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April 24, 2013 | News | By BioSpectrum Bureau

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Singapore: Malaysian Bio-XCell and Agila Biotech have sealed US$34.4million (RM107million) build-and-lease agreement during BioPharma Asia Convention held in Singapore from March 19-22. This agreement is for the establishment of a customized biotech facility located in the Bio-XCell ecosystem in Nusajaya, Johor, Malaysia.

The agreement was signed between Mr. Rizatuddin Ramli, CEO of Bio-XCell and Dr. Anand Iyer, CEO of Agila Biotech, a subsidiary of India-listed Strides Arcolab Ltd, replacing an earlier agreement signed in May 2011.

"Agila Biotech (Malaysia) is indeed poised to be a major anchor tenant for the Bio-XCell ecosystem and we are extremely pleased to be able to offer our services and support for this promising project," said Mr. Ramli. Bio-XCell will fund RM67.32 million (approximately US$22 Million) to be provided under the build-and-lease agreement with Agila Biotech (Malaysia), which will cover the construction of the building and part of the equipment. All other related state-of-the-art equipment, integration service and testing of this turnkey project (estimated at US$13-15 million) will be funded by Agila Biotech (Malaysia) from internal accruals and funding from external sources.

Work on the facility for the end-to-end manufacturing of biologics located on an 8.77 acre plot is expected to start as soon as all necessary clearances and permits have been obtained and all supplemental agreements have been executed. Both parties are aiming for the R&D and manufacturing facilities to be operational by end 2014.

Agila Biotech (Malaysia) plans to incorporate into its facility at Bio-XCell, the "next-generation" technology platforms which

revolutionize the way biomolecules are developed, manufactured and commercialized. It is built around a unique platform that features the innovative application of single-use component technology and transforming biomanufacturing economics, thus reducing deployment of new manufacturing capacity from 3-5 years to a faster 12-18 months. There's also a significant capital investment savings compared to conventional approaches.

"Successful foray into the biologics space would require building a state-of-the-art infrastructure and strong technical foundation to support three pillars for a successful biotech business," said Dr. Anand Iyer, while adding that the three pillars are strong pipeline of products; partnering capabilities; and novel formulations/ delivery capabilities, all of which will be found in their new facility planned in Malaysia.

Dr. Iyer also noted that the facility in Bio-XCell represents a strategic move to further bolster Agila Biotech (Malaysia)'s manufacturing presence in the region and tap into unmet global demand and window of opportunity in biologics. The proposed facility at Bio-XCell will include a Mammalian Cell Culture Single-Use Technology Manufacturing Suite, a Microbial Fermentation Single-Use Technology Manufacturing Suite, a Fill & Finish Suite, Analytical/ QC/ R&D labs, utilities infrastructure and offices.