

**31 December 2020 half-year result and business update****Highlights**

- BTC health's core investment, BTC Speciality Health recorded half-year sales of \$3.6m for its medical devices and consumables to hospitals across Australia and New Zealand.
  - Sales to 31 December 2020 half-year grew +9.0% compared to prior year (normalised to +14% after mandated 5% price decrease in February 2020).
  - Elective surgery restrictions easing with case load backlog now a focus for healthcare providers.
  - Organic growth being delivered through a combination of greater utilisation and new accounts.
  - Some expenditure savings realised during calendar 2020 expected to be made permanent.
- Strong liquidity position maintained with Group Net Cash at call of \$2.5m at 31 December 2020.
- BTC health is executing on its three-pillar growth strategy:
  - increasing market share of current products
  - introduction of new products, and
  - acquisition of complementary businesses in order to build scale.

	<b>Dec-20</b>	<b>Dec-19</b>
Revenue	18,941	181,611
Net (Loss)	(178,942)	(221,288)
Group Net Cash*	2,521,241	3,773,007
Investment in BTC Speciality Health	6,000,000	6,000,000
Investment in BioImpact	100	100
Investment in BIO101 Group	-	470,000
Net value of investments	<b>6,000,100</b>	<b>6,470,100</b>

*\* Includes cash positions for BTC health & investee companies*

**BTC health investments:**

BTC health held two active investments in the healthcare sector at 31 December 2020, BTC Speciality Health Pty Ltd and BioImpact Pty Ltd.

*BTC Speciality Health Pty Ltd*

BTC health's wholly owned investee company BTC Speciality Health is an established distributor of medical devices and consumables in the Australian and New Zealand Public and Private Hospital market. The investment is valued at \$6,000,000.

*BioImpact Pty Ltd*

BTC health wholly owns BioImpact, an investment company which licenses and holds intellectual property rights for healthcare products. The investment is valued at \$100.

*BIO101 Group*

BTC health sold its non-core investment in BIO101 Group Pty Ltd on 31 July 2020 for \$500,000 cash, being a 500% return on BTC health's initial investment in 2016.

**BTC health review of operations:**

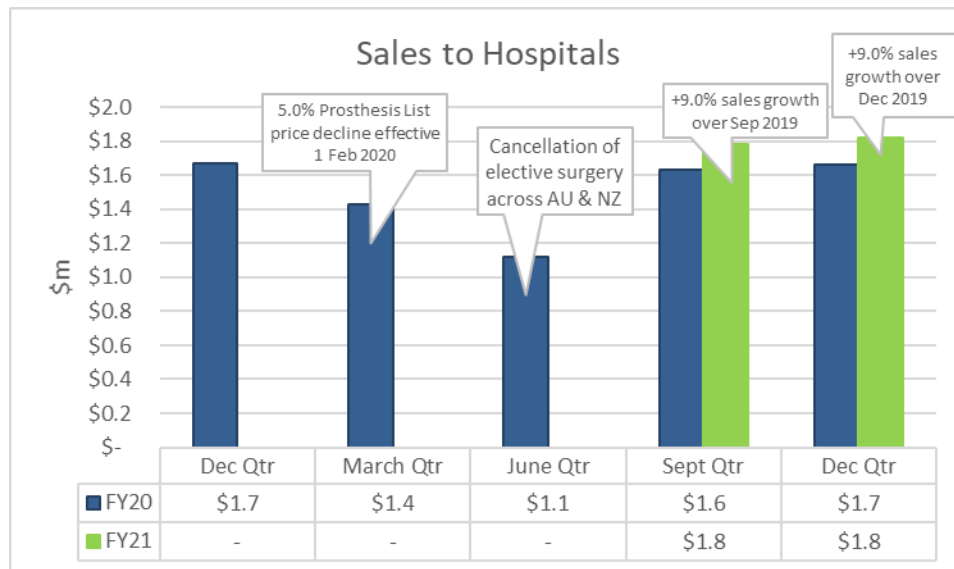
The company reduced its loss after tax to \$178,942 for the half-year ended December 2020 (Dec 2019: \$221,288). Revenue of \$18,941 (Dec 2019: \$181,611) largely comprises Management Fees received from Bio101group prior to its sale in July 2020. Expenses for the half-year were reduced to \$197,883 (Dec 2019: \$402,899) and reflect ongoing running costs of the company, excluding due diligence expenses to assess future investment opportunities. BTC continues to scope and evaluate a range of new investment opportunities in Australia and New Zealand to broaden its reach within the private and public hospital sectors and create further value for shareholders. Updates will be provided to the market as these opportunities crystallise.

Group Net Cash for BTC health and its investee companies at 31 December 2020 was \$2,521,241 (December 2019: \$3,773,007). The reduction in Net Cash reflects the company's investment in funding the initial 2 years of operations whilst the company is growing and building scale.

BTC Health is a Pooled Development Fund (PDF), which provides shareholders with valuable tax concessions. We can confirm BTC remains in full compliance with the requirements under the rules of a PDF.

## BTC health Investment Update

*BTC Speciality Health Pty Ltd*



Sales to hospitals of \$3.6m for the half-year ended December 2020 were strong, growing +9.0% over prior year. This was a pleasing result given the prolonged cancellation of elective surgery in Victoria and New Zealand during the year, as well as the 5.0% price decrease on the Prosthesis List which became effective 1 February 2020. The Prosthesis List is regulated by the Australian Government and represents the price which private health insurers pay benefits when a patient receives medical care.

December quarter sales of \$1.8m were marginally higher (+2.0%) than the September quarter, albeit both quarters rounded to \$1.8m. The business is in a strong position to continue growth, particularly following elective surgery disruption due to cancellation of elective surgery by the Government in the December half.

Dr. Richard Treagus, Executive Chairman commented “Opioid-sparing acute post-operative pain management is regarded as the preferred treatment by clinicians and our products fulfill this need, enabling reduced length of hospital stay, greater patient mobility and shorter recovery times.”

Freight initiatives and a stronger Australian Dollar helped offset the gross margin impact of the Prosthesis List price reduction. Overheads continue to be tightly controlled and were favourable 4% against prior year and 8% against plan.

Inventory holdings average 3.9 months’ forward demand and factor expansion of BTC products within the market through onboarding of new public and private hospital accounts, education and training to clinicians to enable adoption of BTC products in surgery. Inventory on hand has reduced by 3 weeks since September 2020.

## 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.

## About BTC Health

BTC health Ltd ("BTC") is a Pooled Development Fund which makes active investments in businesses that acquire, develop and distribute innovative medical products in Australia and New Zealand. The company is building a group of high-growth businesses which together are focused on providing access to some of the best specialized therapeutics and medical devices from around the world. BTC is listed on the Australian Stock Exchange (Code: BTC). Additional information can be found at [www.btchealth.com.au](http://www.btchealth.com.au)

## Authorisation

This announcement was authorised for release to the ASX by the Board.

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