

**BTC health acquires exclusive distribution rights for Bronchitol® and Aridol® from Pharmaxis**

BTC health (ASX:BTC) is pleased to announce its investee company, BioImpact Pty Ltd, has acquired exclusive distribution rights for specialty respiratory brands Bronchitol® and Aridol® from Pharmaxis (ASX: PXS) in Australia, New Zealand, Singapore, Malaysia, Hong Kong and South Korea (Bronchitol® only).

The exclusive distribution agreement is effective 1 July 2021, with an initial term of 10 years and automatic renewals for subsequent 3-year terms. Pharmaxis will continue to manufacture and supply Bronchitol® and Aridol® to BTC health from its TGA approved facility in Sydney. As financial consideration for the distribution rights, BioImpact Pty Ltd will make a once-off payment of \$2m to Pharmaxis within 10 business days.

Bronchitol® and Aridol® are speciality pharmaceutical products used with an inhalation device and together generate circa \$1.4m in annual sales to hospitals and respiratory clinics in Australia. BTC health will assume responsibility for the promotion and sale of Bronchitol® and Aridol® to all existing customers and respiratory clinics and in due course will consider the business case for expanding into further eligible markets outside Australia.

Bronchitol® is used to treat cystic fibrosis and enables patients (6 years and over) suffering from the disease to help clear mucus from the lungs. It is an inhaled dry powder form of mannitol, which works by drawing water into the airways, making it easier to cough and improve lung function. It is funded by the Australian Federal Government and is listed on the Pharmaceutical Benefits Scheme (PBS). Bronchitol® has several advantages over other mucociliary clearance medications, being less time consuming and more convenient to use when compared to a nebulizer, increasing patient medical plan compliance and in turn improving quality of life.

Aridol®, is an innovative lung function test designed to help doctors diagnose and manage asthma by detecting active airway inflammation through measuring airway hyper-responsiveness. Clinicians rely on the Aridol® challenge test to diagnose patients with asthma, enabling an asthma management plan to be implemented.

Dr. Richard Treagus, Executive Chairman commented “Bronchitol® and Aridol® are much needed speciality respiratory products and BTC health is pleased to ensure their continuing availability in the Australian market. These products represent an important move for BTC health into speciality pharmaceuticals, being a segment that fits strongly with our established capabilities and expertise. Importantly for our shareholders this transaction will be profit accretive immediately.”

Further information on Bronchitol® and Aridol® can be obtained via <https://www.bronchitol.info/> and <https://www.aridol.info/>.

In Australia 3,500 people suffer from cystic fibrosis and a further 1 in 2,500 babies are diagnosed with the disease each year¹. On average, patients spend \$22,3362 per annum on healthcare costs, increasing to an average \$55,2932 per annum for a category 4 patient². In Australia, 2.7m people are diagnosed with Asthma, equivalent to 11.2% of the population or 1 in every 9 Australians³. Aridol® is funded by respiratory clinics and or fully funded by patients undertaking the airway challenge test. Aridol® is also used by clinicians as a means to confirm Asthma patients are compliant with their prescribed asthma management plan. The estimated cost of asthma in Australia in 2015 was \$11,740 per person³.

(1): <https://www.cysticfibrosis.org.au/about-cf/what-is-cf>

(2): <http://peoplepledge.com.au/blog/cost-of-living-with-cystic-fibrosis-in-australia-an-overview-of-the-out-of-pocket-medical-expenses-that-australians-are-paying-each-year/>

(3): <https://asthma.org.au/about-asthma/understanding-asthma/statistics/>

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 the Board.

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