BTC Health (BTC) - ASX Announcement

19 November 2026

Chair's Address to Shareholders

Ladies and gentlemen, fellow shareholders, thank you for joining us today.

FY26 was a year of consolidation for BTC Health. Group revenue held steady, but the revenue mix changed significantly. We trimmed the cost base, rebalanced revenue towards cardiac surgery and critical care, and returned the group to positive EBITDA.

FY26 results

BTC and its investee companies recorded consolidated revenue of $10.3 million for the year ended 30 June 2026, in line with the prior corresponding period. Gross margin improved slightly to 42.5%, and operating expenses decreased 2% to $4.2 million. Group EBITDA was $0.14 million, and adjusted EBITDA increased 49% to $0.27 million.

It is fair to say the year did not go entirely to plan. We set out to deliver double-digit revenue growth, but we did not achieve it, mainly because purchase order timing in the state public hospital system continued to delay the conversion of completed ECMO evaluations.

The two halves of the year tell a clearer story. The first-half EBITDA loss of $0.10 million turned into a second-half EBITDA profit of $0.24 million, as some deferred orders came through and the lower cost base took effect.

For completeness, unconsolidated statutory profit after tax was $34,728, compared with $3.98 million last year, when we recorded a large fair value gain on our investments following the Corcym transaction. Group cash ended the year at $2.1 million, up 61%, and Company net assets increased to $11.2 million.

Progress against our strategy

At last year's meeting, I spoke about building a more diversified business that is less reliant on any single product line. I am pleased to report good progress.

Cardio revenue grew 31% to $5.9 million, now representing 57% of group revenue, up from 44%. In its first full year with us, Corcym heart valve sales increased to $2.3 million. Cardiopulmonary bypass cannulas contributed $0.7 million in their first year, and our PEARS aortic root support implant grew 20% to $1.1 million. BTC Cardio moved from a small loss to a positive EBITDA of $0.17 million.

BTC Cardio also signed three new distribution agreements with SmartCanula, Andocor and Jafron Biomedical. Each company supplies the cardiothoracic and intensive care teams we already serve. Andocor is a good example of how our investment in customer relationships can create new revenue opportunities. When Australian hospitals faced a sudden, unexpected shortage of cardiopulmonary bypass cannulas, we responded quickly with our supply partner, Andocor and the TGA to make a high-quality substitute available.

The rest of the portfolio was slightly softer. Infusion pump revenue fell 35% as the discontinued ambIT range sold through, and we continue to convert users to our Elasto-Q and Micrel pumps. Neurospinal revenue declined 9%. Pharmaceutical revenue fell 13% amid competitive pressure on Bronchitol®, although BTC Pharma remained our most profitable investee company, with relatively low direct costs.

ECMO

ECMO remains one of our most important long-term opportunities. We installed our equipment at the Women's

and Children's Hospital in Adelaide in July 2025, joining the Royal Children's Hospital in Melbourne. Clinical feedback has been very positive. Evaluations are now underway across public hospitals in Victoria, Queensland, New South Wales and South Australia. ECMO revenue was lower in FY26, at $1.6 million. Hospital capital purchases align with State funding cycles, which are difficult to forecast. As a result, the outcomes and timing of these purchases are uncertain. We cannot forecast when orders will be placed. Nevertheless, ECMO remains an important growth opportunity for us.

Bronchitol and Aridol supply

In September 2026, we advised the market that Arna Pharma, the Sydney manufacturer of Bronchitol and Aridol®, had entered voluntary administration. BTC Pharma is the Australian sponsor and exclusive distributor of both products, and our exposure is limited to standard supply arrangements.

Aridol is currently out of stock. This week, the Therapeutic Goods Administration (TGA) approved a waiver that allows us to supply Bronchitol product packaged for overseas markets in Australia. As a result, we expect to continue supplying Bronchitol until the end of the 2027 calendar year.

The liquidators are in discussions with creditors, which may or may not result in the manufacturing facility resuming operations. Regardless, we expect a significant period of supply interruption. We are monitoring the situation closely, and I do not intend to speculate on the outcome at this stage. We will keep the market informed.

Cash and the Board

Our working capital remains well managed, and total group cash at the end of October was $1.83 million.

On 1 October 2026, we welcomed Dr Ian Kadish to the Board. Ian trained as a doctor and has more than 30 years' experience in healthcare, most recently as Managing Director and Chief Executive Officer of Integral Diagnostics. His experience in growing listed healthcare businesses, including through acquisition, will be valuable as we scale. Ian stands for election today.

The year ahead

This month we signed two new agreements. BTC Pharma secured exclusive Australian and New Zealand rights to Sativex®, one of only two medicinal cannabis products registered by the TGA. It is prescribed for moderate to severe spasticity in multiple sclerosis and adds neurology to our portfolio. It will not materially affect this year's result, but it fits our specialised therapeutics model well.

BTC Cardio signed a new agreement with Exstent that adds India to our PEARS territory, subject to Indian regulatory approval, and secures our Australian rights for the longer term.

In cardiac surgery, we have begun launching Lancelot®, the next generation of the Perceval sutureless heart valve, in Australia and New Zealand. To support this, we have partnered with Obex Medical to broaden our reach with cardiac surgeons in New Zealand.

Turning to current trading, the business has made a solid start to the year. Group sales for the first quarter were ahead of the same period last year. Cannulas, PEARS and infusion pumps have all performed strongly, with encouraging re-orders of our pumps from existing customers, and the Corcym valve business is performing broadly to plan. ECMO capital sales remain uneven, and pharmaceutical sales will ease in the second half given the supply position I described. Consistent with our usual practice, we are not providing guidance at this stage of the year.

Our FY27 priorities, as set out in August 2026, are to convert the ECMO pipeline, increase Perceval heart valve utilisation, complete the infusion pump transition, broaden the neurospinal customer base, add new pharmaceutical products and hold the cost base as revenue grows.

Beyond these, the Board and management remain focused on building scale. We continue to evaluate new

partnerships and potential acquisitions, and each is carefully assessed for strategic fit, growth prospects and its ability to deliver sustainable returns to shareholders. Our objective this year is to build on FY26's positive EBITDA toward sustainable profitability.

Acknowledgements

Before closing, I want to thank my fellow Directors, Felicity McNeill, Martin Kahanovitz, and, more recently, Ian Kadish, for their support and counsel throughout the year.

To the BTC team across Speciality Health, Cardio and Pharma, thank you. It was a demanding year, and your discipline made the second-half improvement possible. I also thank our supply partners for their continued confidence and the clinicians and hospitals that choose our products.

And to you, our shareholders, thank you for your trust and support. We start FY27 with a broader product portfolio than we had twelve months ago, a clear focus on growth, and I look forward to keeping you updated on our progress.

Thank you.

Dr Richard Treagus
Executive Chair

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 and its investee companies to be materially different from the statements in this announcement. In particular, the timing of ECMO purchase orders and the outcome of the Arna Pharma liquidation.

About BTC Health

BTC Health Ltd ("BTC") is a Pooled Development Fund that invests actively 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 focused on providing access to some of the best-specialised therapeutics and medical devices worldwide. 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 of BTC Health Limited.

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