

26 October 2022

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

Dear Madam

RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$4.2 MILLION

- **1 for 5 Renounceable Rights Issue to raise up to \$4.2 million**
- **Attractively priced at 3 cents per share**
- **Discount of 33% to the last price of 4.5 cents and 37% to the 30 day VWAP of 4.7 cents**
- **With every 2 New Shares, shareholders receive 1 free attaching New Option**
- **New Options will have Exercise Price of 6 cents, term of 2 years and will be listed**
- **Shareholders can trade their rights and apply for additional shares and options**
- **Rights to start trading from 31 October 2022**
- **Directors intend to participate in exercising their entitlements**
- **Funds to be used:**
 - **to undertake a COVID-19 clinical trial**
 - **to complete non-clinical assays for the Company's two Phase 2 HIV-1 clinical trials**
 - **to develop next generation drugs for HIV-1 and COVID-19 programs**
 - **advance the Hepatitis B virus program**
 - **for commercialisation activities**
 - **working capital and costs of the offer**

Biotron Limited ('Biotron' or 'the Company') is pleased to announce that it is undertaking a 1 for 5 renounceable rights issue ('Rights Issue') at \$0.03 per share to raise up to approximately \$4.2 million (before costs). For every 2 New Shares subscribed, eligible shareholders will receive 1 free attaching New Option with an exercise price of \$0.06 and expiring 2 years after the issue date. The Company will apply for the quotation of the New Options on the ASX.

The rights issue price represents a discount of:

- **33% to the Company's last close of \$0.045 on the ASX; and**
- **37% to the Company's 30 day VWAP of \$0.047.**

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 18 November 2022 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement. Shareholders can also trade their rights from 31 October 2022.

Biotron has a portfolio of antiviral drugs, supported by a suite of international patents, targeting serious viral diseases including HIV-1, COVID-19 and Hepatitis B virus. The HIV-1 program is the Company's lead program, with BIT225 showing positive results in all clinical trials completed to date.

Two Phase 2 HIV-1 clinical trials are currently in progress. Both are fully recruited, with results due mid-2023.

The current HIV-1 Phase 2 trials are supported by nine previous trials in different populations including healthy volunteers as well as people infected with HIV-1, Hepatitis C (HCV) and HIV-1/HCV co-infections. Two previous HIV-1 clinical trials have demonstrated that BIT225 uniquely combines antiviral and immune modulation effects, a combination expected to lead to improved health outcomes.

BIT225 has also shown both antiviral, immune modulatory and clinical benefit against SARS-CoV-2 in an industry-standard animal model of COVID-19. A human COVID-19 study is also in progress as a sub-study in one of the current HIV-1 Phase 2 clinical trials.

In May 2022, the Company received positive guidance from the USA Food and Drug Administration on the design of a proposed Phase 2 COVID-19 clinical trial. In line with this guidance, Biotron is finalising sites for a new standalone Phase 2 COVID-19 trial. Planning for the trial is well advanced and, subject to funding and ethics and regulatory approvals, Biotron aims to commence the study by the end of 2023. Subject to satisfactory recruitment rates, the Company anticipates data from the trial will be available in mid-2023.

Funds raised from the Rights Issue will be used, in part, to undertake this new Phase 2 COVID-19 clinical trial.

Funds raised will also be used to undertake detailed post-Phase 2 trial HIV-1 assays, complete lead identification and selection of next generation drugs for the HIV-1 and COVID-19 programs, progress the preclinical Hepatitis B virus program and strengthen the Company's commercialisation activities. The Company's aim is to ensure that it is in a strong position to enter negotiations with potential partners at the conclusion of the Phase 2 trials in mid-2023.

All current and proposed activities that are subject to funding are undertaken to de-risk the programs and achieve a commercial outcome for shareholders.

The Rights Issue is partially underwritten to \$2.5 million by Lead Manager and Underwriter Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246).

All Directors intend to participate in the Rights Issue.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and New Options. A prospectus in relation to the Rights Issue was lodged with ASIC on 26 October 2022 and, together with a personalised entitlement and acceptance form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the Rights Issue and will need to follow the instructions on the entitlement and acceptance form that will accompany the prospectus. The following are indicative dates in respect of the capital raising:

| Event | Date |
|--|------------------|
| Notice sent to shareholders | 26 October 2022 |
| Ex entitlement date Rights trading commences on a deferred settlement basis | 31 October 2022 |
| Record Date for determining entitlements (5:00pm EST) | 1 November 2022 |
| Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders | 4 November 2022 |
| Rights trading ends | 11 November 2022 |
| Closing date of Rights Issue (5:00pm EST) | 18 November 2022 |
| ASX notified of under-subscriptions | 23 November 2022 |
| Issue date | 25 November 2022 |

These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

The Company's Chairman, Michael Hoy, said: *"Biotron is at a critical juncture in its drug development journey. Important clinical trial results are expected by the end of the current financial year. This fund raising provides the Company with the necessary financial means to complete planned activities and, importantly, to enter a period of anticipated commercialisation with confidence and flexibility. We look forward to continued shareholder support as we advance to the next level."*

For more information please contact:

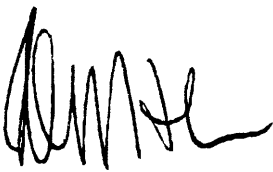
Enquiries:

Dr Michelle Miller
Managing Director
+61-(0)412313329

Peter Nightingale
Company Secretary
+(612) 9300 3344

This announcement has been authorised for release to the market by the Board.

Yours sincerely



Peter J. Nightingale
Company Secretary

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About Biotron:

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 HIV-1 and COVID-19 and promising preclinical programs for HBV and other serious viruses. In addition, Biotron has several earlier stage programs 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 Coronavirus, Dengue, Ebola, Middle East Respiratory virus, Influenza and Zika viruses.