



SPH.L

### **Sinclair acquires Kelo-cote® distribution in UK and Germany**

#### ***Deals expand Sinclair's woundcare franchise and direct sales presence***

Sinclair Pharma Plc ("Sinclair" or "the Company"), the international specialty pharma company announces the acquisition of Cranage Healthcare Limited ("Cranage"), a specialist UK distributor of Kelo-cote® and other wound care products, for an initial sum of £400,000. This represents the Company's first UK presence in wound care. The Company has also acquired the distribution rights to Kelo-cote® scar reduction products in Germany from Advanced Bio-Technologies Inc, for an initial sum of €840,000.

These acquisitions broaden the Company's product offering and add two further key and established European markets to its growing woundcare portfolio. In September 2010, Sinclair obtained the rights to Kelo-cote® for France, Italy and Spain, where the product will be launched in January 2011. Kelo-cote® is already launched in Germany and the UK, with annual sales currently in excess of €500,000 and £450,000 respectively.

Cranage is a specialist distributor of prescription wound care products with treatments for burns, plastic surgery, dermatology and aesthetic medicine. The company employs four specialist sales representatives who have established relationships with plastic surgeons and burns centres across the UK. The company also sells Kelo-cote® direct to consumers over the internet. Cranage was established in 2007 to be the UK distributor for Kelo-cote®, which accounted for approximately 75% of its £454,000 revenue for the year ended 31 January 2010. In addition, Cranage has the UK distribution rights to 'synthetic skin' cell therapy based products (CryoSkin and MySkin) which offer burns specialists in the UK unique clinical solutions for major burn trauma. Cranage will be integrated into Sinclair's UK business and the founders David Bryant and Aileen Cameron, who have more than 45 years combined experience, will work with Sinclair to develop the brand and launch additional Sinclair wound care products in the UK, as well as assisting the Company with the development of its wound care portfolio across Europe.

Chris Spooner, Sinclair's CEO, commented: "Today's acquisitions enhances our relationship with Advance Bio-Technologies, a great partner, and adds two further major European markets that represent an important step in broadening our wound care franchise. Kelo-cote is an excellent brand which complements Sinclair's portfolio, leverages our existing sales infrastructure and has potential to be further developed by intensive marketing and future line extensions. We are committed to growing our direct sales presence in the UK and Germany, where Kelo-cote adds both product revenues and in the case of the UK, a direct foothold in the wound care market for the first time."

David Bryant, Managing Director of Cranage added: "This is a great opportunity for all of our brands to reach their true potential and we are excited to be joining such a dynamic company with potential for significant growth."

#### **Terms of the deals**



- The acquisition of Cranage Healthcare Limited is for an initial sum of £400,000 paid in cash. The total consideration will increase if earnings targets are met over the four financial years ending on 30 June 2015. Earn out payments calculated as a share of net profits of Cranage for each financial year will be part satisfied in cash and part shares in Sinclair. Cranage made a loss after tax of £26,000 in its financial year ended 31 January 2010 and had gross assets of £153,000 at 31 January 2010.
- Sinclair will pay Advanced Bio-Technologies Inc. an initial sum of €840,000 for the German distribution rights and supply agreement for Kelo-cote®, with an anniversary payment based on the revenues achieved in the first year due in December 2011 as well as royalties for a fixed transition term.

#### **Ends**

For further information please contact:

**Sinclair Pharma plc**

Tel: +44 (0)1483 410 600

Chris Spooner, CEO

Alan Olby, CFO

**Biddicks, Financial Public Relations**

Tel: +44 (0)20 7448 1000

Shane Dolan

**Singer Capital Markets Ltd**

Tel: +44 (0)20 3205 7500

Shaun Dobson

Claes Spång

Notes to Editors:

**About Sinclair Pharma Plc** [www.sinclairpharma.com](http://www.sinclairpharma.com)

Sinclair Pharma plc is an international specialty pharmaceutical company providing solutions to treat wounds, dermatological and oral diseases through advanced surface technology and innovative delivery systems. It has a growing sales and marketing operation that is present in France, Italy, Germany and Spain, and an extensive marketing partner network across selected developed and emerging markets.

**About Kelo-cote®**



Kelo-cote® is a patented topical silicone range composed of a gel and a spray for the management and prevention of abnormal scars (hypertrophic scars and keloids). Kelo-cote® is approved as a Class I Medical device in Europe. Silicone is recommended as the first-line treatment in the most recognized scar management guidelines and by physicians worldwide including the 2002 International Clinical Recommendations on Scar Management. Kelo-cote® is the most well researched and published silicone technology available and is a widely recognized scar treatment amongst physicians worldwide.