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Acquisition of Sedarex Limited and $2.5m capital raising

Biotron Limited (ASX:BIT) (Biotron or the Company) is pleased to announce a transaction under which it will purchase Sedarex Limited (**Sedarex**), as set out below:

- Biotron to acquire Sedarex Limited, a public unlisted company, which holds global patents for SedRx™, a safer, next-generation general anaesthetic.
- SedRx contains alfaxalone which is the active ingredient (API) of a proven general anesthesia Althesin that was marketed in Europe for 14 years and had 50% share of the day care market in the UK.
- A new formulation and associated manufacturing process, owned by Sedarex, eliminates past safety risks and maintains cognitive abilities post-anaesthetic procedure.
- In addition to the late-stage general anaesthetic opportunity offered by SedRx, Sedarex has additional new indications in the high growth neuroscientific field under development.
- SedRx has proven superior safety and cognitive outcomes versus leading anaesthetics in Phase 1 and pilot Phase 2a studies, with FDA backing for a 505(b)(2) pathway and potential EMA abridged approval.
- The deal is strongly supported by a $1m Placement led by Peak Asset Management, with a $1.5m Rights Offer to be launched to Biotron shareholders on the same terms.

Biotron has also received commitments to raise $1 million through a 2 tranche placement at an issue price of $0.003 per share, with 1 attaching option ($0.02 expiring 2 years from issue) for every 2 shares issued (**Placement**). Biotron will following shareholder approval for the acquisition of Sedarex also undertake a rights issue to raise a further $1.5 million on the same terms as the Placement (**Rights Issue**).

Peak Asset Management (**Peak**) introduced the opportunity to Biotron and is the lead manager for the Placement and Rights Issue.

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Michelle Miller, Biotron's Managing Director, said: *"We are very pleased to announce this exciting transaction which we believe will strongly benefit Biotron shareholders. SedRx is a late-stage, largely derisked clinical asset that also offers additional upside with new indications. This deal with Sedarex transforms the Company while still pursuing its anti viral programs. We welcome the strong support from Peak Asset Management."*

Sedarex

Sedarex holds global patents for SedRx™ - a safer, next-generation general anaesthetic. SedRx is a new formulation of alfaxalone, which was the active ingredient of Althesin, a general anaesthetic that was originally marketed by Glaxo in Europe in the 1970s and 1980s where it achieved significant success, achieving up to 50% market share of the day care market in the UK. Althesin was voluntarily withdrawn from the market after several patients exhibited anaphylaxis. Years later it was found that the anaphylaxis was caused by a solubilising agent (CremophorEL) in the formulation, not the active ingredient, alfaxalone.

SedRx contains the FDA-approved sulfobutyl ether cyclodextrin (SBECD) as the solubilising agent. The SedRx formulation and associated manufacturing process have been patented globally by Sedarex.

This new formulation has been assessed head-to-head in two clinical trials with propofol, the current market leader in the general anesthetic market. The studies indicate that SedRx offers material advantages compared with propofol. These include ease of manufacture, maintenance of blood pressure and respiration in the initial stages of an anesthetic procedure and maintenance of cognitive abilities post-procedure. Post-anesthetic neurocognitive impairment is a significant concern, especially in older adults, impacting on recovery, hospital stay and long-term well-being.

The US FDA has indicated its support for an expedited 505(b)(2) pathway for SedRx which also has the potential for a European Medicines Agency (EMA) abridged approval process.

In addition to its advanced general anaesthesia product, Sedarex is developing a new indication and formulation for the SedRx product in the neuroscientific field. This new indication is expected to extend the drug's patent life and open up additional, extensive high growth international markets.

Acquisition terms

The material terms of the acquisition of Sedarex are as follows:

1. Biotron will purchase 100% of Sedarex's issued shares for:
    (a) 500 million BIT fully paid ordinary shares ($1.5 million @ $0.003 per share).
    (b) $250,000 BIT shares upon Sedarex receiving guidance regarding the European regulatory pathway for the Sedarex general anaesthetic product by no later than 31 July 2026, at an issue price equal to the BIT 10 day VWAP immediately prior to the milestone being achieved with an issue floor price of $0.003 per share.

(c) $250,000 BIT shares upon Sedarex demonstrating efficacy of a new formulation of the SedRx product in a suitable animal disease model for the new indication. This milestone is to be achieved no later than the earlier of 9 months of product being available to conduct this animal trial or December 2026. The shares shall be issued at a price equal to the BIT 10 day VWAP immediately prior to the milestone being achieved, with an issue floor price of $0.003 per share.

2. 50% of the consideration shares will be subject to 6 months escrow from issue and the remaining 50% subject to 12 months escrow from issue.

3. The acquisition is subject to the following conditions being satisfied by no later than 15 December 2025:

   (a) All Sedarex shareholders agreeing to sell their Sedarex shares to Biotron.

   (b) BIT shareholders approving the acquisition and issue of consideration securities.

   (c) Due diligence to Biotron's satisfaction.

   (d) Biotron receiving firm commitments for the Placement.

4. Subject to the conditions being satisfied or waived, completion will occur following the Rights Issue record date.

5. Upon completion of the acquisition a Sedarex nominee will be appointed a director of Biotron.

6. Sedarex directors have given warranties which are considered customary for a transaction of this nature.

Sedarex is currently owned by approximately 20 shareholders, none of whom are related parties of Biotron or other persons to whom ASX Listing Rules 10.1 or 10.11 could apply. All holders of Sedarex's issued shares have agreed to sell their Sedarex shares to Biotron.

For facilitating the transaction Peak will, subject to shareholder approval, be issued 33.33 million shares. These shares will be subject to 12 months escrow from issue.

Placement

The Company has received commitments from sophisticated investors introduced by Peak to raise $1 million through a 2 tranche placement at an issue price of $0.003 per share, consisting of the following:

1. Tranche 1 - 199,086,876 shares ($597,260), which will be issued using the Company's existing capacity under Listing Rule 7.1 and without shareholder approval, with completion to occur on or about 22 October 2025.

2. Tranche 2 – 134,246,457 shares ($402,740) which is subject to shareholder approval, to be sought at the forthcoming AGM to be held on 17 November 2025, with completion to occur following the Rights Issue record date.

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In addition, Placement participants will also, subject to approval by Biotron shareholders, be issued 1 attaching option ($0.02 expiring 2 years from issue) (**Attaching Option**) for every 2 shares issued under the Placement. Placement participants will, in the event shareholders do not approve the issue of Attaching Options, be paid the cash value of the Attaching Options. The value will be determined using the Black-Scholes formula at the time of the shareholders meeting.

Subject to Biotron satisfying the Listing Rules, the Attaching Options will be listed on ASX. To allow the Attaching Options to be offered for sale without disclosure, Biotron will ensure that a prospectus that complies with section 708A(11) of the Corporations Act is lodged with ASIC before the Attaching Options are issued.

The Placement was lead managed by Peak Asset Management, who will be paid

1. 6% capital raising fee on all funds raised under the Placement.
2. Subject to shareholder approval, 15 million Options ($0.02 expiring 2 years from issue). Peak will, in the event shareholders do not approve the issue, be paid the cash value of the options (to be determined using the Black-Scholes formula at the time of the shareholders meeting).
3. Subject to the Company acquiring Sedarex, a corporate advisory fee of $6,000/month for 6 months (with the right to extend on a month by month basis).

Funds raised under the Placement will be used to:

1. Fund activites to confirm international (European and US) regulatory pathways for the Sedarex general anaesthetic product.
2. Progress the development of the SedRx product for the new neurological indication, including assessment in a suitable animal disease model.
3. Patent costs relating to the Sedarex portfolio.
4. Contribute to corporate costs including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs and general contingencies.

Rights Issue

Following the shareholder meeting to approve the acquisition of Sedarex and prior to completion of the acquisition, the Company will undertake a non-renounceable rights issue of 1 new shares for every 3 shares held on the record date to raise approximately $1.5 million on the same terms as the Placement – i.e. at an issue price of $0.003 with 1 attaching Option for every 2 Shares issued under the Rights Issue.

Funds raised under the Rights Issue will be used to:

1. Progress the Company's Hepatitis B virus drug:
   (a) manufacture of small kg-scale quantities under cGMP
   (b) formal toxicology studies under GLP

2. Commercialisation activities relating to the Company's existing antiviral drug portfolio.
3. Patent costs relating to the Biotron portfolio.
4. Corporate costs including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs and general contingencies.

The Company has received a commitment from Peak to subscribe for any shortfall under the Rights Issue. The commitment is conditional only upon the Rights Issue not being withdrawn. Peak will be paid a fee of 6% on amounts raised under the Rights Issue.

The Rights Issue will be made under a prospectus which will be lodged with ASIC on or about 17 November 2025 and which will be sent to eligible shareholders on or about 26 November 2025. Persons should consider the prospectus in deciding whether to acquire securities under the Rights Issue and will need to complete an application form that will accompany the prospectus.

Timetable

The proposed timetable for the Placement, Acquisition and Rights Issue is as follows:

Announce Placement, Rights Issue and Acquisition	15 October 2025
Announce and send notice of Annual General Meeting	17 October 2025
Complete tranche 1 of Placement	22 October 2025
Annual General Meeting Lodge prospectus for Rights Issue	17 November 2025
Rights Issue ex date	20 November 2025
Rights Issue record date	21 November 2025
Complete tranche 2 of Placement and Acquisition, and issue of Attaching Options	24 November 2025
Send Rights Issue prospectus and open Rights Issue	26 November 2025
Close Rights Issue	12 December 2025
Complete rights issue	19 December 2025

The above dates are proposed and may change, subject to the Corporations Act and Listing Rules.

Capital structure

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A table that sets out the change to Biotron's capital structure as a result of the transactions is annexed to this announcement.

Accompanying documents

Accompanying this announcement are the following documents:

1. Appendix 3B for the Placement.
2. Appendix 3B for the Acquisition.
3. Appendix 3B for the Rights Issue
4. Appendix 3B for the Facilitation
5. Appendix 3B for the Broker Options

This ASX announcement has been authorised by the Board of Biotron Limited.

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Yours faithfully



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