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Japan's Chugai inks $1.08 B deal with Rani Therapeutics for multiple high-value therapeutics

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Including rare disease and immunology programmes

Japan's Chugai Pharmaceutical and US-based Rani Therapeutics, LLC, a subsidiary of Rani Therapeutics Holdings, Inc., have entered into a Collaboration and License Agreement for the development and commercialisation of an oral product consisting of Rani’s oral delivery technology, the RaniPill®, and Chugai’s rare disease antibody in development.

“Rani's innovative oral delivery technology opens up new possibilities for the administration of biologics, which have traditionally been limited to injections. By integrating Rani's technology with our proprietary antibody engineering technologies cultivated over many years, we expect to create entirely new value in the form of oral therapies that are less burdensome for patients. Through this collaboration, we will accelerate our challenge to realize advanced, patient-centrichealthcare.” said Dr Tomoyuki Igawa, Chugai’s Vice President and Head of Research Division.

Under the terms of the agreement, in addition to $10 million up front payment, Chugai will potentially pay up to $75 million contingent upon the achievement of success-based technology transfer and development milestones, up to $100 million in a series of sales-based milestones, contingent upon the commercial success of the molecule, and single digit royalties on sales if the molecule is successfully commercialised. In addition, Chugai has the option to extend its rights to additional targets under similar deal terms which, if fully exercised by Chugai, could bring the total deal value to over $1 billion.

Also, Rani has entered into a securities purchase agreement for a private placement in public equity financing (PIPE) that is expected to result in gross proceeds of approximately $60.3 million to Rani, led by Samsara BioCapital with participation from other new and existing investors, including, RA Capital Management, Anomaly, Special Situations Funds, Invus, and Founder and Chairman, Mir Imran. The anticipated net proceeds from the PIPE, together with the initial upfront payment and the expected technology transfer milestones of $18.0 million from the agreement with Chugai, are expected to fund the company’s operations into 2028.