

25 May 2017

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(23 pages by email)

Dear Madam

RENOUNCEABLE RIGHTS ISSUE

- **Renounceable rights offered at 2 cents per share to raise up to \$1.56 million.**
- **Attaching option (6 cents, 30 November 2018) offered for every new share to be listed.**
- **Partially underwritten up to \$1 million.**
- **Directors will participate in the rights issue.**
- **Attractive pricing – 39% discount to 1 month VWAP of 3.3 cents.**
- **Shareholders can renounce their rights or apply for additional shares and attaching options.**
- **Rights to start trading from 29 May 2017.**

Sydney, Australia, 25 May 2017 – Australian drug development company Biotron Limited (ASX:BIT) today announced a partially underwritten renounceable rights issue to raise up to approximately \$1.56 million. Net proceeds, in conjunction with existing cash reserves, will be used:

- To complete complementary non-clinical assays on samples from the current Phase 2 HIV-1 clinical trial.
- For evaluation of additional Biotron compounds against an expanded range of viral diseases including respiratory viruses, Dengue virus, Hepatitis B and others.
- For commercialisation and negotiation activities, legal fees, travel and personnel costs.
- For general working capital.

The offer of fully paid ordinary shares will be made to eligible shareholders on the basis of one (1) new share and one (1) attaching listed option for every four (4) existing shares already held at an issue price of 2 cents per share, which represents a 39% discount to the 1 month volume weighted average price (VWAP) of \$0.033 and a 42% discount to the 3 month VWAP of \$0.035.

Shareholders will be given the opportunity to apply for additional shares and attaching options in excess of their entitlement, however, allocations are not guaranteed. The issue is renounceable and shareholders will be able to guarantee an increase to entitlements by the purchase of additional rights.

Directors have indicated they intend to participate in some or all of their entitlement under the rights issue.

CPS Capital Group Pty Ltd acts as Lead Manager and the Underwriter.

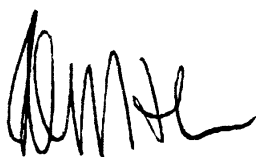
The proposed timetable for the offer is as follows:

Shares trade ex-entitlement (Ex Date) Rights trading starts	29 May 2017
Record date to determine Entitlements (Record Date)	30 May 2017
Prospectus with Entitlement and Acceptance Form dispatched Offer opens for receipt of Applications	2 June 2017
Rights trading ends	13 June 2017
Deferred settlement trading starts	14 June 2017
Closing date for acceptances	20 June 2017
Notify ASX of under-subscriptions	23 June 2017
Issue of New Shares Deferred settlement trading ends	27 June 2017
Dispatch of shareholding statements	28 June 2017
Normal trading of New Shares expected to commence	28 June 2017

A prospectus for the offer and a personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the above timetable. Furthermore, from 2 June 2017, eligible shareholders can view their personalised entitlement and acceptance form online at www.investorcentre.com.

Shareholders should consider the disclosure document in deciding whether to acquire the securities. Anybody wanting to acquire securities will need to complete the application form that will be in or will accompany the disclosure document.

Yours sincerely



Peter J. Nightingale
Company Secretary

Enquiries

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About Biotron and BIT225

A presentation on the Company's activities is attached.

Biotron Limited is engaged in the research, development, and commercialisation of drugs targeting significant viral diseases with unmet medical need. The Company has BIT225 in clinical development for both HIV-1 and HCV and also has several earlier stage preclinical and research programs. The Company's focus is designing drugs that target a class of virus protein known as viroporins which have a key role in the virus life cycle of a very broad range of viruses, many of which have caused worldwide health issues such as Dengue, Hepatitis B, Ebola, Middle East Respiratory virus, Influenza and Zika viruses.

pjn8908

BIOTRON LIMITED
(ASX:BIT)

Investor Presentation
May 2017

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Forward Looking Statements

This presentation may contain forward-looking statements with respect to the financial condition, results and business achievements/performance of Biotron Limited (ACN 086 399 144) and certain of the plans and objectives of its management. These statements are statements that are not historical facts. Words such as “should”, “expects”, “anticipates”, “estimates”, “believes” or similar expressions, as they relate to Biotron Limited, are intended to identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect Biotron’s current expectations and assumptions as to future events and circumstances that may not prove accurate. There is no guarantee that the expected events, trends or results will actually occur. Any changes in such assumptions or expectations could cause actual results to differ materially from current expectations.

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Investment Highlights

- Mid-stage clinical development company with antiviral drugs that show great potential in the **treatment or cure of infectious diseases** like Hepatitis C (HCV), HIV and Dengue
- Over \$30 million spent and 8 clinical trials completed to develop this new class of drugs
- Past results from clinical trials include 100% of HCV patients cleared of HCV virus and significantly reduced viral production in HIV patients
- Huge and growing market – estimated at >\$20 billion (180 million infected worldwide = 3% of world population, 30 million in China alone)
- **Currently in phase 2 HIV-1 clinical trial**
- **Strong focus on commercialisation**
- **Granted patents in all major jurisdictions**
- Active news flow and near term, value-adding milestones anticipated in 2017

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Corporate Snapshot

Key Financial Metrics

Ticker Code	ASX: BIT
Share Price (23/5/17)	A\$0.033
Market Capitalisation	A\$10 million
12 Month Trading Range	A\$0.03 – 0.079
Shares Outstanding	313 million
Cash Position (31/3/17)	A\$1.82 million

Brief Biotron Overview

- Spun out from John Curtin School of Medical Research at the Australian National University in 1999
- Listed on ASX in January 2001 (ASX:BIT)
- Headquartered in Sydney, Australia

Board

Michael Hoy	Non-executive Chairman
Michelle Miller	Managing Director
Susan Pond	Non-executive Director
Rob Thomas	Non-executive Director
Denis Wade	Non-executive Director

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The Board

Mr Michael Hoy (Independent and Non-executive Chairman)

Mr Hoy has more than 30 years' corporate experience in Australia, the United Kingdom, USA and Asia. He is Chairman of Telesso Technologies and a former director of John Fairfax Holdings Limited and FXF Trust. Chairman since 16 March 2000.

Dr Michelle Miller (Managing Director)

Dr Miller has worked for over 20 years in the bioscience industry, with extensive experience in managing commercial bioscience research. She completed her PhD in the Faculty of Medicine at Sydney University, investigating molecular models of cancer development. Her experience includes a number of years at Johnson & Johnson developing anti-HIV gene therapeutics through preclinical research to clinical trials. She has experience in early stage start-ups from time spent as an Investment Manager with a specialist bioscience venture capital fund.

Dr Susan Pond (Independent and Non-executive Director)

Dr Pond held executive positions in the biotechnology and pharmaceutical industry for 12 years, most recently as chairman and managing director of Johnson & Johnson Research Pty Limited (2003 - 2009). She has held many board positions including as chairman of AusBiotech Limited and director of the Australian Nuclear Science and Technology Organisation and Australian Academy of Technological Sciences and Engineering.

Mr Rob Thomas (Independent and Non-executive Director)

Mr Thomas has over 35 years' experience in the securities industry, with Potter Partners (now UBS), County NatWest and Citigroup. He is the chairman of TAL Limited and Starpharma Holdings Limited, director of Aus Bio Limited, Heartware Inc, REVA Medical Limited and Virgin Australia Limited.

Dr Denis Wade (Independent and Non-executive Director)

Dr Wade has more than 40 years of experience in pharmaceutical research and drug development. From 1987 until his retirement in 2002, was managing director and chairman of Johnson & Johnson Research Pty Ltd, a research and development company of Johnson & Johnson Inc. He was also a member of the J&J Corporate Office of Science and Technology.

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Summary

NOVEL ANTIVIRAL PLATFORM

Targeting viroporin proteins with a rapid screening proprietary primary bacterial cell-based platform - a library of over 350 compounds with activity against a range of viruses.

BROAD ANTIVIRAL PIPELINE

Clinical and Preclinical programs in indications with high unmet clinical need or large patient populations such as HIV-1, HCV & Dengue, HBV, Zika & Influenza.

ROBUST CLINICAL VALIDATION

Completed 8 human Clinical Trials with promising safety and efficacy outcomes .

STRONG INTELLECTUAL PROPERTY POSITION

Portfolio of patents and patent applications directed to the Company's anti-viral drug portfolio.

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Milestones

- **2017**

- 1Q Commencement of Phase 2 HIV-1 Trial
Data from Humanised Mouse study
- 2Q Progress Phase 2 HIV-1 Trial with second trial site
Appoint China advisor
- 3Q Present data from Humanised mouse study at international conference
Complete clinical stage of Phase 2 HIV-1 trial (end of quarter)
- 4Q Preliminary headline data from Phase 2 HIV-1 trial
Investment/partnership for China
Collaboration for additional preclinical targets with pharma company

- **2018**

- 1Q Full data from Phase 2 HIV-1 trial

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Value Inflection Points and Partnering Opportunities

1. HIV-1 Clinical Program

- Significant value inflection expected in 2017
 - **Early data from key Phase 2 clinical trial anticipated October 2017**
- Engaging with potential partners in advance of data

2. China Partnering/Investment Opportunities

- BIT225 particularly well suited to China - high numbers of HCV-infected patients with high proportion of HCV/HBV co-infected patients
- **Focused on regional deal for 2H17**
- Additional opportunities for partnering preclinical programs in SE Asia

3. Preclinical Partnering Opportunities

- Early stage programs for key diseases, with potential for:
 - Pan-flavi (including Dengue), Pan-respiratory, and others
- BIT225 demonstrates robustness of Biotron's drug development program
- Screening data against other viruses e.g. Influenza, Ebola, Zika and others demonstrates depth of portfolio to potential partners

4. Potential for partnering individual programs as well as whole platform

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Unlocking Value in Compound Library

- Renewed industry interest in targeting viral diseases including
 - Respiratory diseases e.g. Respiratory syncytial virus (RSV) & Influenza
 - Hepatitis B virus
 - Tropical diseases including Dengue
- Ebola, Zika and MERS-CoV outbreaks have caused public health issues worldwide
- **BIT225 has demonstrated the robustness of Biotron's approach with targeting viroporin proteins**
- Compounds with activity against other key viruses have been identified; secondary screening is in progress, with the aim of identifying potential candidates to progress into IND-enabling studies
 - Exploring potential for pan-respiratory and pan-Flavivirus therapeutics

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Biotron Limited – Infectious Disease Therapeutics

BROAD PLATFORM WITH NEW CLASS OF ANTIVIRAL DRUGS

Targeting viroporin proteins present in wide range of viruses

HIV-1 ERADICATION

- Targeting HIV-1 in long-lived reservoirs
- Potential to add in to current ART
- Phase 2 trial in progress; preliminary data expected 3Q17

HEPATITIS C VIRUS (HCV)

- New class of HCV drug
- Pan genotypic
- Potential to shorten treatment times/improve outcomes
- Phase 2 completed

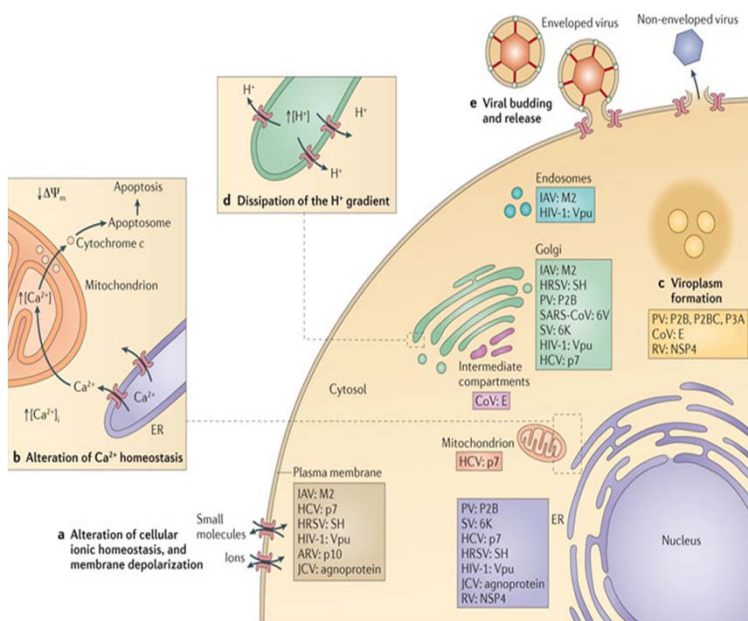
EARLY STAGE PROGRAMS

- Pipeline of early stage programs, including:
- Respiratory viruses, including Influenza
- Flaviviruses e.g. Dengue
- Hepatitis B virus

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Developing a New Class of Antiviral Drugs



Nature Reviews Microbiology 10, 563-574

Nature Reviews Microbiology

Viroporin proteins are present in influenza (M2), Hep C (p7), Dengue (M protein), SARS (E protein), HIV-1 (Vpu), and others

- Rapid bacterial screening assays set up for target proteins
- Developed specialised library of compounds to target VIROPORIN viral targets
- Pipeline of internally-generated, first-in-class small molecule viroporin inhibitors for key markets
- Focused on clinical development of lead drug BIT225 (HCV and HIV-1)
- Progressing promising earlier stage drug discovery programs for other viruses

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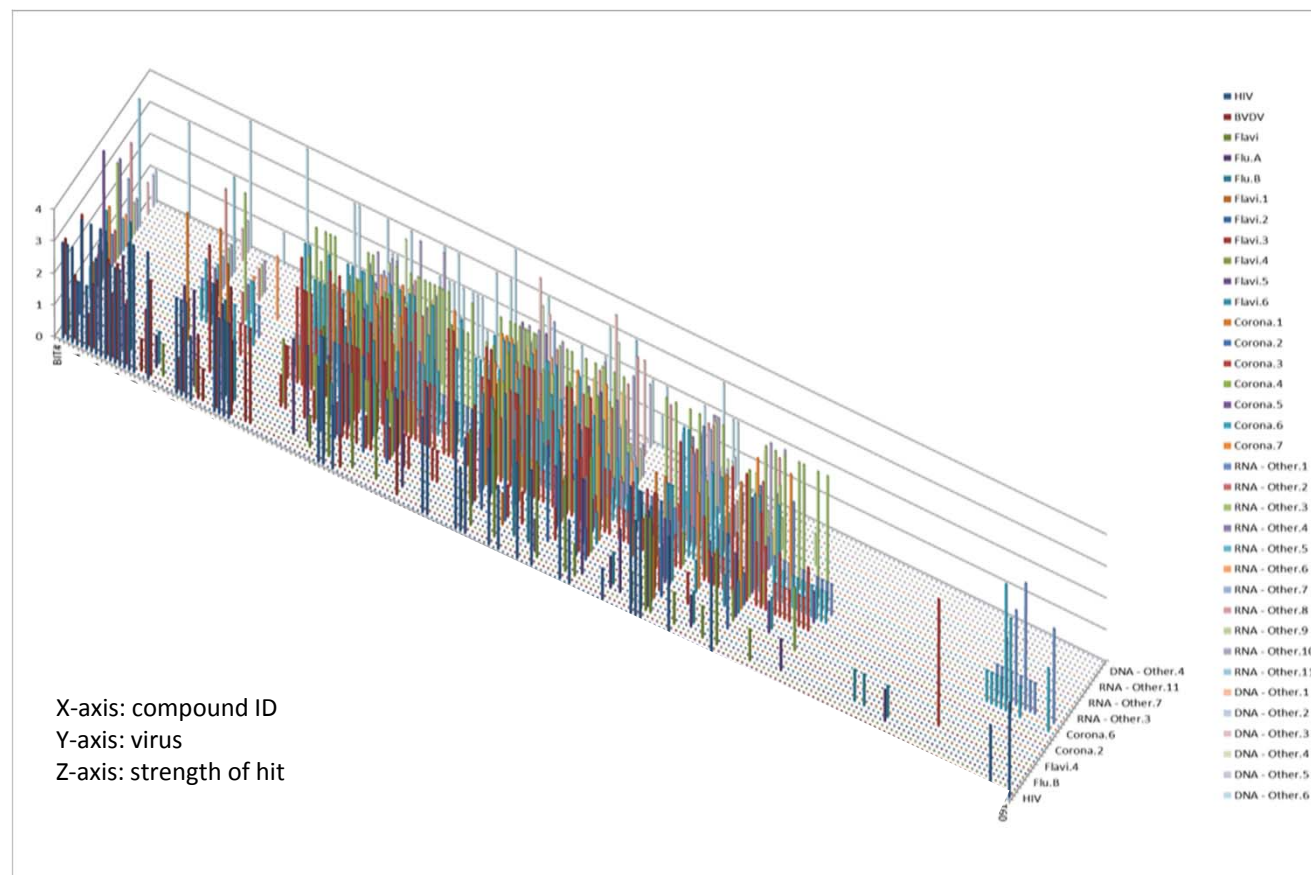
Core Technology Drives Rich Compound Library

Specialised, enriched
antiviral library of over
350 compounds

“HITS” IN LIBRARY include:

- Influenza A and B
- Hepatitis B virus (HBV)
- Coronaviruses
(including SARS)
- Epstein-Barr virus
(EBV)
- Zika virus
- Dengue virus
- Hepatitis C virus (HCV)
- HIV-1
- others

Library of compounds target viral proteins called Viroporins



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Infectious Diseases Market Opportunity

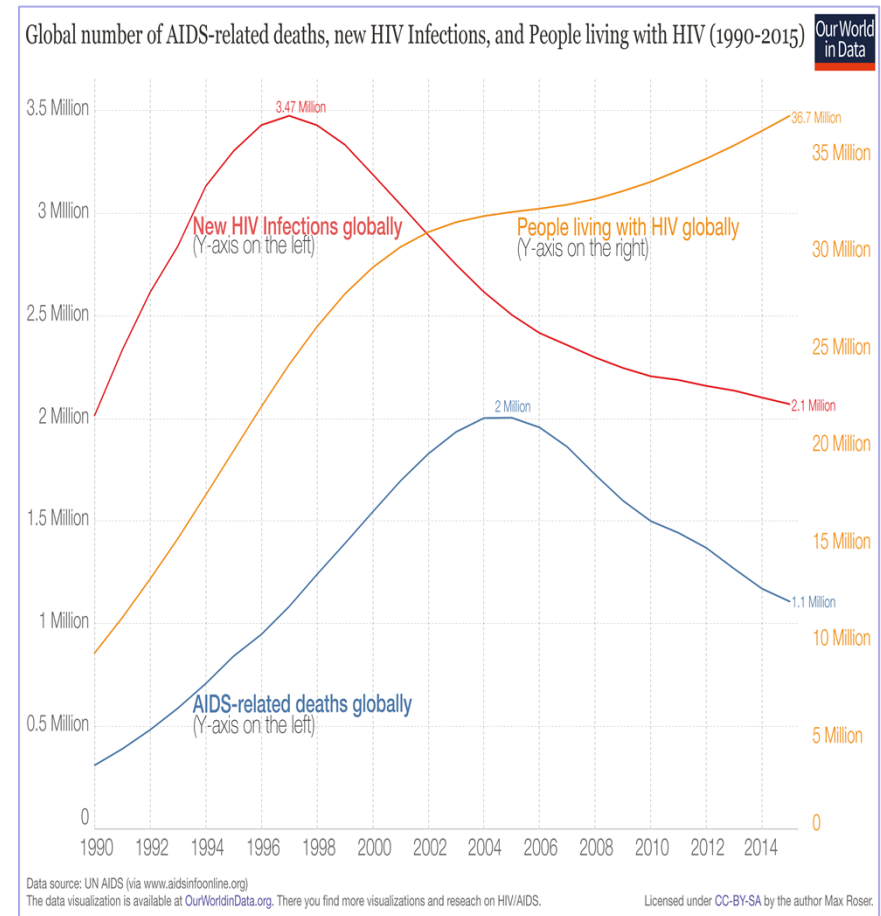
- Infectious diseases global market is US\$74 billion (2014)
 - Expected to grow to US\$117 billion by 2021
- Size of global market development pipeline is second only to oncology
- Half of the global infectious disease pipeline is for antiviral therapeutics
 - 23% of products in development target HIV-1
 - Demonstrates the commercial potential of developing products for HIV-1 owing to the high drug costs, the strong reliance on combination regimens, and the current unmet needs in the market – which include high toxicity and the development of drug resistance.

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HIV-1 Market

- ~35 million people living with HIV globally (2013)
 - Estimated 2.1 million new cases in 2013
- 1.9 million people living with HIV-1 in the major markets
 - 1.2 million in the USA
- US\$12.2 billion in global sales in 2012
 - US\$9.3 billion in the U.S.
 - Global sales expected to grow to US\$16.8 billion by 2020

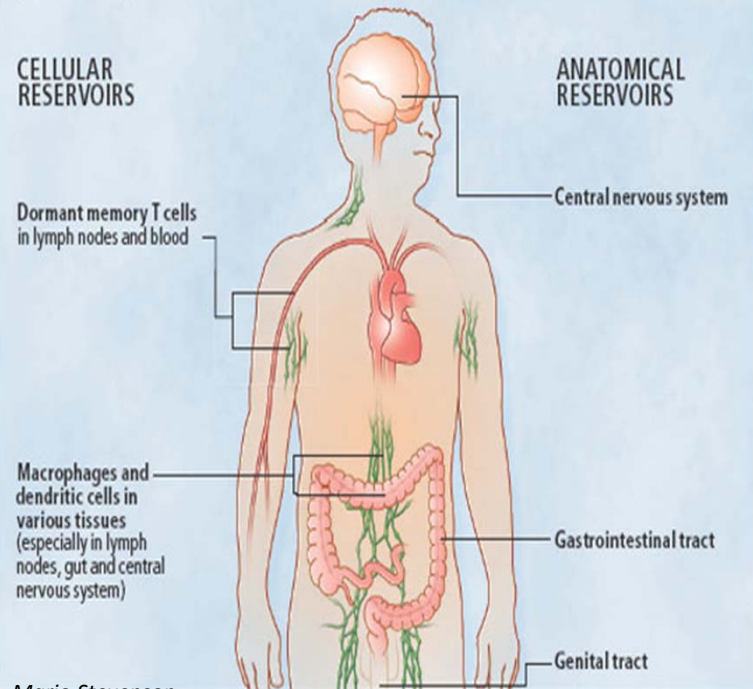


HIV-1 Opportunity

[WHERE THE VIRUS HIDES]

HIV'S MANY RESERVOIRS

Beyond lying in wait in dormant memory T cells, HIV may reproduce at a low rate in certain other immune system cells—particularly macrophages and dendritic cells that seem inherently able to ward off immune defenses and anti-HIV drugs to some extent. Further, HIV-infected cells in a few parts of the body may be physically shielded to a degree from the immune system and certain drugs. HIV made in cellular and anatomical reservoirs does not reach the blood readily in aggressively treated patients but might generate a vigorous infection if treatment stops.



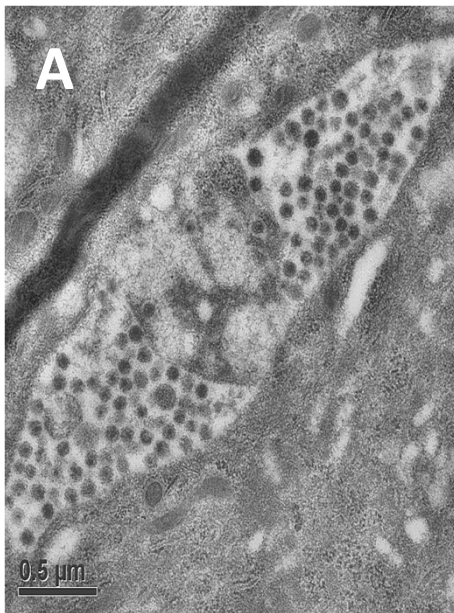
Mario Stevenson
Scientific American 299, 78 - 83 (2008)

- HIV-1 patients need to stay on antiretroviral drugs (ART) to keep virus levels under control
- HIV-1 remains hidden in reservoirs, leading to chronic, life-long infection
 - Invisible to body's immune defenses
 - Not sensitive to anti-HIV-1 drugs
- Long-term health implications even in patients on antiretroviral drugs e.g. HAND, immune activation, etc
- Currently HIV-1 treatment costs are a major burden on healthcare systems
- New mode of actions drugs are needed to eradicate or cure HIV-1 infection

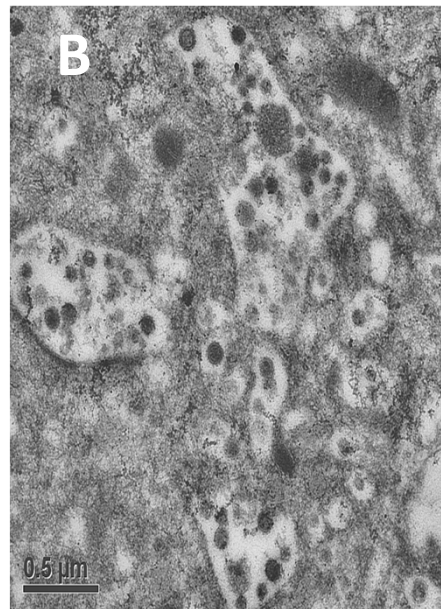
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BIT225 Targets HIV-1 in Reservoir Cells

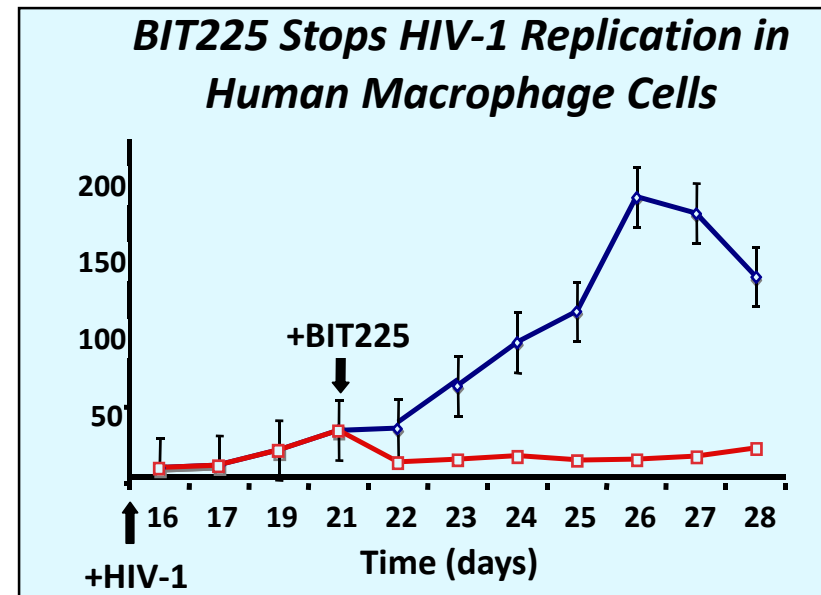
- BIT225 inhibits assembly and budding of new virus in macrophage reservoirs
- Phase 2a trial (BIT225-004)
 - 10 day monotherapy trial in treatment naïve patients
 - BIT225 reduced HIV-1 levels in macrophage cells *in vivo*, paralleling *in vitro* studies (Wilkinson *et al*, *J Antimicrob Chemother* 2016; 71: 731-738)
 - Positive impact on immune activation
- Positioning for potential inclusion in current ART or in future eradication strategies



(A) Untreated Controls



(B) BIT225 treated cells



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BIT225 HIV-1 Eradication Program

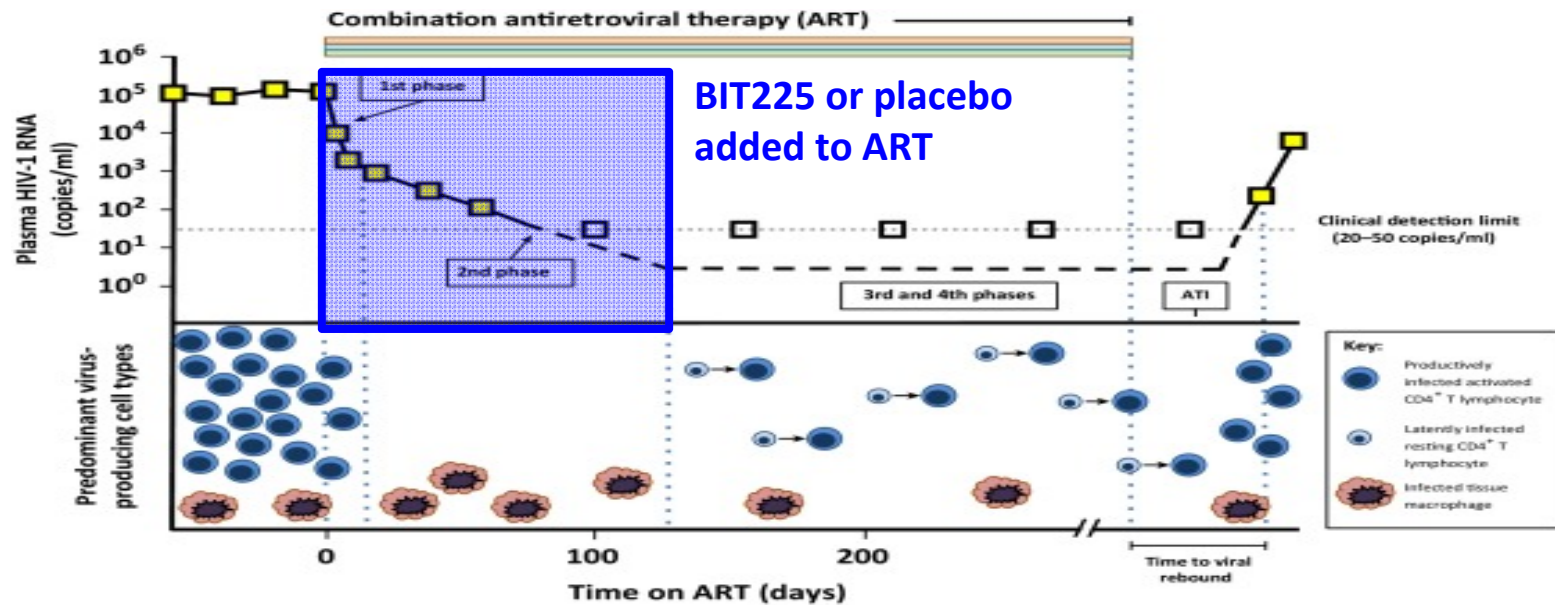
Creating value inflection points with positive data

- Humanised mouse model of HIV-1 infection
 - **POSITIVE data reported in 1Q17**
 - **BIT225 significantly improves current ART, hitting virus faster and delaying rebound when drug treatment stopped**
 - **Detailed data to be presented at scientific conference in mid-2017**
- Phase 2 HIV-1 Clinical Trial
 - 3 month dosing in combination with ART (BIT225-009) – IN PROGRESS
 - Designed to demonstrate clinical benefit over and above ART
 - Headline data expected in 3Q17
- Accumulated significant quantity of clinical data for BIT225 from healthy volunteer, HCV & HIV-1 patient trials (~200 subjects in trials to date)

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Phase 2 Trial – BIT225-009 In Progress



Trends in Molecular Medicine

- 36 HIV-1⁺, treatment-naïve subjects commencing ART
- Randomised 2:1 (drug:placebo)
- BIT225 or placebo added to ART for first 12 weeks of treatment
- Read-out
 - Impact on viral load kinetics over and above ART
 - Reduction of immune activation markers
- Trial sites – HIV-NAT, Bangkok, and Chiang Mai, Thailand

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BIT225 – First of a New Class of HCV Drugs

- Targets HCV p7 protein - Inhibits viral assembly and infectivity
- Pan-genotype activity:
 - Active *in vitro* against all main genotypes
 - Clinical activity against HCV GT 1 (1a and 1b) and GT 3 demonstrated in Phase 2a trials
- Seeking partnerships for further development, in particular in Asia
- Emerging evidence that Interferon sparing therapies may cause reactivation of Hepatitis B (HBV)
 - Evidence of reactivation of hepatitis B in co-infected patients (HBV & HCV) presented at AASLD
 - 30 – 50 million HCV-infected subjects in China
 - High HCV/HBV co-infection rate in China
- Potential for another class of drug such as BIT225 to shorten treatment and reduce costs, in particular in markets ex-USA/Europe

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Summary

- Encouraging results show great potential in the **treatment of infectious diseases**
- 8 clinical trials completed to date validate this new class of drugs
- Huge and growing market
- Active news flow - currently in phase 2 HIV-1 clinical trial with results expected in October 2017
- Strong focus on commercialisation
- Granted patents in all major jurisdictions
- Near term, value-adding milestones anticipated in 2017

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