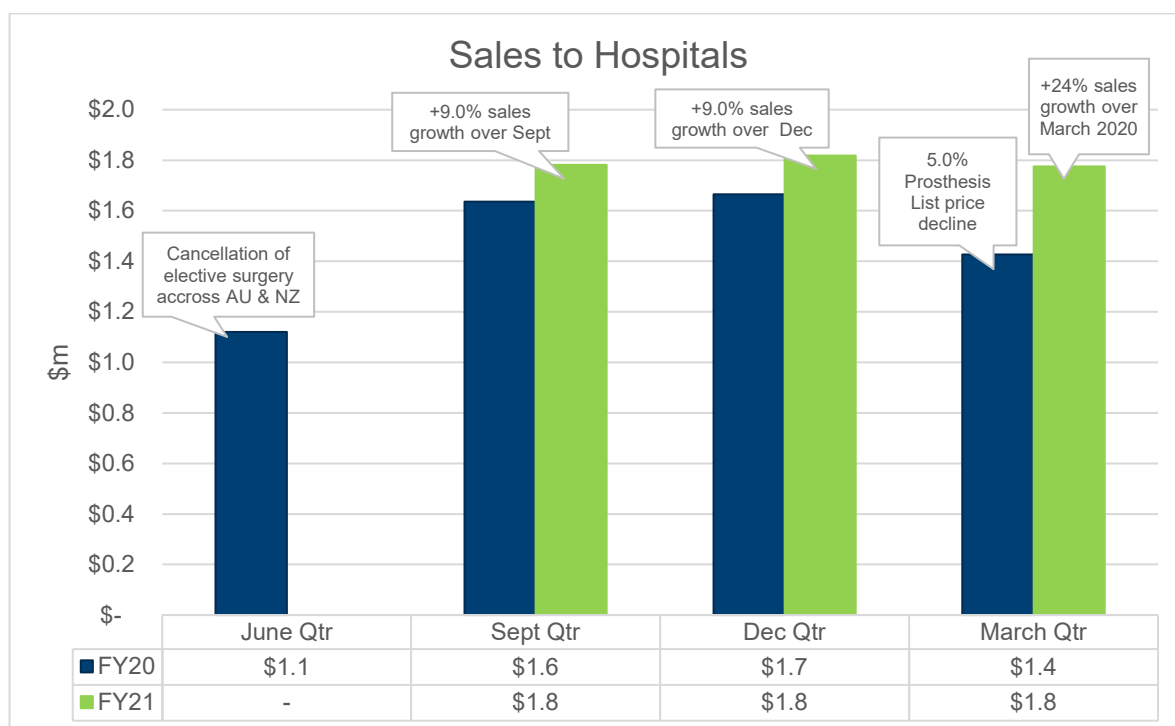


Quarterly business update - 31 March 2021

Highlights

- Elective surgery rates are continuing to normalise, resulting in a more favourable trading environment.
- BTC Speciality Health delivered strong YTD growth of +13.0% over prior year (normalised at +18.0%), through new customers and market share gains.
- BioImpact secured exclusive distribution rights from GPX Medical AB for NEOLA® in Australia, New Zealand and Singapore.
- Strong liquidity position maintained with Group Net Cash at call of \$2.3m at 31 March 2021.
- BTC health is well positioned to execute on its strategy of organic growth, introduction of new products and the acquisition of complementary businesses.

BTC Speciality Health Pty Ltd



Sales to hospitals of \$5.4m for the nine months ended March 2021 were strong, growing +13.0% over prior year (normalised at +18.0% after the 1 February 2020 Prostheses List 5% price decline). Growth over prior year can be attributed to an increase in new hospitals purchasing BTC products, coupled with a growing trend in surgeons adopting opioid sparing protocols to better manage pain post-surgery and reduce the risks associated with opioid use.

March quarter sales to hospitals were strong, growing +24.0% over prior year, reflecting significantly higher growth than the September and December quarters, which grew +9.0%. Growth over prior year is in part attributable to a greater confidence in the scheduling of elective surgery as well as improved access to hospitals. This result is particularly pleasing given 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. The Federal Government is currently undertaking a review of the Prosthesis List which may result in a change to the pricing and or products listed. BTC will provide details of a change, if any, when advised.

Gross Margin ratio was in line with expectations, with the strengthening of the Australian Dollar largely offsetting the 5% reduction in the Prosthesis List. Inventory holdings average 4.0 months' forward demand and is expected to be 3-3.5 months by 30 June 2021.

Overheads continue to be well managed, favourable +10.0% to plan and 2.0% lower against prior year, after normalising for one off transaction costs incurred in the prior year. BTC Speciality Health maintained a full infrastructure and strong inventory levels during the COVID-19 pandemic and has recently appointed an additional salesperson in Victoria to further support growth in this state. BTC Speciality Health will continue to invest in additional resources that deliver incremental sales and margin for the business.

Dr. Richard Treagus, Executive Chairman commented "Our business has a national footprint, a capable infrastructure and a strong platform for growth with key hospital groups in both Australia and New Zealand. Opioid-sparing acute pain management is regarded as the preferred treatment by clinicians and our products are best-in-class in terms of meeting this need, reducing length of hospital stay, and enabling greater patient mobility and recovery."

BiolImpact Pty Ltd

In February 2021, BTC's wholly owned investee company, BiolImpact, secured exclusive distribution rights from GPX Medical AB (publ) (Nasdaq First North: GPXMED) for NEOLA® in Australia, New Zealand and Singapore. NEOLA® is an innovative medical device which continuously measures lung volume changes and oxygen gas concentration in the lungs of preterm born infants with the possibility of instantly detecting complications. BTC anticipates GPX Medical will obtain Conformité Européene (CE) approval in 2023, enabling NEOLA® to be marketed and sold in Europe. Following CE approval, BTC will apply to the Therapeutic Goods Association (TGA) in Australia and Medsafe in NZ for product registration leading to commercial launch in Australia and New Zealand. Further new product opportunities and strategic acquisitions continue to be explored.

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

Authorisation

This announcement was authorised for release to the ASX by Richard Treagus, Executive Chairman

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