly, in terms of the people, operations and systems. The product distribution and customer service functions were moved across to CHS, a wholly owned Sigma healthcare company. At the same time, we took the opportunity to invest in our quality controls, our regulatory and demand planning functions and our financial reporting systems. During the immediate cut over period, we experienced some minor supply disruptions, however these were readily resolved, and some five months in we are now satisfied that the customer service levels and the overall stability of the supply chain are where we need them to be.

Following the integration of the business we have been strongly focused on identifying and implementing growth opportunities. In October we launched our episil[®] mouth spray product in both Australia and New Zealand and in recent weeks were successfully listed on the NSW tender to supply ambIT[®] pumps to NSW health, covering all public hospitals in NSW. In addition, we have been accepted on to the Pharmac tender in New Zealand, which provides for the supply of the ambIT[®] pumps into the community and public hospitals which fall under the various District Health Boards in New Zealand. These agreements effectively provide access for our salespeople and the ambIT[®] pumps and consumables in the NSW and New Zealand public hospitals. We are presently exploring similar opportunities with other state health authorities. We expect to see a steady uptake of our multi-use pumps and related consumables as our

sales team begins implementing education programs and establishing product trials in the individual public hospitals. Over the longer-term sales into the public hospitals represent valuable and incremental business for us.

Almost all our current sales are in the private hospital sector. We have a superior product offering relative to our competitors, the pumps are fully re-imbursed on the Prosthesis List and they reliably and consistently deliver better patient outcomes. We see tremendous potential to broaden our existing customer base with both the ambIT® pumps and the Eldor catheters. Peter Mears, formerly of Device Technologies New Zealand, has recently assumed the role of Head of Sales and Marketing and much of what Peter will be focused on is working with our sales team, as well as the hospital corporate groups, in order to realise some of the new business opportunities we have identified.

On a year to date basis sales are tracking in line with historical trends, and with the various initiatives now in place we are targeting a 15% growth year on year. Sales to customers for the year ending 30 June 2020 are forecast to be in line with previous market guidance.

Our existing infrastructure and capabilities in the hospital channel can be further leveraged and our focus for the foreseeable future is on growing the revenue line and making appropriate acquisitions of medical products or similar businesses. In short, we now have the platform, the people, and an established customer base; placing BTC health in a good position to scale up. At any point in time our new business team has an active pipeline of opportunities which they are working on, each at somewhat different stages of search, evaluation and discussion.

Moving now to our investee company Bio101, I am pleased to report that this business continues to grow its client base and accordingly its fee for service revenues. The Bio101 team has expanded to include 5 full time staff, with further growth anticipated for the remainder of the financial year ending 30 June 2020. Bio101 continues to be cash flow positive and provide services to BTC health and its associated companies.

As BTC health grows it is essential that the management team and board composition evolves and appropriately reflects the changing needs of the business. I am delighted that Sharon Papworth joined us as Chief Financial Officer and Company Secretary on October 1st. Sharon brings a highly relevant and broad level of expertise in healthcare, operations, finance and the administration of ASX-listed Pooled Development Funds.

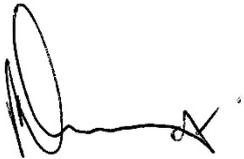
In August we welcomed Bruce Hewett to the board as a non-executive Director. Bruce brings a wealth of healthcare industry knowledge, expertise and insights. He is very engaged with our growth strategy and is a wonderful source of fresh ideas, introductions and new opportunities.

Peter Jones has advised the Board of his decision to retire as a non-executive Director at the conclusion of this AGM. Peter is a major shareholder and intends to remain as a cornerstone investor in BTC health, being fully supportive of our strategy and the company's growth prospects. I wish to extend a heartfelt thank you to Peter for his unwavering support and encouragement at every point along the way. Peter and I jointly recognised the potential with Biotech Capital back in 2014 and so began the journey to re-invent the company, which at that point in time had no full time employees and a market capitalisation of under \$2M. Peter, on behalf the company and the Board I wish to thank you sincerely for your contribution to BTC health these last 5 years.

Turning now to the financial position of the group. We held a net cash position of \$2.8m at the end of October. On current settings our business is adequately funded through existing cash reserves, although we may require additional funds to invest in future growth opportunities, and we look forward to making the investment case as these present.

In concluding I wish to thank the BTC health team, our Board and our shareholders, who jointly share our vision to build BTC health into a group of high-growth businesses in the healthcare space, and in so doing deliver strong sustainable returns within a compliant Pooled Development Fund.

Thank you.

A handwritten signature in black ink, appearing to read 'Richard Treagus', with a stylized flourish at the end.

Dr. Richard Treagus
Executive Chairman

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.