Licensing Agreement Case Study

Background: Supernus Pharmaceuticals, Inc. (“Supernus” or the “Company”) is a specialty pharmaceutical company, focused on developing and commercializing products for the treatment of central nervous system diseases. The company was formed in 2005 with investments from Abingworth, New Enterprise Associates, and OrbiMed.

Client Objective: Supernus wanted to pursue the out-licensing of ex-US commercial rights for its lead product Epliga™, a once daily formulation of oxcarbazepine for the treatment of epilepsy (the “Product”). The Product has successfully completed Phase III clinical development in the United States and Supernus has filed a New Drug Application with the Food and Drug Administration. The Company was willing to explore licensing arrangements in various geographic regions to optimize value for the Product via a competitive, well structured partnering process.

Bourne Partners Process: After exploring market potential, pricing, reimbursement, regulatory process, and licensing deal terms in various regions worldwide, Bourne Partners determined that the Latin American market offered attractive market conditions to commercialize Epliga™. Bourne Partners conducted a targeted search within the Latin American market and identified Específicos Stendhal, S.A. De C.V. (“Stendhal”), a multinational specialty pharmaceutical company that develops and markets pharmaceutical products in neurology and other therapeutic areas. The Company’s CNS focus, combined with its presence in 12 Latin American countries, made Stendhal a strong potential partner for Supernus. Stendhal will be responsible for the local registration, approval, and commercialization of Epliga™ in Mexico, Peru, Ecuador, Bolivia, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Dominican Republic, Columbia, and Venezuela.

Bourne Partners Value Creation:
- Thoroughly evaluated the economic impact of licensing arrangements in different geographic regions and identified Latin America as an attractive commercial market for Epliga™
- Worked with various potential licensing partners and helped Supernus select the company that best fit its criteria and met the objectives for growing its lead product within Latin America
- Played a lead role in the negotiation and drafting of all licensing terms ultimately agreed to between the two parties
- Advised on the inclusion of other countries within the geographic region to be added with Mexico under the terms of agreement
- Generated comprehensive cash flow forecasts that included detailed pricing terms and reimbursement arrangements unique to each country
- Carried out the modeling and financial analysis to thoroughly evaluate the economics of different offers, payment structures, milestones, and royalty and transfer pricing arrangements

Result: On behalf of its client, Bourne Partners originated, structured, and negotiated the terms of a licensing arrangement with an established neurology-focused pharmaceutical company that fit the objectives of Supernus. The executed agreement accomplished the Company’s desire to expand its lead product into new markets while offering attractive economic terms. Terms of the transaction were not disclosed.

For more information on this transaction and/or Bourne Partners, please contact Jeremy C. Johnson at +1-704-714-8351 or johnson@bourne-partners.com