



10 August 2018

ASX Announcement – Further information on Ausway acquisition

The business of Ausway is complimentary to Star Combo and is a significant customer of Star Combo's contract manufacturing division (6th largest client). Location is Sydney and in various forms has been in business for approximately 10 years. The number of employees is 10.

The total consideration is agreed at 10 times June 2018 annual after tax profit (approximately \$1m) therefore \$10m payable

On settlement	70%
End year 1	15%
End year 2	15%
	100%

Each instalment is payable 50% cash and 50% in Star Combo equity at 30 day WAP.

The cash component will be funded from internal sources (part of recent IPO raising).

The only material condition is Due Diligence and ASX regulatory approval on capital raise and significant transaction (if required). The transaction will be completed by 30th September 2018.

The expected impact of the transaction on Star Combo is

- i) A reduction in cash resources. This is not considered adverse to the Group as it represents approximately 30% of the recent IPO raising.
- ii) In addition to the profitability of the Group by at least \$1m after tax.
- iii) A significant boost to the human resources of the Group.
- iv) Synergistic benefits of avoidance of duplicated costs, increased buying power with suppliers, increased brand awareness. The \$ value of the duplicated costs will be identified during due diligence.

For further information:

Su Zhang

CEO Star Combo Pharma Limited

+61 2 9756 6555

suzhang@starcombo.com.au