BioSpectrum ASIA EDITION
the business of Bio & Health Sciences

AstraZeneca divests rights to Seroquel, Seroquel XR in Europe, Russia

October 31, 2019 | News

Sale to Cheplapharm supports AstraZeneca's focus on main therapy areas



AstraZeneca has agreed the sale and licence of the commercial rights to *Seroquel* (quetiapine fumarate immediate release) and *Seroquel XR* (quetiapine fumarate extended release) in Europe and Russia to Cheplapharm Arzneimittel GmbH (Cheplapharm).

Seroquel and *Seroquel XR*, used primarily to treat schizophrenia and bipolar disorder, have lost their compound patent protection in Europe and Russia.

Ruud Dobber, Executive Vice President, Biopharmaceuticals, said: *"Seroquel* is an important established medicine and this agreement with Cheplapharm will help ensure continued patient access. It forms part of our strategy of reducing the portfolio of mature medicines to enable reinvestment in our main therapy areas."

AstraZeneca will continue to manufacture and supply *Seroquel* and *Seroquel XR* to Cheplapharm during a transition period.

Pursuant to Listing Rule 10.4.1R (notification of class 2 transactions), the gross book value of assets subject to the divestment as at 31 December 2018 was nil. In the year to 31 December 2018, the aggregate pre-tax profits attributable to *Seroquel* and *Seroquel XR* in the relevant territories were $86m. The consideration will be paid in cash and the proceeds used for general corporate purposes.

Financial considerations

Cheplapharm will make an upfront payment of $178m to AstraZeneca and may also make future sales-contingent payments of up to $61m. Income arising from the upfront and future payments will be reported in AstraZeneca's financial statements within Other Operating Income & Expense. In 2018, *Seroquel* generated annual product sales of $47m in the markets covered by this agreement, while *Seroquel XR* generated $61m. The agreement does not impact the Company's financial guidance for 2019. The transaction is expected to complete in the fourth quarter of 2019, subject to customary closing conditions and regulatory clearances.

About *Seroquel*

Seroquel and *Seroquel XR* are atypical anti-psychotic medicines with antidepressant properties. The main indications for *Seroquel* are the treatment of schizophrenia and bipolar disorder. *Seroquel XR* is also approved in some markets for major depressive disorder and generalised anxiety disorder.

AstraZeneca has previously disposed of the rights to *Seroquel* and *Seroquel XR* in the UK, Japan and other major international markets.