

## Innovation keeps cash flowing for Glenmark

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Mumbai, May 7

Glenmark Pharmaceuticals has been generating a steady cash inflow from its innovative research and development pipeline for a few years. The company, which recently said it received a \$5-million (₹30 crore) fee payment from Sanofi for a drug codenamed GBR 500 that fights multiple sclerosis and inflammatory disorders, says there are more research and development (R&D) milestones in the offing.

By monetising its drug pipeline, the company has realised \$232 million since FY04. Even as this helps mitigate risks, the money also helps fund Glenmark's R&D activities.

"Glenmark has a pipeline of seven molecules, four new chemical entities (NCEs) and three new biological entities (NBEs), in various stages of preclinical and clinical development," Chairman Glenn Saldanha told *Business Line*. "Five molecules are in clinical

stages of development, and seven outlicensing deals have been struck with global pharma companies, reaffirming Glenmark's strength in discovery." Stating that Glenmark had entered into a collaboration and option agreement with Forest Laboratories for the development of a drug to treat chronic inflammatory conditions, including pain, the Chairman added the total amount received by Glenmark from Forest was \$15 million.

Under the terms of the agreement signed in FY2013, Forest made a \$6-million upfront payment and also provided an additional \$3 million to support the next phase of work.

In September 2013 and March 2014, Glenmark received additional amounts of \$2 million and \$4 million, respectively, as research fee payments from Forest. Forest has an exclusive option to obtain licence rights to the programme upon the completion of Phase 1 clinical trials.

In the case of the GBR 500 deal with Sanofi, Glenmark received an upfront payment of \$50 million in FY12.

Subsequent payments were to be based on success-based development and regulatory and commercial milestones. Till date, the total payment of \$55 million accounts for less than 9 per cent of the total deal potential of \$613 million for the same drug.

### Promising drugs

Speaking about another promising molecule, Saldanha said: "Among our NCE molecules, GRC 17536 (to tackle pain and respiratory issues) showed good safety in the Phase 1 trials, enabling pharmacology and toxicology studies. Glenmark has completed the Phase 1 study in the Netherlands."

Glenmark also has a novel molecule GRC 27864 for chronic inflammatory diseases, including pain, entering human trials. The Phase 1 human studies are to be initiated soon, and are likely to get

completed by January 2015. Following this, Glenmark would also be initiating a proof of concept study in patients with acute pain, Saldanha added.

### Game-changer

Asked about the potential of the new drugs, the Chairman said: "Glenmark has always believed that innovation is the only way to transform into a truly global pharmaceutical company. Commercially, these molecules could be game-changers for the company, as each molecule has the potential peak sales opportunity of \$1 to \$3 billion."

Stating that the company had aggressively invested in innovation R&D for the past 14 years, and has created "a promising pipeline of best-in-class and first-in-class molecules addressing the unmet medical needs in areas of pain and inflammation," Saldanha added these molecules have the potential to alter treatment pathways in the targeted therapeutic areas.

Company