



Biotech Capital (BTC) - ASX Announcement

4 April 2016

Strategic Acquisition of Biointelect

Biotech Capital Limited (ASX: BTC) announced today that it has acquired Biointelect Pty Ltd. The acquisition is consistent with Biotech Capital's strategy of making active investments in life science businesses that have strong growth potential and will benefit from greater access to development capital. This transaction has been approved by the Board of Innovation Australia under the Pooled Development Fund Act 1992.

Biointelect is a Sydney-based advisory firm providing a range of development and commercialisation services for local and international companies in the biotechnology, medical device and pharmaceutical industry. These services include clinical, regulatory, market evaluation, reimbursement strategies and partnering advice (www.biointelect.com).

Biointelect was established in 2011 by Jennifer Herz, with Karl Herz subsequently joining the company. Both have extensive experience and are well known across the life sciences sector. Biointelect has grown rapidly and its clients include some of the most recognised brands in the biopharma and medical research sectors. Biointelect employs a number of senior consultants and is presently expanding its client base, international network and range of services. The business is profitable and is expected to continue recording strong year-on-year growth. Biotech Capital has committed to supporting the expansion plans of Biointelect.

Biotech Capital's Chairman Richard Treagus commented, "The acquisition of Biointelect is a very important step in our longer-term growth plans. The Biointelect business is profitable and scalable and its team brings valuable industry skills and an extensive global network. By combining our resources, it significantly strengthens our ability to further invest and build a group of complimentary life science businesses."

As consideration for the acquisition Biotech Capital has agreed to issue 10 million fully paid ordinary shares to a related party of Jennifer Herz. The issuance is within Biotech Capital's existing placement capacity.

Jennifer Herz will continue to lead the Biointelect business. Jennifer Herz and Karl Herz have each entered into ongoing employment agreements. Each of these agreements includes the grant of options to acquire 1 million shares in Biotech Capital. The options have an exercise price of 15.9 cents and will vest in tranches, subject to performance conditions and continuing service, on the 2nd, 3rd and 4th anniversaries of the grant. Jennifer Herz will also be appointed as a Director of Biotech Capital.



For the purposes of ASX Listing rule 11.1.1:

- Biotech Capital is acquiring 100% of the current share capital in Biointelect Pty Ltd.
- The transaction, which will be accounted for as an investment at fair value, increases Biotech Capital's total assets and equity by approximately \$1.3 million. Biotech Capital's future annual revenue will be impacted by any dividends paid by Biointelect and its future profit before tax will be impacted by any changes in the fair value of the investment, as well as by any dividends paid by Biointelect.
- The transaction is effective immediately.

About Biotech Capital Limited

Biotech Capital is a listed entity on the ASX and is a Pooled Development Fund, registered under the Pooled Development Funds Act 1992. The company's strategy is to make active investments in life science businesses and late-stage product development opportunities that will benefit from greater access to development capital. The company has the longer-term objective of building a group of complimentary businesses that are entrepreneurial, innovative, globally focused and when operating together have the ability to generate better health outcomes and value for its shareholders.

Under the Pooled Development Funds Act 1992, shareholders are entitled to concessionary tax treatment in Australia for income and capital gains derived in connection with their shareholding. Gains realised on the disposal of shares will not be included in an investor's assessable income in Australia. An investor will not be entitled to any deduction or capital loss on the sale of shares. 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. An Australian corporate tax entity may credit its franking account (with franking credits attaching to a franked dividend), regardless of whether it has elected to treat the dividend as exempt or assessable income. Dividends paid to non-residents will not be subject to withholding tax. A shareholder or prospective shareholder should obtain their own tax advice rather than relying on this summary.

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 Biotech Capital to be materially different from the statements in this announcement.



For more information, please contact:

Dr. Richard Treagus, Chairman

rtreagus@biotechcapital.com.au +61 417 520 509