cyclopharm

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CYCLOPHARM ACQUIRES EUROPEAN DISTRIBUTION BUSINESS

Cyclopharm Limited (ASX:CYC) has entered into an agreement to acquire IC Medical Inter Commerce Medical bvba ("IC Medical"), Cyclopharm's agent for its Technegas product in the Belgium, Netherlands and Luxembourg markets.

IC Medical was founded in 2006 and is owned by Mr Ron van Loon. The business provides sales and marketing support to companies manufacturing products for Nuclear Medicine. Along with representing Technegas products, IC Medical specialises in nuclear medicine SPECT and PET imaging products and products used for both diagnostic and therapeutic procedures.

Commenting on the acquisition Cyclopharm's Managing Director, Mr James McBrayer, said "the acquisition of IC Medical aligns with our strategic objectives, is expected to be EPS positive in year two and will enhance shareholder value through capturing agency commissions and providing control over distribution and pricing.

"Additionally, IC Medical's presence in the BeNeLux market will assist us to:

- expand the use of Technegas to new indications by providing direct access to referring respiratory physicians;
- Expedite commercialisation of Ultralute^{tm} in those markets; and
- expand our product offerings though its agency agreements with manufacturers of other non-competing nuclear medicine products."

As part of the purchase, Mr van Loon will join Cyclopharm in the role General Manager, Europe. Mr van Loon has been involved in the nuclear medicine industry for more than 30 years, holding a number of senior management positions including Director of International Sales for Mallinckrodt Medical.

Mr McBrayer said, "I am delighted that Ron will join Cyclopharm full time as part of this transaction. He brings both extensive experience in the European market and an existing knowledge of our business and strategy, having assisted Cyclopharm in managing distributor relations in a part time capacity for many years."

The acquisition will be effective 1 October 2017, with the purchase price paid in three instalments: €200,000 upfront and two additional payments, subject to performance objectives being met, of approximately €100,000 in the second and third years post the acquisition. The acquisition will be funded from cash reserves.

For more information, please contact:
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Cyclopharm Limited
Cyclopharm is an ASX Listed radiopharmaceutical company servicing the global medical community. The Company's mission is to provide nuclear medicine and other clinicians with the ability to improve patient care outcomes. Cyclopharm achieves this objective primarily through the provision of its core radiopharmaceutical product, Technegas used in functional lung ventilation imaging.

Technegas
The Technegas technology is a structured ultra-fine dispersion of radioactive labelled carbon, produced by using dried Technetium-99m in a carbon crucible, micro furnaced for a few seconds at around 2,700^{o} C. The resultant gas like substance is inhaled by the patient (lung ventilation) via a breathing apparatus, which then allows multiple views and tomography imaging under a gamma or single photon emission computed tomography (SPECT) camera for evaluating functional ventilation imaging. Historically used in the diagnosis of pulmonary embolism, Technegas, together with advancements in complementary technology to multimodality imaging and analytical software, is being used in other disease states to include COPD, asthma, pulmonary hypertension and certain interventional applications to include lobectomies in lung cancer and lung volume reduction surgery.

Ultralute^{TM}
Cyclopharm's patented nuclear medicine technology Ultralute^{TM} extends the useful life of Molybdenum-99 (Mo-99) generators by up to 50%. This technology potentially gives nuclear medicine departments the ability to dramatically improve operating efficiencies and health outcomes for patients. Mo-99 generators are used in diagnostic imaging to harvest Technetium-99m, or Tc-99m, which is the primary isotope used in diagnostic imaging throughout the world. This isotope accounts for approximately 80% of all nuclear medicine diagnostic imaging procedures.