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ASX RELEASE

Trajan to acquire leading chromatography consumables and tools business building critical mass in the gas chromatography portfolio

Highlights

- Trajan to acquire Chromatography Research Supplies, Inc. (**CRS**), a leading global manufacturer of high-quality analytical consumables
- Provides Trajan with enhanced and extended production capabilities to service its growing gas chromatography business. Strengthens Trajan's product portfolio particularly in the critical area of the gas chromatography inlet and sample introduction
- Expands global infrastructure footprint with the acquisition of manufacturing real estate assets in the US
- Follows three successful acquisitions and one strategic investment since listing on the ASX in June 2021
- Acquisition delivers FY22 forecast revenues of US\$14.1 million (A\$20.1 million¹) and EBITDA of US\$4.2 million (A\$6.0 million¹)², and estimated annual synergies of ~A\$1.3 million⁷
- Acquisition price of US\$43.3 million (A\$61.9 million¹) implies ~9.5x FY22F EBITDA (pre synergies)³
- Expected to deliver FY23F earnings per share accretion of >31%^{1,4,5,6} (excluding the impact of synergies) or >42% (including 100% of the pro forma impact of identified corporate savings and product line synergies⁷)
- Acquisition to be funded via a fully underwritten A\$29.7 million institutional placement (**Placement**), A\$20.0 million in acquisition debt financing through a facility with HSBC and \$13.4 million from existing cash
- Investor webinar to be held at 10:30am (AEST) Friday 17th June 2022. Register via this [link](#).

17 June 2022 – Global analytical science and device company Trajan Group Holdings Limited (ASX: TRJ) (**Trajan** or **the Company**) has today announced the signing of a binding share purchase agreement and a real estate purchase agreement to acquire 100% of Chromatography Research Supplies, Inc. (**CRS**), a leading global manufacturer of high-quality analytical consumables based in Kentucky, USA.

Having operated for over 25 years, CRS is a leading manufacturer of electronic and manual crimping tools, gas filters, ferrules, and injection port septa. Its products are used in analytical laboratories and various other industries worldwide and are known for their quality, ease of use and high levels of support.

The acquisition is highly complementary to Trajan's existing product portfolio in the analytical workflow and consolidates Trajan's current market leading position in gas chromatography sample introduction, supporting

¹ AUD/USD 0.70 based on assumed AUD/USD exchange rate

² CRS FY22F EBITDA includes a rent expense of US\$228K

³ EV / FY22F EBITDA multiple of 9.5x is based on an enterprise value of US\$40.2 million (excluding the acquisition of freehold title to real estate owned by CSR for US\$3.1 million) and an FY22F EBITDA of US\$4.2 million converted to AUD at AUD/USD0.70

⁴ Before one-off transaction and implementation costs

⁵ Accretion assumes a pre-tax interest rate of 4%

⁶ FY23F accretion assumes analyst consensus NPAT estimate of A\$8.8m and CSR NPAT of A\$4.7m (excluding corporate savings and product line synergies) and an effective tax rate of 20% for CSR based on Trajan management's due diligence

⁷ Refer to page 17 of the ASX Investor Presentation dated 17 June 2022



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the quality of flow path connection and sealing functions with two leading product lines – septa and ferrules. CRS has been a long-term supplier of consumables to Trajan since Trajan's acquisition of SGE Analytical in 2013.

In addition, the acquisition extends Trajan's portfolio via CRS' other product lines. Such product lines include tools that relate to sealing sample vials which are highly complementary to the Trajan Soltec business acquired in late 2018, and coating technologies that align strongly with Trajan's automation businesses Axel Semrau and LEAP Pal Parts which were both acquired in late 2021.

CRS has a track record of strong financial performance, with accelerated growth expected in FY22F, adding FY22 forecasted revenue of US\$14.1 million (A\$20.1 million⁸) and forecast EBITDA of US\$4.2 million (A\$6.0 million⁹). The acquisition price of US\$43.3 million (A\$61.9 million⁸) implies a ~9.5x EV/FY22F EBITDA¹⁰ on a pre synergies basis.

Trajan has identified significant revenue and cost synergies as well as corporate savings realised from the date of acquisition and product line alignment, for total estimated annual synergy benefits of ~A\$1.3 million¹¹, expected to ramp up within the first 2–3 years of ownership. Through the consolidation of current manufacturing facilities, Trajan can realise additional synergies over the medium to long term.

Stephen Tomisich, Chief Executive Officer and Managing Director of Trajan said: "The acquisition of CRS enhances multiple areas of our business and builds on our previous successful acquisitions to deliver comprehensive and best in class products in the analytical workflow."

"Our market leadership in gas chromatography is enhanced with the addition of septa and ferrules components, as well as introducing a broader portfolio of products in other areas of the analytical workflow that build on our automation business.

As with our previous acquisitions, we have partnered with CRS for many years, understand their business, and know precisely where they fit within Trajan. The acquisition is earnings accretive and able to be rapidly integrated. Importantly, our acquisitions are building on capabilities to achieve our vision of personalised, preventative, data-based healthcare."

Trajan has a proven framework to identify, acquire and integrate complementary businesses into its infrastructure. This framework involves a 'founder friendly' approach which is driven by deep industry relationships, targets solutions within the analytical workflow that have the potential to become industry best standard, is complementary to one or multiple business segments, and provides accretive and strategic opportunity to enhance shareholder value.

Utilising this framework Trajan has, over the past 11 years, built a strong track record of delivering acquisitive and organic growth. That process has accelerated since the Company's IPO in June 2021, having acquired laboratory automation business Axel Semrau GmbH in November 2021, microsampling business Neoteryx LLC in December 2021, and LEAP PAL Parts and Consumables in December 2021, as well as entered a strategic investment in consumer health monitoring with Humankind Ventures Ltd (trading as Forth) in November 2021.

⁸ AUD/USD 0.70 based on assumed AUD/USD exchange rate

⁹ CRS FY22F EBITDA includes a rent expense of US\$228K

¹⁰ EV / FY22F EBITDA multiple of 9.5x is based on an enterprise value of US\$40.2 million (excluding the acquisition of freehold title to real estate owned by CRS for US\$3.1 million) and an FY22F EBITDA of US\$4.2 million converted to AUD at AUD/USD0.70

¹¹ Refer to page 17 of the ASX Investor Presentation dated 17 June 2022



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Acquisition consideration

Trajan is acquiring CRS for US\$43.3 million (A\$61.9 million¹²) through a share purchase agreement and a real estate purchase agreement, the latter being for the purchase of the land and building from which CRS operates in Kentucky, USA.

The Company will fund the acquisition of CRS via a fully underwritten A\$29.7 million Placement to eligible institutional, sophisticated, and professional investors, an acquisition debt facility from HSBC of A\$20.0 million and A\$13.4 million from existing cash. Completion of Trajan's acquisition of CRS is conditional on completion of the Placement and on Trajan satisfying customary conditions to drawdown under the HSBC acquisition financing facility.

The Placement is being issued at an offer price of \$2.00 per new share (**Offer Price**), which represents a 11.1% discount to the last closing price of \$2.25 on 16 June 2022.

The Placement will result in the issue of approximately 14.8 million new shares (**New Shares**), representing approximately 11.0% of Trajan's existing shares on issue. The New Shares issued under the Placement will rank equally with existing Trajan shares at their date of issue.

Share Purchase Plan

Trajan will also offer eligible shareholders in Australia and New Zealand the opportunity to participate in a non-underwritten Share Purchase Plan (**SPP**). The SPP has a limit of \$30,000 per eligible shareholder.

- New Shares under the SPP will be issued at \$2.00 per share, being the same price as the Offer Price under the Placement.
- The SPP is being undertaken to raise up to \$5.0 million¹³.
- Trajan intends to use the proceeds of the SPP to support the Company's growth objectives through further strategic acquisitions and organic growth opportunities.
- The SPP will open on Friday, 24 June 2022 and is expected to close at 5.00pm (AEST), Tuesday 12 July 2022.
- Further details relating to the SPP will be provided to eligible shareholders in Australia and New Zealand in due course.

Canaccord Genuity (Australia) Limited and Ord Minnett Limited are joint lead managers and underwriters to the Placement and DLA Piper is acting as legal advisor to Trajan.

¹² AUD/USD 0.70 based on assumed AUD/USD exchange rate at time of completion

¹³ The Company reserves its discretion regarding the final amount to be raised under the SPP



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Indicative timetable

The timetable below is indicative only and subject to change. The Company reserves the right to alter the dates at its discretion and without prior notice, subject to the ASX Listing Rules and *Corporations Act 2001 (Cth)*.

Event	Date¹⁴
SPP Record Date	7:00pm, Thursday, 16 June 2022
Offer announcement	Friday, 17 June 2022
Placement bookbuild opens	Friday, 17 June 2022
Placement bookbuild closes (all jurisdictions)	2:00pm, Friday, 17 June 2022
Announce completion of Placement and trading halt lifted	Monday, 20 June 2022
Settlement of New Securities under the Placement (DvP)	Wednesday, 22 June 2022
Allotment and normal trading of New Securities issued under the Placement	Thursday, 23 June 2022
SPP opens	Friday, 24 June 2022
SPP closes	5:00pm, Tuesday, 12 July 2022
SPP results announced to the ASX	Friday, 15 July 2022
SPP Securities issued	Tuesday, 19 July 2022

Investor conference call

Trajan will host an investor conference call on 17 June at 10.30am (AEST). Participants can register via

https://trajanscimed.zoom.us/webinar/register/WN_LU_yLLkSiua9j19M-xaQ

Authorised for ASX release by the Board of Trajan Group Holdings Limited.

END

¹⁴ The above timetable is indicative only and is subject to change without notice. All dates and times are Australian Eastern Standard Time (AEST).



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About Trajan

Trajan is a global developer and manufacturer of analytical and life sciences products and devices founded to have a positive impact on human wellbeing through scientific measurement. These products and solutions are used in the analysis of biological, food, and environmental samples. Trajan has a portfolio and pipeline of new technologies which support the move towards decentralised, personalised data-based healthcare.

Trajan is a global organisation of 600 people with seven manufacturing sites across the US, Australia, Europe, and Malaysia, and operations in Australia, the US, Asia, and Europe.



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Important Notice

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This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold under the Offer and have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

Forward-looking statements

The information in this announcement is subject to change without notice and Trajan is not obliged to update or correct it. This presentation contains statements that constitute "forward-looking statements". The forward-looking statements include statements regarding Trajan's intent, belief, or current expectations with respect to the timetable, conduct, and outcome of the Offer and the use of proceeds. This includes statements about the plans, objectives, and strategies of the management of Trajan, statements about the industry and markets in which Trajan operates, statements about the future performance of Trajan's business and its financial condition, indicative drivers, forecasted economic indicators, and the outcome of the Offer and the use of proceeds. Words such as "will", "may", "expect", "indicative", "intent", "seek", "would", "should", "could", "continue", "plan", "probability", "risk", "forecast", "likely", "estimate", "anticipate", "believe", "aim" or similar words are used to identify forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions, and estimates in this presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance, and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees, or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Trajan, its officers, employees, agents, and advisers, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these statements. Several important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions, and other risk factors set out in this announcement. Investors should consider the forward-looking statements contained in this presentation in light of those risks and disclosures. The forward-looking statements are based on information available to Trajan as at the date of this presentation.

To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results, or otherwise is disclaimed. Trajan disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Trajan's financial condition, status or affairs, or any change in the events, conditions, or circumstances on which a statement is based, except as required by law.