

Tecan expands its commercial reach, its capabilities and its US and Asia presence with the acquisition of Paramit Corporation

- **Tecan to acquire Paramit Corporation, a leading OEM developer and manufacturer of medical devices and life sciences instruments, for a total consideration of USD 1.0 billion (CHF 920 million)**
- **In full year 2021, Paramit is expected to generate around USD 280m in sales (CHF 257m) and around USD 50m EBITDA (CHF 46m), before acquisition-related costs**
- **Transaction expected to be immediately and significantly accretive to earnings per share (EPS) upon closing**
- **Adds complementary expertise, broadens design, development and manufacturing capabilities**
- **Expansion into the attractive and fast-growing medical device market segment, close to Tecan's own core competencies**
- **Combined entity with leading OEM offering, well diversified, differentiated and fully complementary portfolio of products and services**
- **Significantly strengthens geographic footprint in the US, the largest life sciences and healthcare market in the world**

Männedorf, Switzerland, June 23 2021 – The Tecan Group (SIX Swiss Exchange: TECN) announced today that it has entered into a definitive agreement to acquire US-based Paramit Corporation and its affiliates (“Paramit”) for a total purchase consideration of USD 1.0 billion (CHF 920 million). Paramit, headquartered in Morgan Hill (CA), US, is a leading OEM developer and manufacturer of medical devices and life sciences instruments. With the addition of approximately USD 300 million in revenues (CHF 276 million) expected in 2022, the acquisition will further extend Tecan's position in solutions for life sciences and in-vitro diagnostics (IVD). It will also add a new business vertical in the attractive and fast-growing market for medical devices. The acquisition will bring significant engineering as well as cost-competitive manufacturing capabilities, both in North America and in the APAC region. Equipped with proprietary computer-directed assembly technology, these facilities deliver ultra-flexible production planning, while reducing the potential for errors (“zero-defect manufacturing”).

Tecan CEO, Dr. Achim von Leoprechting, commented: “We are delighted to bring the Paramit Team into the Tecan Group. The company's extensive OEM offering and its state-of-the-art development and manufacturing facilities will strengthen our market reach and enable us to more effectively meet customer needs, scaling innovation from research all the way to the clinic. In addition to extending our core markets of life science research and diagnostics, the acquisition will also open a whole new growth market in the field of medical devices. At Tecan, we share Paramit's strong customer-centric culture, expertise and track record in quality and regulatory affairs, which are key differentiators in the industry and essential for OEM success in regulated markets. Paramit's geographic presence is complementary to that of Tecan, benefitting both parties. Tecan

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will gain new highly efficient manufacturing capacity in Asia and a strong presence for its OEM business in North America. At the same time, Paramit will gain access to Tecan's existing sales channels in other parts of the world. These opportunities will help us to broaden our customer base and offering, while further strengthening our ability to serve the healthcare market."

Paramit – unique combination of design engineering with a proprietary assembly concept

Established in 1990, Paramit is headquartered in Silicon Valley in the United States. It has facilities in Morgan Hill (CA) and in Penang, Malaysia. Paramit's recently acquired R&D facility in Boston (MA) specializes in technology development and the design of complex products and systems for multiple sectors, complementing Tecan's existing R&D capabilities. Across these different sites, the company employs over 1'000 associates. Since 2011, Paramit Corporation has been privately held by Altaris Capital Partners, LLC, a healthcare-dedicated investment firm based in New York (NY).

Paramit has developed and/or manufactured several FDA-approved medical devices, including surgical instruments, critical modules and systems for surgical robotics, point-of-care and personal testing devices, as well as diagnostic systems.

Paramit also works with life science companies developing and manufacturing high-precision instrumentation. Its clients are mainly US-based companies commercializing a range of products for genomics, proteomics and cell-analysis including flow cytometers, microfluidic instruments, and systems for electrophoresis, imaging, high-sensitivity biomarker detection, microarrays and sample preparation.

Paramit's patented, computer-directed assembly technology, vPoke[®], resolves complex mechanical assembly into tightly controlled assembly steps for medical device and life science instruments. The process generates a rich device history record, providing component traceability, while reducing the potential for errors ("zero-defect manufacturing").

Billoo Rataul, President and CEO of Paramit said: "It has been an incredible journey establishing Paramit as a global leader in the life sciences and medical device industries alongside Altaris. We are incredibly proud of the organization we have built together and look forward to our future with Tecan. Combining Paramit's leading design and manufacturing expertise with Tecan's strengths is the next logical step for our growing business. Becoming part of the Tecan Group will take our industry-leading offering to new customers in expanding markets. It will enable us to further develop our expertise in life sciences and clinical diagnostics and address an extended range of scientific applications. Tecan's commitment to our strategic position in medical devices will boost our growth in that sector. Our customers stand to gain from the combined supply chain depth and Tecan's broad expertise in design and manufacturing of solutions for highly regulated environments. We passionately share Tecan's customer-focused culture and its mission to

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contribute to the quality of life of humankind. We are therefore excited to begin this new chapter in the development of our organization.”

Strengthens Tecan’s OEM offering, expanding into attractive medical device market

The acquisition of Paramit will strengthen Tecan’s OEM offering in solutions for the life sciences and IVD markets. It will also significantly expand the total addressable market for Tecan’s Partnering Business. It will broaden access to the custom design and manufacturing segment and enable the business to expand into the fast-growing market of medical devices. Although this is a new business vertical for Tecan, it leverages the company’s existing core competencies. Paramit will bring state-of-the-art, high-quality, cost-competitive manufacturing services, together with a proven, highly scalable, proprietary approach to complex assembly (vPoke®) and an established track record in scaling innovation for partners in regulated markets. Paramit will also substantially expand Tecan’s production engineering and industrialization capabilities.

Paramit’s R&D presence in the technology hubs of Silicon Valley and Boston will help drive the expansion of the combined customer base and Tecan’s engineering capabilities in the US, the world’s largest market for the life sciences and healthcare.

Significantly enhances value proposition for combined customer base

The combined entity will have an industry-leading OEM offering, including extensive experience in quality and regulatory affairs, and a well-diversified, differentiated and fully complementary portfolio of products and services. The transaction will strengthen the combined entity’s design, development and manufacturing capabilities, and enable it to further improve its services. Thereby, it will provide a more comprehensive value proposition for customers in the healthcare industry.

While Tecan already has significant relationships with key players in fast-growing segments of the healthcare industry, Paramit brings with it a number of significant accounts and a strong presence in North America. Likewise, Paramit will be able to leverage Tecan’s existing OEM customer base and its commercial channel to further expand its reach in the European and Asian markets, including China, and beyond.

Compelling financial benefits

The acquisition will be immediately accretive to earnings per share (EPS) upon closing. With strong growth and healthy operating margins recorded over the past five years, Paramit is expected to generate around USD 280 million in sales (CHF 257 million) and approximately USD 50 million EBITDA (CHF 46 million) in the full year 2021 (before acquisition-related costs). This transformation of Tecan into a >CHF 1 billion revenue and >CHF 200 million EBITDA company will provide the Group with critical mass and scale, further enhancing its already strong operating cash flows. This strengthened financial profile will fuel future growth, both organic and through additional acquisitions.



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Tecan anticipates substantial commercial and cost synergies to be achieved through a range of opportunities, including synergies in the supply chain and the internalization of supplies of certain parts, modules and sub-assemblies.

Financing of the transaction

Upon closing of the transaction, the total purchase consideration of USD 1.0 billion (CHF 920 million) will be funded through a mix of cash on hand (net liquidity of Tecan as of December 31, 2020: CHF 467.7 million), the issuance of new shares and a bond offering. Tecan has obtained committed bridge financing with respect to the purchase price from Credit Suisse.

Tecan's debt leverage after the transaction is expected to be at around 1.0x net debt/EBITDA and is expected to decrease quickly, driven by cash generation of the combined entity.

For the equity portion of the financing, Tecan intends to issue new shares from existing authorized share capital corresponding to less than 10% of its share capital.

The transaction, which is expected to be completed in the coming months, is subject to the satisfaction of customary closing conditions. Upon completion, Paramit will be included in the consolidated financial statements of the Tecan Group as part of the Partnering Business segment.

Additional information on the Paramit webpage:

- About Paramit: www.paramit.com/
- Customer portfolio (examples): www.paramit.com/portfolio/
- vPoke® assembly system: www.paramit.com/vpoke-mechanical-assembly/

Advisors

Wilmer Cutler Pickering Hale and Dorr LLP is serving as Tecan's legal advisor in the transaction and Bär & Karrer is acting as Tecan's Swiss legal advisor relating to the financing.

Conference Call and Webcast

Tecan will host a conference call and webcast on June 24, 2021 at 14:00 CEST (8:00 a.m. Eastern Time) to provide more information on this announcement. The webcast and accompanying slides can be accessed on the company's website www.tecan.com under Investor Relations.

The dial-in numbers for the conference call are as follows:

For participants from Europe: +41 (0)58 310 50 00 or +44 (0)207 107 0613 (UK)

For participants from the US: +1 (1) 631 570 5613

Participants should if possible dial in 15 minutes before the start of the event.

About Tecan

Tecan (www.tecan.com) is a leading global provider of laboratory instruments and solutions in biopharmaceuticals, forensics and clinical diagnostics. The company specializes in the development, production and distribution of automation solutions for laboratories in the life sciences sector. Its clients include pharmaceutical and biotechnology companies, university research departments, forensic and diagnostic laboratories. As an original equipment manufacturer (OEM), Tecan is also a leader in developing and manufacturing OEM instruments and components



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that are then distributed by partner companies. Founded in Switzerland in 1980, the company has manufacturing, research and development sites in both Europe and North America and maintains a sales and service network in 52 countries. In 2020, Tecan generated sales of CHF 731 million (USD 778 million; EUR 683 million). Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191).

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