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# Medical Tech Co. Buys Breathing Device Biz For Up To \$2.5M

By **Tom Fish**

Law360, London (January 4, 2024, 2:02 PM GMT) -- Inspiration Healthcare Group PLC said Thursday that it has bought life support ventilator business Airon Corp. in a deal worth up to \$2.5 million, as the British medical technology company eyes entering the "significant strategic market" in the U.S.

The transaction, funded from the cash reserves of Inspiration Healthcare, comprises an initial upfront payment of \$1.5 million.

There will also be another \$1 million payment, contingent upon Airon hitting unspecified sales targets in the 12 months to April 2025.

Inspiration, which makes intensive care medical devices for newborn babies, said in a statement that the purchase will begin to boost its earnings by the second full year of ownership, without providing any details.

Shumaker Loop & Kendrick LLP, led by corporate and tax partner Scott Aubry, steered Inspiration on the deal.

Counsel information for Airon was not immediately available.

Inspiration is currently waiting for U.S. regulatory approval to modify its SLE6000 neonatal ventilator. The company, whose registered offices are in Croydon, south London, aims to launch the device in the U.S. in the second half of 2025 if approval is given.

Neil Campbell, Inspiration's chief executive, described the deal as an "important strategic milestone" as it provides an entry point into the U.S. market for the modified ventilator, as well as other products in the company's portfolio.

Campbell said that Airon, which is based in Melbourne, Florida, also makes complementary products that will strengthen Inspiration's own range.

Airon specializes in building oxygen-powered life-support ventilators, as well as more basic breathing devices used in emergency procedures. It has 15 employees and a U.S.-wide distribution network. It generated revenues of \$1.4 million and a pre-tax loss of \$400,000 in the 12 months to April.

Eric Gjerde, Airon's founder, president and chief executive, will manage the transition while Inspiration searches for a permanent new general manager for the U.S. business.

Inspiration sells its products directly to hospitals and healthcare providers in the U.K. and Ireland. It posted pre-tax profits of £1.8 million (\$2.3 million) for the first half of 2023.

Shares in Inspiration, which is listed on the junior Alternative Investment Market of the London Stock Exchange, were trading at 42 pence early afternoon Thursday, a 5% rise from Wednesday's close of 40 pence.

Inspiration and Airon did not immediately respond to a request for comment.

--Editing by Ted Pearcey.

*Update: Counsel details for Inspiration have updated.*

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