

**Avanos Medical Inc. provides notice to discontinue supply of its acute pain infusion products to Australia and New Zealand**

BTC health's wholly owned investee company, BTC Speciality Health (BTCSH), has received notice from Avanos Medical Inc in the USA, of its intention to discontinue supply of its acute pain infusion products to Australia and New Zealand from mid-October 2023. Notwithstanding the strong market share of the ambIT infusion pumps in the Australian market, BTCSH is led to understand this decision is part of Avanos' strategy to actively streamline its product offering in all markets outside the US.

Based on projected inventory levels, BTCSH will be able to meet local customer demand for the infusion products through to the first quarter of 2024, by which time the company intends to make a comprehensive range of alternative drug delivery devices and accessories available.

"BTCSH delivered consistent year-on-year growth with the ambIT infusion product range from Avanos over a long period of time. With our experienced sales team, established market position, and strong account relationships, BTC health remains fully committed to ensuring that our customers and patients continue to have access to a complete range of trusted, high-quality and cost-effective drug infusion products", commented Dr Richard Treagus, Executive Chairman.

The products scheduled to be discontinued accounted for revenue from hospitals to BTCSH of \$6.7m for the 12 months ending 30 June 2022, comprising approximately 80% of total revenue for BTCSH over the same period.

The company will continue to actively promote, sell and distribute all other pharmaceutical and medical consumable products in the BTCSH portfolio. These include Bronchitol™, Aridol™, BTC catheter sets, TIVA sets, Easy Reach and Mediplus consumables. TGA approval and subsequent market introduction of LPS Adsorber (for treatment of sepsis) is expected mid-2023, and Neola™ (for lung function monitoring of preterm infants) remains an important product in the company pipeline.

Given the discontinuation of the Avanos products, the estimated fair value of BTC health's investments in its investee companies has been reduced from \$10.8 million to \$1.2 million. The reduction in fair value of \$9.6 million will be reflected in the Net Tangible Asset Backing (NTA) report for April 2023, which will be lodged with the ASX early May, and in BTC health's financial statements for the year ended 30 June 2023.

Group cash on hand at 31 March 2023 was \$2.1 million. BTC health and its investee companies are taking immediate measures to preserve cash and maintain the necessary flexibility to transition BTCSH's portfolio of medical products.

BTC health will provide updates to investors on the rightsizing and rebuild strategy, including progress with the replacement drug infusion products which are expected to be contracted in 2023 and made available to customers in early 2024.

**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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