

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

- Group Net Cash of \$3.8m, up \$2.2m compared to December 2018
- The hospital infusion business acquired in May 2019 has been fully integrated into BTC Speciality Health. Sales to hospitals for the half-year ended December 2019 are up 7% year on year and expected to range \$6.6m to \$7m for FY20
- Bio101 Group valuation increased to \$470k (Dec 2018: \$245k)
- BTC health are strongly focused on growth and complimentary acquisitions

	Dec-19	Dec-18
Revenue	181,611	105,218
Net (Loss)	(221,288)	(245,587)
Group Net Cash*	3,773,007	1,619,546
Investment in BIO101	470,000	245,000
Investment in BTC Speciality Health	6,000,000	100
Investment in BioImpact	100	100
Net value of Investments	6,470,100	245,200

* Includes Net Cash positions for BTC health & investee companies

BTC health's investments totalled \$6.5m at December 2019 and grew \$6.3m year on year, reflecting the Company's acquisition of the hospital infusion business in May 2019 and increased valuation of Bio101. The financial result for the half-year ended December 2019 is in line with expectations and reflects the improved performance of BTC's investments.

Revenue for the period of \$182k increased \$76k over prior year due to an increase in the valuation of BTC's investment in Bio101 coupled with an increase in management fee income. Net Loss for the period of (\$221k) improved by \$24k.

Net cash of \$3.8m increased by \$2.2m over prior year, reflecting the additional funding from capital raised to acquire the hospital infusion business, coupled with strong cash flow management and revenue growth.

BTC health is focused on both accelerating the growth of its existing investments and acquiring complimentary businesses and assets to further build scale and value in the medical and healthcare sectors. The Board recognises the value of the Pooled Development Fund (PDF) to shareholders and we anticipate making additional acquisitions consistent with our growth strategy and in full compliance with our PDF investment plan.

BTC health investment update

BTC Speciality Health Pty Ltd

	Dec-19	Outlook range for year ended June 2020
Sales to Hospitals	\$3.3m	\$6.6m - \$7.0m

BTC has completed the integration of the hospital infusion business into BTC Speciality Health (BTC SH) and is now focused on executing a 2020 growth plan. Since acquiring the hospital infusion business on 31 May 2019, BTC SH has moved distribution from a single warehouse in Western Australia to six warehouses across Australia and New Zealand, increasing accessibility of BTC SH products to over 1,300 public and private hospitals. We have identified a range of new business opportunities and are expanding our sales team to ensure we have the capability and capacity to fully realise these. BTC SH was successful in being listed on the Pharmac tender in NZ and the NSW health tender for public hospitals in NSW, creating opportunity to secure new accounts that were not previously targeted. The launch of Episil mouth spray into chemo and radiology clinics across Australia in Q2 is continuing and BTC SH expects to launch a further new product in the second half of CY20. Our ability to launch new products and win new business is central to our growth strategy and our investment in additional salespeople is designed to ensure we have the optimum allocation of resources and the very best execution possible.

Sales to hospitals of \$3.3m grew 7% in the first half compared to prior year, a pleasing result given integration activities to transform the infusion business also occurred over this time. Overheads were tightly controlled and favourable 11% to plan. Sales to hospitals are forecast to be in the range of \$6.6m to \$7m for the financial year ended June 2020. The full year sales outlook is slightly lower than initial expectations, reflecting a reduction in the Prosthesis Price List for our ambIT pumps and cassettes effective 1 February 2020, coupled with sales staff vacancies in territories that have been identified as having growth potential. The full benefit of new business and tender opportunities will be in the financial year ended June 2021.

Bio101Group Pty Ltd

	Dec-19	Dec-18	Outlook range for the year ended June 2020	Jun-19
Revenue	\$ 338,219	\$ 219,119	\$660,000 - \$720,000	\$ 502,547

Bio101, which provides accounting, tax and company secretarial services to the life sciences sector, continued to grow its client base and revenue. Revenue for the 6 months ended December 2019 of \$338k grew \$119k over the same time last year. Management expects that revenue for the year ending June 2020 will be in the range of \$660k-\$720k, representing estimated growth of \$158k - \$218k over the prior year.

BTC health increased the valuation of Bio101 at 31 December 2019 to \$470k (December 2018: \$245k). The Board considered multiple factors when valuing Bio101, including but not limited to revenues (excluding intercompany billings) over the past 12 months, profit generated and the investees net assets.

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. Bio101 is a wholly owned investee company offering professional finance and company administration services to healthcare companies. BTC is listed on the Australian Stock Exchange (Code: BTC). Additional information can be found at www.btchealth.com.au

Authorisation

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

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