

**ASX ANNOUNCEMENT**

10 December 2019

**ACQUISITION OF PHARMACEUTICAL ASSETS & CUSTOMER  
RELATIONSHIPS**

Probiotec Limited (ASX: PBP) ("**Probiotec**") is pleased to announce that it has completed a transaction with Contract Pharmaceutical Services of Australia Pty Ltd CPSA ("**CPSA**") for the acquisition of business assets, including major customer contracts and the plant and equipment required to fulfil the requirements of said contracts ("**the Assets**").

CPSA is a leading high end pharmaceutical contract packer that has been established for over 30 years. It provides a very wide range of packing services and formats including foil, carded and clamshell blister packing, bottle filling, labelling, secondary packaging and additional services for the pharmaceutical, cosmetic and food industries. CPSA has long standing relationships with many Australian and global pharmaceutical and cosmetic companies.

The acquisition will be settled in cash, for a base amount of \$4 million plus inventory (at cost), which is expected to be approximately \$0.5m. CPSA will continue to operate the assets on behalf of Probiotec for a period of approximately 6 months, where after they will transfer to existing Probiotec facilities.

The acquisition is forecast to have a modest positive impact on FY20 earnings whilst the Assets transition into Probiotec facilities before generating circa \$2m to \$2.5m EBITDA in FY21.

The acquisition will be funded from existing cash reserves following the recent on-market share placement in October 2019.

Probiotec's Managing Director, Wes Stringer said that the acquisition of CPSA Assets represents the continuation of the company's strategy of increasing its manufacturing capabilities, scale and reach within local and export markets and leveraging the Group's substantial operational footprint.

"Following the acquisition of South Pack Laboratories in 2017 and ABS in July 2019, we are excited to continue to grow our capabilities and reach in the industry and we expect the combination of Probiotec's businesses to provide significant benefits, synergies and opportunities to the wider Probiotec Group".

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**About Probiotec**

Probiotec Limited is a manufacturer, packer and distributor of a range of prescription and over-the-counter (OTC) pharmaceuticals, complementary medicines and consumer health products. The company owns three manufacturing facilities in Australia and distributes its products both domestically and internationally. Products are manufactured by Probiotec on behalf of a range of clients, including major international pharmaceutical companies.

Further details about Probiotec are available at [www.probiotec.com.au](http://www.probiotec.com.au)

**Authorised for release to the ASX by:**

Wes Stringer  
Managing Director  
Ph: (03) 9278 7555

**For further information contact:**

Wes Stringer  
Managing Director  
Ph: (03) 9278 7555