

28 March 2018

NSX Announcement

SIGNING OF INVESTMENT TERM SHEET WITH UNSW

Beroni Group Limited (“Beroni” or the “Company”) is pleased to announce that it has signed a term sheet with NewSouth Innovations Pty Ltd (“NSI”), a subsidiary of the University of New South Wales (“UNSW”) and Cystemix Pty Limited (“Cystemix”), a company established in 2002 by NSI in relation to Beroni’s investment in Cystemix to advance Cystemix’s clinical development of the potentially groundbreaking anti-cancer drug called PENAO. Beroni will initially acquire 2.2% issued and paid shares in Cystemix for \$400,000, effective upon signing of the term sheet.

NSI and Cystemix agreed to negotiate with Beroni exclusively in good faith for a Share Subscription and Shareholders Agreement within 3 months upon signing of the Term Sheet, to set out terms of subsequent investments by Beroni into Cystemix (“Transaction Documents”). NSI and Cystemix not agreed, during the 3 months period, (a) not to present the opportunity to any other investors and (b) to halt any negotiations with any other investors currently on foot. If the Transaction Documents are not executed within the 3 months period, the parties will have no further obligations to each other under the term sheet except that NSI or its nominee has the option to acquire Beroni’s 2.2% shares at any time within the 10 year period commencing the date the term sheet at the lesser of and at NSI’s sole discretion (a) the price per share paid by a genuine third party investor for shares in Cystemix; or (b) at a 20% discount on the price paid by Beroni for Beroni’s 2.2% Shares.

Subject to the execution of the Transaction Documents by the parties, it is intended that Beroni will invest a total of \$10 million (including the \$400,000 under the term sheet) through tranches for 40% shares (including the 2.2% shares under the term sheet) in Cystemix by the end of Phase 2 clinical trial of PENAO. NSI would hold the remaining 60% shares in Cystemix. Subsequent investment tranches, together with the milestones associated with the Stage 2 Clinical Trials of PENAO, will be finalised and form part of the Transaction Documents. It is also intended that the Transaction Documents will include a call option to be granted by NSI to Beroni, for Beroni to acquire a further 11% shares in Cystemix during the period commencing when 50% patient enrolment of a Phase II trial and 2 months after Phase II completion date for \$5,500,000. Beroni will announce material information of the Transaction Documents when it is finalised.

Beroni Group’s investment will help fund clinical trials to explore the prevention and treatment of diseases in patients at an early stage. Recent studies have shown that most patients with malignant tumours die due to late diagnosis and treatment. Therefore, the cooperation between Beroni Group and UNSW in the phase II development of PENAO will integrate basic and translational research and clinical applications.

PENAO is a second-generation drug developed out of successful trials in the UK of the first-generation compound. It has the power to shrink tumours and potentially provide an alternative to chemotherapy. PENAO is the result of ten years' work by Professor Philip Hogg, who was inaugural director of UNSW's Lowy Cancer Research Centre at the time, and his UNSW colleagues.

Beroni Group and UNSW will periodically report its research and achievements. The project will have the advantage of leading technology provided by the research team, cutting-edge medical research equipment, and strong capital reserves to conduct innovative research for the prevention of incurable cancers.

Beroni Executive Chairman, Mr Jacky Zhang said: "Beroni Group regards the promoting of cooperation between China and Australia in biotechnology as its mission. Its partnership with UNSW will help Beroni Group draw on medical expertise in Australia to explore more valuable high-potential health projects, commercialise top technologies in biotechnology and life sciences into products, and improve the cooperation between China and Australia."

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About Beroni Group Limited (NSX:BTG) (FSE:6B9)

Beroni Group is a Chinese biotechnological company which is dual listed on the National Stock Exchange (Australia) and Frankfurt Stock Exchange Open Market Quotation Board (Regulated Unofficial Market). Its business mainly focuses on biotechnology, life sciences, environmental science and governance, precision medicine, regenerative medicine, and stem cell anti-cancer and anti-aging projects.

Beroni Group's currently has four main products: NicoBloc, Fogibloc, Multi Vigorous tablets (Bei Jingli) and Multi lung cleaning tablets (Bei Feiqing). Beroni Group's overall strategic goal is to have a global presence in the biotechnology, bio-science and environmental science industries. The Company is open to acquisition opportunities to expand the business and increase its market share.