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Pulmatrix signs binding agreement with Cipla worth $22M

02 April 2019 | News

Pulmatrix enters into binding term sheet with Cipla Technologies LLC for the development and commercialization of Pulmazole

Pulmatrix, Inc., a clinical stage biopharmaceutical company focused on developing novel inhaled therapeutics to serve unmet needs in respiratory disease, has announced its entry into a Binding Term Sheet with Cipla Technologies LLC, a subsidiary of Cipla Limited for the co-development and commercialization of Pulmazole (PUR1900) – an inhaled iSPERSE™ formulation of the anti-fungal drug itraconazole for the treatment of allergic bronchopulmonary aspergillosis (ABPA) in patients with asthma.

As per the Binding Term Sheet, subject to entry into the definitive agreement, Cip Tec will make an upfront payment of $22 million to Pulmatrix in exchange for an assignment of all rights to Pulmazole to Cip Tec. However, following this assigning, Pulmatrix will retain the right to receive 50% of the free cash flow from future sales of Pulmazole. In addition, Pulmatrix will remain primarily responsible for the implementation of the clinical development of Pulmazole and Cip Tec will be responsible for implementation of the commercialization of the product. Entry into a definitive agreement is contingent upon, Pulmatrix having at least $15 million in unencumbered funds.

ABPA is a disease that occurs most often in patients with underlying asthma or cystic fibrosis, and it is characterized by an exaggerated allergic hypersensitivity response of the immune system to the fungus Aspergillus colonizing and growing in the airways. Oral itraconazole (Sporanox®) is currently used as an adjunctive treatment to corticosteroids in ABPA patients. However, its use is limited by poor bioavailability, variable pharmacokinetics, and toxicity concerns related primarily to the risk of gastrointestinal and cardiac side effects, as well as extensive drug-drug interactions.

Pulmatrix Pulmazole program is the first inhaled dry powder version of itraconazole known to the company to be advanced into clinical development, with the goal of improving upon the known safety and efficacy profile associated with oral Sporanox by delivering the drug directly to the lung.