

Panacea JV to yield generics revenue of \$25 bn

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New Delhi: Panacea Biotec entered into a strategic alliance for R&D and commercialization of drug delivery-based, generic and branded pharmaceutical products in the US and key strategic markets across the globe, with Osmotica Pharmaceutical.

Under the collaboration, Panacea Biotec would lead product identification, R&D and manufacturing, while Osmotica would lead product registration, legal matters, marketing, sales and distribution. The collaboration products are expected to be sold under an Osmotica and Panacea Biotec label. This collaboration is based on a 50:50 risk, investment and profit sharing by both companies and starts with a portfolio of 18 products across a broad range of therapeutic categories, with a provision to add new products by the joint steering committee represented by both Osmotica and Panacea Biotec.

Panacea Biotec will utilize its expertise from its indigenously developed micro-encapsulation of drugs through nanotechnology. According to the agreement, the company will receive initial research fee from Osmotica. Panacea Biotec will receive agreed amounts of milestone payments representative of 50 percent share of development costs from Osmotica upon achievement of development milestones.

For each new product added to the collaboration and for each new market thereof, Panacea Biotec shall receive a fixed research fee besides receiving the 50 percent share of development costs. Post commercialization of the products in the US and other markets as may be added from time to time, both Panacea Biotec and Osmotica shall share the profits equally.

Commenting on the development Mr Forrest Waldon, CEO, Osmotica Pharmaceuticals, said that, "Osmotica is pleased to join hands with Panacea Biotec to jointly bring high quality pharmaceutical products to patients in medical need. We believe this opportunity affords patients and our shareholders, employees and other stakeholder's significant value."

Calling it a rebirth for the company, Dr Rajesh Jain, joint MD, Panacea Biotec, said that, "We are pleased with this unique opportunity to collaborate with Osmotica to meet the never-ending demand for high barrier to entry and high-quality pharmaceuticals in United States. We believe this collaboration will enable both partners to complementarily build upon each other's core competencies and capabilities to help meet the needs of more patients in United States than ever before."

Speaking to *BioSpectrum*, Mr Jeff Hampton, senior VP, commercial operations, said, "The partnership is a cohesive force enabled by the technology that is driving the most of global collaborations. We expect the product to be in the market in next ten years. 18 projects will be initiated in different installments. While the ownerships will rest with Panacea, it will be sold under the label of both the companies in US."