

1st December 2017

Acquisition of Immunohaematology Business

The Directors of Paragon Care Limited (ASX: PGC) (“**Paragon**” or the “**Company**”) are pleased to announce that the Company has agreed to acquire the Immunohaematology business unit from Seqirus (“Seqirus IH”), a CSL company (ASX: CSL).

Key highlights

- Paragon Care has agreed to acquire the Immunohaematology business unit of Seqirus for a total consideration of \$8.5m.
- The acquisition will be modestly FY18 EPS accretive
- FY17 revenues of approximately \$10m and EBITDA of \$1.5m
- Settlement likely to be February/March 2018.
- Acquisition to be fully funded internally via the existing debt facility and cash reserves.
- The acquisition will provide sustainable and solid long term growth opportunities for Paragon Care.
- Seqirus’ immunohaematology business unit is one of Australia’s leading manufacturers and distributors of Red Blood Cell reagents and blood grouping reagents. It also distributes automated blood testing instruments, which are used by blood donor centres, hospitals and pathology centres to identify antibodies and antigens in blood.
- The business has a presence in under-exploited emerging markets across Asia (Sri Lanka, Philippines, Malaysia)
- The business enjoys deeply embedded relationships in the Australian Blood Banking and Pathology industries.

Commenting on the acquisition, Paragon’s Managing Director Mr Mark Simari said:

“The acquisition of Seqirus’ immunohaematology business unit is consistent with Paragon’s strategic plan to accelerate its next phase of growth. The Immunohaematology business has strong relationships with a broad range of government organisations and significantly strengthens Paragon’s product offering to hospitals and the broader pathology market. Paragon is excited about the opportunities this acquisition provides and looks forward to realising the next phase of growth for the Seqirus immunohaematology business.”

A highly targeted addition to Paragon’s scalable product platform

Seqirus IH develops and manufactures Reagent Red Blood Cells, monoclonal antibodies and the production of reagents and ancillary products for immunohaematology laboratories. The business supplies vital reagent red blood cells to Australian transfusion and pathology laboratories across Australia and New Zealand.

Exposure to positive long-term trends

The acute, aged and primary care industries are rapidly expanding, and the acquisition allows Paragon to strengthen its position at the forefront of accommodating for their needs.

The global market for Immunohaematology tests and services is large and growing, forecast to reach a value of US\$2.3 billion by 2024. Growth in this sector is driven by increasing cases of trauma and growing numbers of hospital and trauma care centres facilitating emergency treatments.

Acquisition Program

In addition to the acquisition of Seqirus' immunohaematology business unit, the Company has also entered into final stages on some other small to medium acquisitions which are likely to be finalised over the coming months. These acquisitions will be internally funded through existing debt facilities and cash reserves. Paragon's Net Debt/EBITDA ratio will remain well within desired levels post these acquisitions.

****ENDS****

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About Paragon Care Limited

Paragon Care (ASX: PGC) is a Melbourne based listed company which has progressively acquired businesses in the healthcare sector. It is a leading provider of medical equipment, devices and consumables for the Australian and New Zealand healthcare market. These are high growth markets driven by the ageing of the population, continuously rising consumer expectations and increasing government spending. By combining a series of strategic acquisitions of class leading companies, Paragon Care has positioned itself to provide end to end solutions including equipment and consumable solutions for acute, aged and primary care.

About Seqirus

Seqirus, a CSL company (ASX: CSL) is a leading provider of essential vaccines, pharmaceutical products and diagnostic reagents. The company has served Australia's healthcare needs for over a century and today operates Australia's only local manufacturing facility for seasonal and pandemic influenza vaccine. Seqirus produces a range of unique medicines in the National Interest, and also in-licences a broad range of paediatric and adult vaccines and specialty pharmaceutical products. Seqirus operates state-of-the-art production facilities in the US, the UK, and Australia, and manufactures influenza vaccines using both egg-based and cell-based technologies. It has leading R&D capabilities, a broad portfolio of differentiated products, and a commercial presence in more than 20 countries.