

Dr Reddy's to sell its rights of anti-cancer agent to Citius Pharma

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HYDERABAD: Pharma major Dr Reddy's Laboratories Ltd has entered into a definitive agreement with Citius Pharmaceuticals Inc for the sale of its entire right of investigational anti-cancer agent E7777 (denileukin diftitox) and some related assets.

Dr Reddy's will receive an upfront payment of \$40 million from Citius on closure of the transaction for the sale of E7777, which is an engineered IL-2-diphtheria toxin infusion protein, the company said in a regulatory filing to the bourses on Saturday.

This upfront payment will be followed by a milestone payment of \$40 million related to the approval of the CTCL (cutaneous T-cell lymphoma) indication and up to \$70 million for additional indication approvals, it added. Dr Reddy's will also receive certain sales-based milestones and

tiered earn-out payments.

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The Hyderabad-based pharma player had acquired the exclusive global rights (excluding Japan and Asia) to E7777 from Eisai Co Ltd in March 2016.

Commenting on the development, Dr Reddy's CEO Erez Israeli said: "Addressing unmet patient needs in oncology remains a prime focus area for us. E7777 has significant potential as an important component of systemic therapy for CTCL and other cancers. Post acquiring from Eisai, significant progress was made on the CTCL development front."

"We are confident of Citius' ability to realise the full potential of E7777 in the treatment of CTCL as well as in their ability to develop this promising drug for additional oncology and immuno-oncology indications," he added.