



Current Agreements

Dealdoc

Asset purchase and supply agreement for AzaSite, COSOPT and COSOPT PF

Akorn

Merck and Co

Inspire Pharmaceuticals

Nov 15 2013

Asset purchase and supply agreement for AzaSite, COSOPT and COSOPT PF

Companies:	Akorn Merck and Co Inspire Pharmaceuticals
Announcement date:	Nov 15 2013
Deal value, US\$m:	52.8 : sum of cash purchase

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Details

Announcement date:	Nov 15 2013
Industry sectors:	Bigpharma Pharmaceutical
Brand name:	AzaSite, COSOPT, COSOPT PF
Asset type:	Product Ophthalmics
Therapy areas:	Ophthalmics » Conjunctivitis Ophthalmics » Ocular hypertension Drug delivery » Transmucosal » Ocular
Technology types:	Small molecules
Deal components:	Asset purchase Supply
Stages of development:	Marketed
Geographic focus:	North America » United States

Financials

Deal value, US\$m:	52.8 : sum of cash purchase
Upfront, US\$m:	52.8 : purchase payment

Termsheet

Akorn has acquired from Merck the U.S. rights to three branded ophthalmic products.

Including those product rights obtained through the acquisition of Inspire Pharmaceuticals, a subsidiary of Merck, for \$52.8 million in cash.

Products included in this transaction are AzaSite, COSOPT and COSOPT PF.

Akorn has signed a two-year supply agreement with Merck as well as a transition services agreement with customary terms.

Akorn plans to ship COSOPT and COSOPT PF immediately upon close and expects to begin shipping AzaSite in the first quarter of 2014.

This transaction is expected to add approximately \$34 million to \$38 million in revenues and approximately \$0.09 to \$0.11 of non-GAAP adjusted net income per diluted share in 2014.

AzaSite (azithromycin ophthalmic solution) 1% is a prescription sterile eye drop solution used to treat bacterial conjunctivitis, an infection of the eye caused by susceptible isolates of the following microorganisms: CDC coryneform group G1, Haemophilus influenza, Staphylococcus aureus, Streptococcus mitis group, and Streptococcus pneumonia.

COSOPT (dorzolamide hydrochloride and timolol maleate ophthalmic solution) is a prescription sterile eye drop solution that is used to lower the pressure in the eye in people with open-angle glaucoma or ocular hypertension, when their eye pressure is too high and beta-adrenergic blocker medicines alone have not adequately lowered the pressure.

COSOPT PF (dorzolamide hydrochloride - timolol maleate ophthalmic solution) 2%/0.5% is a preservative-free prescription sterile eye drop solution that is supplied in sterile, single-use containers.

Press Release

Akorn, Inc. (AKN) Snags Three Branded Ophthalmic Products From Merck & Co., Inc. (MRK) For \$52.8 Million Cash

Akorn Acquires Three Branded Ophthalmic Products from Merck

LAKE FOREST, Ill.--(BUSINESS WIRE)--Akorn, Inc. (NASDAQ: AKRX), a niche generic pharmaceutical company, today announced that it has acquired from Merck (NYSE: MRK), the U.S. rights to three branded ophthalmic products, including those product rights obtained through the acquisition of Inspire Pharmaceuticals, Inc., a subsidiary of Merck, for \$52.8 million in cash. Products included in this transaction are AzaSite®, COSOPT® and COSOPT® PF. In addition, Akorn has signed a two-year supply agreement with Merck as well as a transition services agreement with customary terms. Akorn plans to ship COSOPT® and COSOPT® PF immediately upon close and expects to begin shipping AzaSite® in the first quarter of 2014.

"We are excited to announce this transaction which will further expand Akorn's position as a leader in U.S. ophthalmology products," said Raj Rai, CEO, Akorn. "The addition of these branded products to Akorn's portfolio strengthens our business and leverages our existing ophthalmic sales force and physician relationships."

"The decision to divest a portion of our ophthalmics business in the U.S. is part of our ongoing strategy to sharpen our commercial focus and improve our operational effectiveness," said Jay Galeota, president, Hospital and Specialty Care at Merck. "This transaction provides products that complement Akorn's portfolio and is designed to ensure continued access for physicians and patients to these medicines in the U.S."

Rationale for the Transaction

The addition of these branded products to Akorn's ophthalmic portfolio is expected to elevate Akorn's reputation with prescribers and leverage Akorn's existing ophthalmic sales force and physician relationships. This strategic acquisition is also expected to provide a platform to support future acquisitions and in-licensing of branded ophthalmic products.

Financial Impact of the Transaction

This transaction is expected to add approximately \$34 million to \$38 million in revenues and approximately \$0.09 to \$0.11 of non-GAAP adjusted net income per diluted share in 2014.

About the Products

AzaSite® (azithromycin ophthalmic solution) 1% is a prescription sterile eye drop solution used to treat bacterial conjunctivitis, an infection of the eye caused by susceptible isolates of the following microorganisms: CDC coryneform group G1, Haemophilus influenza, Staphylococcus aureus, Streptococcus mitis group, and Streptococcus pneumonia . AzaSite® is protected by four patents that were recently upheld by the district court of New Jersey. Although an appeal has been filed with the Federal Circuit, generic entry is currently barred until the patent expiration in 2019.

(1 Efficacy for this organism was studied in fewer than 10 infections.)

COSOPT® (dorzolamide hydrochloride and timolol maleate ophthalmic solution) is a prescription sterile eye drop solution that is used to lower the pressure in the eye (intraocular pressure) in people with open-angle glaucoma or ocular hypertension, when their eye pressure is too high and beta-adrenergic blocker medicines alone have not adequately lowered the pressure.

COSOPT® PF (dorzolamide hydrochloride - timolol maleate ophthalmic solution) 2%/0.5% is a preservative-free prescription sterile eye drop solution that is supplied in sterile, single-use containers. COSOPT® PF is used to lower the pressure in the eye (intraocular pressure) in people with open-angle glaucoma or ocular hypertension, when their eye pressure is too high and beta-adrenergic blocker medicines alone have not adequately lowered the pressure. Cosopt® PF is protected by New Product Exclusivity which provides a barrier to generic entry until 2015.

About Akorn, Inc.

Akorn, Inc. is a niche pharmaceutical company engaged in the development, manufacture and marketing of multisource and branded pharmaceuticals. Akorn has manufacturing facilities located in Decatur, Illinois, Somerset, New Jersey and Paonta Sahib, India where the Company manufactures ophthalmic and injectable pharmaceuticals. Additional information is available on the Company's website at www.akorn.com.

Filing Data

Not available.

Contract

Not available.