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ASIA EDITION

India's Biological E to buy French Valneva's CMO unit

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Singapore: France-based biotech firm Valneva is selling its clinical manufacturing operations (CMO) in Nantes to India-based Biological E.Ã?Â The sale of this unit, which is dedicated to the manufacturing of clinical trial materials, is part of ValnevaÃ?Â´s strategy to realize cost synergies of around $6.6 million (EUR 5 to 6 million) annually following the merger of Intercell and Vivalis to create Valneva.Ã?Â

The divestment of the CMO facility is expected to contribute up to $3.9 million (EUR 3 million) cost savings to the annual merger-synergies. In addition, Valneva will receive an undisclosed purchase price, exceeding the current book value of the facility.

Valneva and Biological E established a first partnership in 2005 for the development and commercialization of a novel Japanese Encephalitis (JE) vaccine for endemic regions, based on ValnevaÃ?Â´s JEV technology. The vaccine, which was successfully developed under this partnership, is being commercialized in India under the trade-name Jeev and further territory expansions in the JE-endemic markets are planned. The CMO facility in Nantes will not be related to the JEV vaccine program.

Valneva and Biological E are also in discussions to potentially extend their strategic partnership into new vaccine development programs based on ValnevaÃ?Â´s EB66 manufacturing platform. The EB66 cell line is an advanced system for the production of a wide variety of human and veterinary viral and therapeutic vaccines. Valneva remains the owner of the EB66 cell line and will continue to license it for human and veterinary product development to pharmaceutical and biotech companies and to propose EB66 process development services.

Mr Thomas Lingelbach, president and CEO, and Mr Franck Grimaud, president and chief business officer, Valneva, commented that, "This agreement demonstrates that Valneva's merger strategy to become a leading sustainable biotech company in antibodies and vaccines, is on track. We are pleased to broaden our excellent strategic partnership with Biological E with this transaction and believe that it will create additional opportunities for our two companies going forward."