

Pharmaxis, NovaQuest enter \$40 mn agreement

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Singapore: Pharmaceutical company Pharmaxis announced the signing of a financing agreement with NovaQuest Pharma Opportunities Fund III, under which NovaQuest will invest up to \$40 million to support the continued development, manufacturing and commercialization of Bronchitol for cystic fibrosis in the EU and the US.

The minimum investment by NovaQuest of \$20 million will be received by Pharmaxis within 30 days. Up to an additional \$20 million may be invested by NovaQuest from January 30, 2014, subject to Pharmaxis meeting certain commercial and regulatory performance criteria.

As consideration for its investment, NovaQuest will receive payments based upon the US and EU sales revenue of Bronchitol for cystic fibrosis for a term of eight years in the EU and seven years from the launch of Bronchitol in the US. The payments are determined by reference to US and EU sales revenue bands and corresponding annual payment percentages which vary over the term of the agreement to reflect the expected growth in Bronchitol sales, and decrease in the event that the total investment is below the maximum \$40 million.

Pharmaxis CEO Dr Alan Robertson, said that, "Pharmaxis explored a range of options to leverage its Bronchitol asset. The NovaQuest investment was selected because it is tailored to the expected growth of the business and it offers flexibility in the total investment amount. The investment returns to NovaQuest are based solely on the sales of Bronchitol."

The NovaQuest team has committed approximately \$1 billion to the global pharmaceutical industry. NovaQuest Partner Mr Jonathan Tunnicliffe said, "NovaQuest has a long history of investing in global pharmaceutical products such as Bronchitol. NovaQuest is delighted to have made this investment, allowing Pharmaxis to pursue its plans for Bronchitol for cystic fibrosis in the EU and US."