

9 April 2018

NSX Announcement

INVESTMENT INTO DENDRIX INC.

Beroni Group (ASX: BTG) (“Beroni” or the “Company”) is pleased to announce that it has entered into a share subscription agreement to acquire 20,000 ordinary shares at an issue price of 20,000 Japanese Yen (JPY) per share, for a total investment of 400 million JPY (approximately A\$4.87 million dollars), representing 30.40% of the total share capital of Dendrix Inc. (“Dendrix”). Dendrix is a company based in Tokyo, Japan.

Dendrix, which was established in December 2012, provides immune cell culture for treatment against malignant tumors. Immune cell therapy is a cancer treatment in which immune cells are cultured artificially and activated to suppress cancer cells. Japan is one of the leading countries that possess technologies for culturing and processing immune cells. Furthermore, it has, to date, been the only country conducting a large number of clinical studies for immune cell therapy.

Dendrix also offers other services including training and supervision of medical institutions and their doctors in cell culture and processing. They also partner with medical institutions in immune cell therapy which includes culturing of lymphocyte from peripheral blood and processing dendritic cells. Dendrix has established a state-of-the-art cell processing facility in 2014 and its team of scientists possess the world leading technology in immune cell therapy.

Beroni will work closely with Dendrix to expand the immune cell therapy business in Japan. At the same time, Beroni will introduce Dendrix’s advanced technology in immune cell therapy to the China market. It intends to partner with Dendrix to jointly apply for new patents in China and also in other major overseas markets.

Investment Terms

The investment will be completed in two tranches. The first tranche is for 200 million JPY for 10,000 shares representing 17.92% of the share capital of Dendrix (“First Subscription”). The First Subscription will be completed on or before 30 April 2018. Dendrix will use the proceeds from First Subscription to, amongst others,:

- (a) Establish a laboratory to facilitate further development of its immune cell therapies;
- (b) Obtain necessary licensing permission and completing the establishment of a specific cell processing facility at the Kyoto University;
- (c) Support Beroni in jointly applying for intellectual property rights and establishing a cell processing facility in China;
- (d) Support Beroni in jointly applying for the intellectual property rights in the USA and Europe; and

- (e) Enter into a licensing agreement with Dendrix whereby Dendrix appoints Beroni or its nominee as the Dendrix's exclusive agent/licensee in China to use the cell culture technology including patented technology owned by Dendrix and to sell the proteins produced based on the patented technology of Dendrix.

The second tranche is for 200 million JPY for another 10,000 shares bringing Beroni's total shareholding interest in Dendrix to 30.40% ("Second Subscription"). The Second Subscription will be completed on or before 30 September 2018, subject to material conditions precedent as listed from (a) to (e) above. The proceeds from the Second Subscription will be used to establish a cell processing facility in Tokyo and also to promote and expand the immune cell therapy business in Japan. At completion of the Second Subscription, Beroni will have the right to appoint 3 nominees to Dendrix's Board, in addition to the current Board of 7.

Beroni's Executive Chairman, Mr Jacky Zhang said: "This investment is a significant milestone in the cooperation between China and Japan in the field of stem cell technology. The partnership with Dendrix will help Beroni Group draws on medical expertise in Japan to explore effective immune cell therapies to fight cancer and to improve the overall quality of human life."

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About Beroni Group Limited (NSX:BTG) (FSE:6B9)

Beroni Group is a Chinese biotechnological company which is dual listed on the National Stock Exchange (Australia) and Frankfurt Stock Exchange. Its business mainly focuses on biotechnology, life sciences, environmental science and governance, precision medicine, regenerative medicine, and stem cell anti-cancer and anti-aging projects.

Beroni Group's currently has four main products: NicoBloc, Fogibloc, Multi Vigorous tablets (Bei Jingli) and Multi lung cleaning tablets (Bei Feiqing). Beroni Group's overall strategic goal is to have a global presence in the biotechnology, bio-science and environmental science industries. The Company is open to acquisition opportunities to expand the business and increase its market share.