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Gedeon Richter Investment In Formycon Opens Up Collaboration Opportunities

Firm Takes 9% Stake In German Biosimilars Developer, Which Receives Over €80m

by David Wallace

Gedeon Richter has agreed to acquire a stake of just over 9% in Formycon. The deal “opens up the possibility of jointly leveraging long-term strategic opportunities” while providing Formycon with more than €80m to invest in its biosimilar development projects.

Hungary-based [Gedeon Richter](#) has agreed to take a 9.08% stake in German biosimilars developer [Formycon](#), in a deal that the pair said “opens up the possibility of jointly leveraging long-term strategic opportunities across development, manufacturing and commercial value streams.”

Having “already a established trustful collaboration in contract development and manufacturing,” the firms said that the investment via a cash capital increase would generate gross proceeds of €82.84m (\$89.37m), which will be used “primarily for the further development of Formycon’s existing biosimilar pipeline, especially FYB206, FYB208 and FYB209. In addition,” they noted, “the start of FYB210, a new biosimilar candidate, is planned for the second half of this year.”

Key takeaways:

- Gedeon Richter has acquired a 9.08% stake in German biosimilars developer Formycon.
- Proceeds of €82.84m will be used “to maintain Formycon’s high development pace and operational progress”.

FYB206 is Formycon’s planned biosimilar rival to Keytruda (pembrolizumab), for which the firm

recently unveiled plans to kick off clinical trials at the end of this year or early in 2025. (Also see "[Formycon Believes Itself Among Frontrunners For Mammoth Keytruda Opportunity](#)" - Generics Bulletin, 17 Jan, 2024.) The identities of the molecules for the FYB208 and FYB209 projects, meanwhile, have not been revealed. (Also see "[Formycon Submits Eylea Biosimilar For European Approval Following Strong Q3](#)" - Generics Bulletin, 29 Nov, 2023.)

- Richter and Formycon said the deal “opens up the possibility of jointly leveraging long-term strategic opportunities”.

Other major Formycon-developed biosimilars include the already-approved and marketed FYB201 rival to Lucentis (ranibizumab) – for which Sandoz recently struck a major deal (Also see "[Sandoz Plugs Ophthalmology Gap With Coherus Ranibizumab Deal](#)" - Generics Bulletin, 22 Jan, 2024.) – and its FYB202 Stelara (ustekinumab) rival that has been filed in both Europe and the US with partner Fresenius Kabi. (Also see "[Fresenius And Formycon File Ustekinumab In Europe](#)" - Generics Bulletin, 2 Oct, 2023.) (Also see "[Fresenius And Formycon File Ustekinumab In US](#)" - Generics Bulletin, 1 Dec, 2023.)

Meanwhile, the firm’s FYB203 aflibercept candidate – a proposed biosimilar to Eylea – has also been filed in the US and was recently filed in Europe. (Also see "[Formycon Files Aflibercept With US FDA](#)" - Generics Bulletin, 29 Jun, 2023.) (Also see "[Formycon Submits Eylea Biosimilar For European Approval Following Strong Q3](#)" - Generics Bulletin, 29 Nov, 2023.)

Complementary Strengths Cited

Outlining the rationale for the investment, Richter and Formycon noted that “both companies are convinced of the huge potential of biosimilars and share the strategic proximity as well as the respective expertise in their fields of activity.”

“The clear focus of Formycon as a leading dedicated and independent developer of biosimilars and the operating radius of Richter as a major multinational company with core competences in research and manufacturing, combine complementary strengths under the same vision,” the partners stated, “as both companies are highly driven to improve patient’s access to important biologic therapies.”

The private placement involved issuing 1,603,877 new shares with a placement price of €51.65 per share, representing “the mean average value between today’s XETRA closing price and the volume-weighted average price of the shares over the last thirty trading days.” Richter will be subject to a customary lock-up obligation of 180 days.

“Robust supply and cost-competitive manufacturing are becoming increasingly important as a key component of the biosimilar value chain.”

Gábor Orbán, CEO of Richter, said the transaction “serves to reinforce our strategic partnership with Formycon, with the aim of broadening patient access to biological therapies globally. Joining forces in this way will provide scale benefits and new business opportunities for both parties, while ensuring mission critical knowledge and experience transfer in a fast-evolving industry.”

Meanwhile, Formycon CEO Stefan Glombitza noted that “robust supply and cost-competitive manufacturing are becoming increasingly important as a key component of the biosimilar value chain. Over the past few years, we have established a very trustful and successful operational cooperation with Gedeon Richter by utilizing their state-of-the-art manufacturing capabilities and I am very happy that we can enrich this partnership now even further.”

“This transaction has the potential to generate strong momentum,” Glombitza suggested, “as it enables both parties to jointly leverage strategic long-term opportunities.”

And Formycon chief financial officer Enno Spillner said that “from a financing perspective, the cash funding secures the undamped simultaneous development of our competitive biosimilar candidates while adding a renowned collaboration partner as anchor investor who is clearly welcomed by our supervisory board and management board.”