



Investor Update Presentation



Investor Overview

- ITL Health Group (ITL) was founded in 1994 and listed in 2003. ITL is an innovative diversified medical technology company that creates and manufactures leading edge medical devices
- ITL was voted Australia's 16th most Innovative Company by the Financial Review in 2016
- ITL consists of three business divisions: ITL BioMedical, ITL Healthcare and MyHealthTest
- ITL BioMedical is experiencing strong growth off a renewed focus on the global potential of its patent protected product portfolio, centred around the Blood Culture Testing market, worth US\$3.3b growing to US\$4.8b by 2021
- ITL Healthcare has been returned to growth and is a source of solid cash generation
- MyHealthTest (MHT) is a first mover in the domestic direct to consumer pathology testing market. MHT has achieved significant milestones and has many more in the pipeline.
- After a strong 1H17 ITL's momentum has continued into the second half. ITL BioMedical and ITL Healthcare posted record revenue and profit in February, the best month in ITL's 23 year operating history that will lessen the impact of the historical 2H seasonality.

ITL BioMedical

- ITL BioMedical develops and manufactures a range of specialty products for the global clinical, blood banking and microbiology/ laboratory markets.
- ITL BioMedical sells into over 55 countries
- ITL BioMedical's competitive advantage is derived from its 23-year focus on R&D, innovation and a continual product improvement process

Broad Portfolio

Leading products include SampLok® Sampling Kit (SSK), Safety SubCulture Unit (SCU), SampLok® tube holder and DonorCare® NeedleGuard

Track Record

ITL's products have sold hundreds of millions of units and are considered best-in-class

Patented Protected

Products and IP have been developed over many years and are protected by 50 patents (and growing) which has allowed the business to generate consistently high gross margins

Blood Culture Testing Market

- ITL BioMedical is a growing provider of specialist ancillary products for the blood culture testing market. ITL's products enable transfer of sample into and out of the sample testing bottles
- ITL BioMedical operates in the global Blood Culture Testing market, estimated to be worth **US\$3.3b in 2016 and growing to US\$4.8b in 2021, a CAGR of 8%**
- The market is growing due to an increase in the number of sepsis cases, rapidly ageing population and a growing recognition of the need to test blood samples for the presence of bacteria, creating favourable tailwinds for the growth of ITL BioMedical
- The market leaders include: bioMerieux (an ITL client), BD, Thermo Fisher and other specialised suppliers

Market Opportunity for Samplok Sampling Kit

- ITL's Samplok Sampling Kit (SSK) is a single-use consumable medical device used to transfer platelets from the donor bag to the testing bottle (e.g. as part of bioMerieux's bacT/ALERT testing system)
- ITL BioMedical has been selling SSK in the US for over 10 years and in the UK for over 7 years via its distributors, with the product having been continually improved over that period
- In 2016/17 ITL BioMedical expanded SSK sales within these markets and has had early stage success in New Zealand
- SSK is one of ITL's biggest growth generators and has substantial opportunities for further international growth primarily through the expanded global distribution agreement with bioMerieux



SSK Global Distribution Agreement with BioMerieux



- bioMerieux is a multi-billion dollar biotechnology company headquartered in France and is a global leader in the clinical diagnostics market, selling into over 150 countries.
- bioMerieux's bacT/ALERT® is the dominant system used in the process of testing platelets for bacteria in the global blood banking market. SSK is used as an ancillary product as part of the system.
- This expanded distribution agreement commenced in 1H17 and was a primary driver of ITL BioMedical's record result in February
- The market opportunity for SSK globally is now very significant and set to grow
- ITL believes the bioMerieux agreement in conjunction with other distributors has the potential to double or triple sales of SSK over the next two to three years

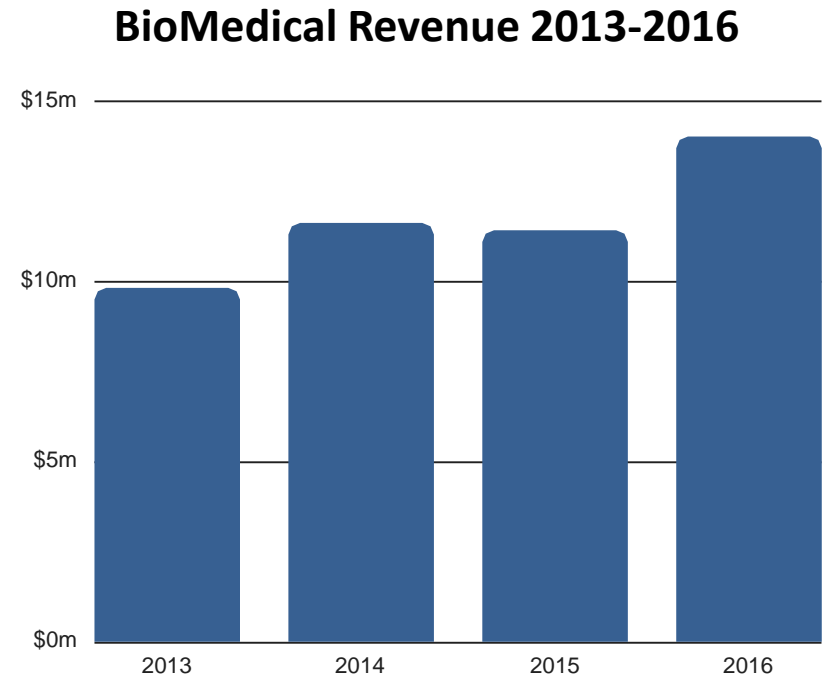
ITL BioMedical Product Portfolio

- DonorCare Needle Guard has sold hundreds of millions of units and is considered a best-in-class product. New version was released late in 2016
- Safety Subculture Unit (SCU) used to transfer positive samples for further testing. Signed a 5 year distribution agreement with bioMerieux Canada
- Suite of adaptor caps used for transferring blood samples for blood culture testing
- Multiple new products in the development pipeline are expected to be commercialised over the next 12 months
- Potential for ITL's bioMerieux global distribution agreements to be expanded to include other products



ITL BioMedical - Growth Accelerating

- Steady growth trajectory since the renewed focus on global product potential began in 2014
- Sales growth accelerating with 22% revenue growth in FY16, 27% growth in 1H17 and a record February



ITL BioMedical First Half 2017 Results

- Revenue +27% to \$8.6m
- EBITDA +54% to \$2.5m
- EBIT +57% to \$2.2m
- February was a record revenue and profit result
- Growth is expected to continue in the near and long term

ITL Healthcare

- ITL Healthcare develops and manufactures Custom Procedure Packs, IV starter kits and Invasive Blood Pressure Monitoring systems, selling into the Australian market
- Numerous new contracts and contract renewals have been secured over the last 12 months giving the business a solid foundation for growth
- Additional tenders and contract opportunities are currently being pursued

Customer Relationships

ITL Healthcare has long standing relationships with many of the leading hospital groups in Australia

Cash Flow

After a period of restructuring ITL Healthcare has been turned around and is now a solid cash generator for the Group

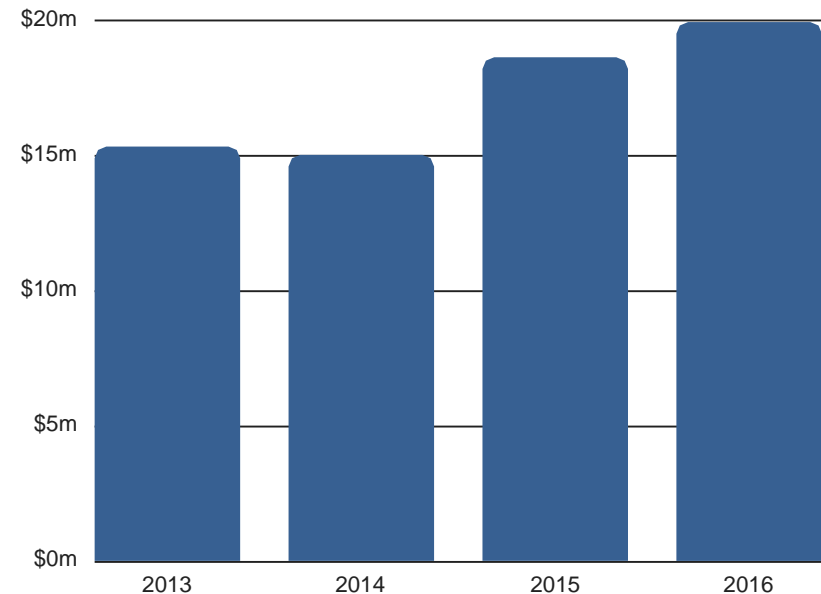
Strategic Value

ITL Healthcare is the only producer of custom procedure packs with in-house sterilisation facilities in the domestic market

Healthcare - Returned to Growth

- After a period of restructuring ITL Healthcare has been returned to a steady growth trajectory
- Margin uplift due to transition of product manufacturing to ITL's Malaysian plant
- New contracts, contract renewals and a healthy pipeline provide foundation for growth

Healthcare Revenue 2013-2016



Healthcare - First Half Results

- Revenue +5% to \$10.6m
- EBITDA +140% to \$1.2m

EBIT +266% to \$1.1m

- February saw a record revenue and profit result for Healthcare due to strong sales of IV Starter Kits
- Steady growth anticipated

Product Manufacturing

- ITL BioMedical manufactures its products in the Company's state-of-the-art facility in Malaysia
- The Malaysian facility has undergone significant investment in capacity expansion and automation in prior years which has positioned the BioMedical business well for the growth it is now experiencing
- ITL Healthcare's products have been progressively transitioned from being manufactured in the Company's Chelsea Heights facilities (Victoria) to the Malaysian plant, with improvements in margins and profitability as a result
- ITL's Victorian manufacturing and sterilisation facilities hold significant strategic value with ample spare capacity and state-of-the-art equipment. ITL Healthcare is the only Australian producer of custom procedure packs with in-house sterilisation facilities

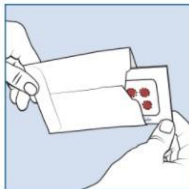
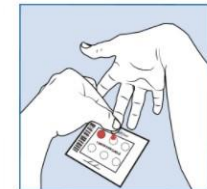
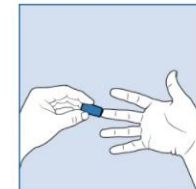
MyHealthTest

- MyHealthTest (MHT) provides direct-to-consumer pathology testing allowing patients to complete blood tests in the comfort of their own home
- Samples are sent to MHT's quality controlled and company-owned laboratory for assessment. The results are delivered to the patient and their Healthcare Professional over MHT's online secure portal
- Tests are currently sold online at MyHealthTest.com and in select pharmacies



MyHealthTest - Diabetes Test: HbA1c

- MHT's foundation test assesses the presence and/or risk of a patient developing diabetes through the measurement of HbA1c, a form of haemoglobin that indicates the patient's blood glucose levels over the preceding 3 months
- The World Health Organisation (WHO) recommends the Hba1c test as a means for diagnosing and monitoring Type 2 diabetes. People with diabetes or pre-diabetes are encouraged to have the test completed 3-4x a year
- MHT's HbA1c test can be completed at home and sent to MHT's lab for analysis, with results delivered over MHT's online portal within a few days. The current alternative for people with diabetes or pre-diabetes is a full blood sample taken at a traditional pathology



HbA1c - Clinically Validated

- MHT's tests were developed in close cooperation with experts at The John Curtin School of Medical Research at the Australian National University
- MHT's HbA1c test is more convenient, less invasive and with clinically validated levels of accuracy compared to traditional full blood samples



The John Curtin School of Medical Research
ANU College of Medicine, Biology & Environment

Mastroratti et al. *BMC Clinical Pathology* (2015) 15:13
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RESEARCH ARTICLE

Open Access

The use of dried blood spot sampling for the measurement of HbA1c: a cross-sectional study



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Diabetes Test - Addressable Market

- Diabetes Australia estimates there are 1.7m people in Australia suffering from diabetes (1.2m diagnosed and 500k undiagnosed)
- Another 2m people are estimated to have pre-diabetes and require regular monitoring and lifestyle changes. Over 100,000 people develop diabetes each year in Australia
- Research suggests ⁽¹⁾ that Diabetes is significantly under-reported as a cause of death and illness at least partly due to poor diagnosis. This is a global issue that is not limited to the Australian market. MHT intends to be at the forefront of effective diagnosis and monitoring of this chronic disease
- MHT's test retails for \$35 and patients are encouraged to take the test quarterly
- The addressable market size for MHT's HbA1c test is therefore estimated to be in the vicinity of \$500m p.a in Australia and growing. MHT aims to win a respectable share of this market and has a first mover advantage domestically

(1) <http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0170219>

MHT - New Tests in Development

- MHT is also working on the development and release of new tests
- These include tests for thyroid, PSA(prostate), cardiac disease and general health markers which together have addressable markets measured in the hundreds of millions of dollars in the Australian market alone
- MHT intends to offer full test panels for both the assessment of general health and diagnosis/monitoring of chronic disease
- With recently awarded NATA lab accreditation MHT will become a viable alternative to traditional pathologies with the eventual possibility of securing Medicare rebates which would substantially reduce the out of pocket cost for patients

Coming Soon

- PSA Test for Prostate Diseases
- TSH Test for Thyroid Problems
- Cholesterol Teting for Heart Disease

MHT Strategy and Vision

- MHT is an early stage business addressing a large and rapidly growing opportunity with tests now being commercialised and brought to market
- MHT will focus on achieving scale and profitability in the Australian market before looking towards overseas expansion
- MHT is funded by the profitable ITL businesses with a focus on expanding the business while still generating earnings growth at the ITL level through select investment and cost control at MHT. All MHT operating costs are expensed with only test development costs capitalised (\$563k in 1H17)
- ITL will consider strategic actions (demerger/IPO of MHT) to realise the full value of MHT for ITL Health Group shareholders as and when the opportunity presents



ITL Health Group - First Half Results

- Revenue +11% to \$17.5m
- EBITDA +75% to \$2.8m
- EBIT +92% to \$2.3m
- NPAT +104% to \$2.1m
- EPS +83% to 2.2cps
- Deferred tax assets and R&D tax offsets expected to result in no tax paid for FY17 and FY18, resulting in strong free cashflow

Investor Summary

- ITL Health Group is an innovative growing, profitable and diversified medical technology company
- ITL Health Group achieved very strong growth in 1H17
- ITL BioMedical Global distribution agreement with BioMerieux set to drive growth
- SSK forecast to reach new country markets
- ITL Healthcare generating significant free cash to the Group with growth opportunities and inherent strategic value
- MyHealthTest's presence set to grow rapidly as it leverages off its recent NATA accreditation for its laboratory and launches 3 new tests for significant sized markets
- 2H17 has been effected by historical seasonality but is set to see good growth in underlying revenue and profit
- ITL expects to announce strong FY results



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