

23 October 2018

NSX Announcement

## STRATEGIC REVIEW

2018 has been a busy year for Beroni Group Limited (NSX:BTG) (“Beroni” or “Group”), which has seen it making several investments and joint ventures in Japan, Australia and the USA. In September 2018, the directors and senior management from Australia, Japan and China gathered together in Tokyo, Japan to perform a strategic review of the business.

Summarised below is the outcome of this review, which will form the basis of Beroni’s strategic focus and business plan going forward.

A key objective of the review was an evaluation of the current organisation structure and business development plans in the countries where the Group has a business presence. The issues currently faced by the Group are a lack of strategic cohesion of the various businesses recently acquired or invested in, and the need for a strong management team to take the international business forward. The strategic review also involved evaluating the current business situation against a number of product and market development strategies with a view to developing a robust and sustainable five-year business plan for the Group.

### The Way Forward

Based on this strategic plan, Beroni aspires to become a world’s leading biotechnology company contributing significantly to improving the human health. Its new strategy will focus on developing 5 pillars of the business, as follows:

1. Strengthen the board and management team;
2. Diversify its products and expand into new markets;
3. Become a billion dollar value company;
4. Collaborate with strategic partners to develop new technologies and expand existing businesses; and
5. Establish a strong brand name and reputation

In addition, the outcome of this review led to a realignment of its business model which are now re-organised into four core businesses:

- *Developing and innovating the cell therapy business*

In addition to expanding the cell therapy business through Beroni Japan and Youtokukai’s Ginza Medical Clinic, Beroni will collaborate with Dendrix Inc. and I’rom Group to develop two new technologies – Gamma Delta T cell and DC Vaccine – to further advance the use of immunotherapy for cancer treatment.

- *Developing new anti-cancer drugs*

As part of its collaboration with the University of NSW, Beroni is investing in the development of a new anti-cancer drug PENAO which will commence Phase 2 clinical trial next year. Beroni will be on the look-out for opportunities to develop new anti-cancer drugs with other medical research institutions.

- *Developing diagnostic tools for detecting infectious diseases*

Through its research sponsorship with Columbia University, Beroni is working to secure the distribution rights to six markets namely Australia, Saudi Arabia, USA, China, Japan and India for the distribution of the CII-ArboViroPlex rRT-PCR assay, a diagnostic kit used to detect viruses such as Zika, Dengue, Chikungunya, and West Nile.

- *Establishing a strong e-commerce platform for sales of pharmaceutical and healthcare products*

Beroni will expand the sales of its pharmaceutical and healthcare products through its established e-commerce platform in Japan and China to other countries in Asia.

Beroni's Executive Chairman Mr. Jacky Zhang said: "The new strategy, by leveraging its business presence in Japan, USA, Australia and China, would lead to an acceleration of growth and internationalisation of the business of Beroni Group."

"The Chinese domestic medical biotechnology sector has enjoyed dynamic growth in the last few years due to a combination of policy support, industry deregulation and sizable capital market. As part of its "Made in China 2025" strategic plan, the Chinese government has targeted the rapid development of high-tech fields, including the pharmaceutical industry, from 2015 to 2025. Beroni will take advantage of its new technologies and international connections to fast track the development of its core businesses in the massive Chinese market," said Mr. Zhang.

For further information please contact:

Mr Jacky Zhang  
Executive Chairman

Tel: +86 1851 6931 911

E: [jacky.zhang@beronigroup.com](mailto:jacky.zhang@beronigroup.com)

Mr Peter Wong  
Executive Director

Tel: +61 423 727 580

E: [peter.wong@beronigroup.com](mailto:peter.wong@beronigroup.com)

### **About Beroni Group Limited (NSX:BTG)**

Beroni Group is an international biotechnological company listed on the National Stock Exchange (Australia). It currently has four core businesses - cell therapies, developing new anti-cancer drugs, e-commerce platform for pharmaceutical and healthcare products, and detection & diagnosis of infectious diseases.

Beroni Group's overall strategic goal is to become a world's leading enterprise in the biotechnology, life sciences and environmental science industries.