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Emerging Company Profile

moksha8: Racing into emerging markets

By Aaron Bouchie
Senior Writer

Despite attractive growth in emerging markets such as Brazil, Asia, Eastern Europe and the Middle East, many pharma companies and large biotechs lack the wherewithal or incentive to market their own drugs in these regions, and local players often lack the sophistication to do it.

moksha8 Pharmaceuticals Inc. hopes to establish itself as a “one-stop shop” commercialization partner for pharma companies and large biotechs that wish to tap these emerging markets. The company’s business model is to obtain commercialization rights to high-quality drugs, including products already marketed by big pharma or best-in-class therapeutics from big biotech or mid-size pharmas, according to CEO Simba Gill.

In the BRIC countries (Brazil, Russia, India and China), Latin America, Eastern Europe and the Middle East, “we are now beginning to see development of more sophisticated economies that will demand higher quality medications,” Gill told BioCentury.

These markets generated about \$100 billion in 2007 pharmaceutical sales and are growing 12-15% annually, according to Gill.

“The idea is to build a very valuable

moksha8 Pharmaceuticals Inc.

Hong Kong, China
Technology: N/A
Disease focus: Neurology, infectious and cardiovascular
Clinical status: Marketed
Founded: 2006 by Simba Gill
University collaborators: None
Corporate partners: Pfizer Inc. and Roche
Number of employees: 104
Funds raised: \$39 million
Investors: TPG Biotech and Votorantim Novos Negocios
CEO: Simba Gill
Patents: N/A

company very quickly. We only need to capture a little bit of the market to make a lot of money,” he said.

Earlier this month, moksha8 announced its first launch of 22 drugs from **Pfizer Inc.** and **Roche** in Brazil. Financial terms of the deals were not disclosed, but moksha8 said annual sales of the 22 products in Brazil are more than \$80 million.

The deals include Pfizer’s Zolof

sertraline to treat depression and anxiety and Neurontin gabapentin for epilepsy, and Roche’s Lexotan bromazepam to treat anxiety and the antibiotic Bactrim sulfamethoxazole/trimethoprim.

The deals are representative of moksha8’s initial strategy, which is to get access to branded prescription drugs that are already marketed by big pharmas but are no longer in the companies’ key areas of focus in the territories.

The company said almost all of the 22 products have not been promoted by Pfizer or Roche in 2-3 years, and moksha8 is essentially re-launching the drugs with sophisticated marketing and promotion to physicians. There is generic competition for some of the drugs, but moksha8 believes there is still opportunity for the branded versions because physicians and patients will want the surety of high-quality, safely manufactured medicines.

“Brazil has a growing middle class. The country’s population is getting economically stronger and can afford more expensive drugs,” said Gill.

moksha8 hopes to expand the deals from Brazil into other territories in Latin America.

Having begun by setting up its Latin

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moksha8,

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American headquarters in Sao Paulo and building a sales and marketing team to commercialize the first products, moksha8 plans to build management teams and then infrastructure in each of its target markets, for example Russia, Mexico and Turkey.

The company also has offices in Philadelphia, Shanghai and Hong Kong. The Hong Kong office is moksha8's corporate headquarters and will be the company's Asian hub. The Shanghai office will be the commercial headquarters for China, and the business development, legal, finance and IT functions are centralized in Philadelphia.

Although moksha8 is focused on sales and marketing, Gill said the company will do some clinical and regulatory work in territories where that would be required. The company is recruiting local expertise to help with these activities.

"We want to do it all in emerging markets in as sophisticated a way as it is done in the U.S.," said Gill.

moksha8's initial therapeutic areas of focus are in pain, infectious diseases, CNS and cardiovascular diseases. The company will look to expand into oncology, metabolic diseases and possibly women's health, according to Gill.

The company raised an undisclosed amount in a series B round in February and has now raised a total of \$39 million. The company would not disclose how long it expects the cash to last.

The company's name comes from the Sanskrit "moksha," a philosophical principle that encompasses the ideas of liberation, enlightenment and freedom from barriers and constraints. The number "8" is lucky in many cultures, and also represents constant regeneration.

COMPANIES AND INSTITUTIONS MENTIONED

moksha8 Pharmaceuticals Inc., Hong Kong, China

Pfizer Inc. (NYSE:PFE), New York, N.Y.

Roche (SWX:ROG), Basel, Switzerland