



IDT Australia Completes Initial CMAX Transaction

... Conditions precedent met

... IDT to receive first \$10,000,000 of a minimum of \$14,000,000 in total

... Potential for total consideration to increase based on earn-out provision for the final payment

15 December 2016, Melbourne: Australian pharmaceutical manufacturing and drug development company IDT Australia Limited (ASX: IDT) announced that the conditions precedent for the agreement with Japanese integrated healthcare company Irom Group Co., Ltd (Irom) for the acquisition of IDT's CMAX Clinical Trial Business have been satisfied. As a result the Agreement has become effective and IDT will receive the first tranche of \$10,000,000 in consideration for the CMAX business in the staged transaction announced previously.

Irom will now own 61% of the shares of the newly formed CMAX Clinical Research Pty Ltd (CCR); and Irom Group and IDT will jointly manage CCR through their 61% and 39% respective share holdings. IDT and Irom will have equal board representation on CCR. Irom will integrate the CCR business into their broader regulatory and clinical services businesses. IDT will assist Irom in managing CCR, paving the way for Irom Group to acquire the remaining shares of CCR over the next twelve months.

IDT confirms receipt of the initial cash payment of \$10,000,000 in consideration for 61% of the CMAX business, with a second payment for the remaining 39% being a minimum of \$4,000,000. The second payment may increase subject to an earn-out provision based on CMAX exceeding a specified revenue target for FY 2017. An additional payment may also become payable in the event CMAX achieves additional revenues linked to it achieving a specific business milestone before the close of the FY 2018 financial year.

"As expected IDT has expeditiously met all conditions precedent required for this transaction to proceed. This clears the way for Irom to acquire their initial stake in CCR. IDT is now free to move forward to deploy the initial proceeds to bolster its balance sheet and selectively grow our generic drug portfolio." said Paul MacLeman, Managing Director of IDT.

CMAX was established in 1993 within the Royal Adelaide Hospital in South Australia and was acquired by IDT in 2002. IDT recently re-located CMAX into a brand new purpose built clinical trial facility adjacent to the New Royal Adelaide Hospital. CMAX offers a full suite of clinical trial services including Phase I clinical trials management and delivery, along with recruitment in specific disease states for Phase II and Phase III trials.

I'rom Group Co., Ltd is an integrated healthcare company headquartered in Tokyo Japan and listed on the Tokyo Stock Exchange. I'rom Group's primary business is the provision of clinical trial site management services as a Site Management Organisation ("SMO"). I'rom Group have been an IDT shareholder since 2013. I'rom Group believes that the acquisition of the CMAX business will help grow profits and help the company and its shareholders in the medium term through an increased corporate value. Furthermore, I'rom Group believes that through the acquisition they will be able to acquire know-how that will assist in growing the company's existing clinical trial and advanced therapeutics business domains (both of which are stated growth areas for I'rom Group).

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About IDT

IDT Australia Ltd recently acquired a portfolio of 23 generic drugs to manufacture and sell via US distribution partners. With IDT's 2013 Temozolomide ANDA filing this signifies IDT's move to rapidly become a specialty generics business with near term revenue build up.

IDT (ASX:IDT) is a public Australian pharmaceutical manufacturing company based in Boronia, Victoria, Australia. It has extensive experience in the development and production of high potency and high containment pharmaceutical products for local and international clients. IDT's facilities are fully cGMP compliant and are regularly audited by the US FDA and Australian TGA. With an experienced team of specialists within world-class facilities, IDT provides a full-scale service for new drug development and scale-up, commercial active drug manufacture as well as a variety of oral and injectable finished drug dose forms.

Through CMAX, its clinical research services business based adjacent to the new Royal Adelaide Hospital in South Australia, IDT also provides full Phase I clinical trials management and delivery, recruitment in specific disease states for Phase II and Phase III trials as well as offering trial packaging, distribution and pharmacy services from the cGMP Boronia facilities.