



Current Agreements

Dealdoc

Collaboration and licensing agreement for bone-protective compounds for treatment of rheumatoid arthritis

Modern Biosciences
Johnson & Johnson Innovation
Janssen Biotech

Dec 01 2014

Collaboration and licensing agreement for bone-protective compounds for treatment of rheumatoid arthritis

Companies:	Modern Biosciences Johnson & Johnson Innovation Janssen Biotech
Announcement date:	Dec 01 2014
Deal value, US\$m:	282 : sum of upfront and milestone payments

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Details

Announcement date:	Dec 01 2014
Industry sectors:	Bigpharma Biotech Pharmaceutical
Asset type:	Technology
Therapy areas:	Musculoskeletal » Arthritis » Rheumatoid arthritis
Technology types:	Small molecules Collaborative R&D
Deal components:	Licensing
Stages of development:	Preclinical
Geographic focus:	Worldwide

Financials

Deal value, US\$m:	282 : sum of upfront and milestone payments
Upfront, US\$m:	n/d : upfront payment
Milestones, US\$m:	n/d : development, regulatory and commercialisation milestone payments
Royalty rates, %:	n/d : royalties on future sales of any products that may result from the alliance upon successful launch and commercialisation

Termsheet

Modern Biosciences has entered into an R&D alliance and global option and licence agreement with Janssen Biotech in relation to MBS' novel bone-protective compounds for the treatment of rheumatoid arthritis.

The goal of the collaboration, facilitated by the Johnson & Johnson Innovation Centre in London, is to develop new drugs for the treatment of RA.

Under the terms of the exclusive agreement, Modern Biosciences will receive an up-front payment and is eligible to receive development, regulatory and commercialisation milestone payments up to a potential total of £176 million.

In addition, MBS will receive royalties on future sales of any products that may result from the alliance upon successful launch and commercialisation.

Press Release

IP Group plc – Modern Biosciences plc Announces Collaboration Worth Up To £176m With Johnson & Johnson (JNJ) Innovation And Janssen Biotech Inc. (JNJ)

IP Group plc (LSE: IPO) ("IP Group" or "the Group" or "the Company"), the developer of intellectual property based businesses, is delighted to note that Modern Biosciences plc ("Modern Biosciences" or "MBS") has entered into an R&D alliance and global option and licence agreement with Janssen Biotech, Inc ("Janssen") in relation to MBS' novel bone-protective compounds for the treatment of rheumatoid arthritis ("RA"). The goal of the collaboration, facilitated by the Johnson & Johnson Innovation Centre in London, is to develop new drugs for the treatment of RA.

Under the terms of the exclusive agreement, Modern Biosciences will receive an up-front payment and is eligible to receive development, regulatory and commercialisation milestone payments up to a potential total of £176 million. In addition, MBS will receive royalties on future sales of any products that may result from the alliance upon successful launch and commercialisation.

RA is a severe, painful inflammatory disease that can cause progressive joint and bone erosion and eventually lead to disability. MBS' compounds work by a novel mechanism of action that targets both the inflammatory component of RA and the associated bone destruction. This approach has the potential to not only protect the joints of people living with RA from further damage but to control the pain and swelling associated with the disease. The most advanced of MBS' compounds is currently in pre-clinical development and is due to enter Phase 1 clinical studies in 2015.

Alan Aubrey, Chief Executive of IP Group, said: "This agreement is a major milestone for the Group, having set up Modern Biosciences as a dedicated drug development operation some years ago. It is an excellent example of the value that can be created from the IP Group model of commercialising novel intellectual property, in this case from the University of Aberdeen, and is a significant achievement for both MBS' staff and all of its stakeholders. The Group's Biotech division has already seen significant success with the sale of Proximagen to Upsher-Smith Laboratories Inc and, more recently, with Synairgen plc's agreement with AstraZeneca, and we remain excited about its prospects."

Sam Williams, CEO of Modern Biosciences, said: "We are delighted to be working with Janssen to progress our novel series of compounds. MBS' compounds have unique characteristics compared to existing treatments for rheumatoid arthritis and we believe Janssen is an ideal partner with which to take the molecules forward. This agreement demonstrates MBS' business model, which is to take early-stage assets from academia and advance them to a point of value inflexion when they can be licensed to industry, generating a return for our stakeholders."

Modern Biosciences was established to source late-stage discovery projects from academia, conduct early proof-of-principle clinical studies and out-license the resulting programmes to the pharmaceutical industry. IP Group holds an undiluted beneficial interest of 61.1% in Modern Biosciences and, as a result, its income and expenses are consolidated into those of the Group.

About IP Group IP Group is a leading UK intellectual property commercialisation company, developing technology innovations primarily from its research intensive partner universities. The Group offers more than traditional venture capital, providing its companies with access to business building expertise, networks, recruitment and business support.

IP Group's portfolio comprises holdings in around 90 early stage to mature businesses across the Healthcare, Biotech, Cleantech and Technology sectors. These businesses include Oxford Nanopore Technologies, the DNA sequencing development company, Revolmer, best known for its removable chewing gum, and Xeros, which has received many accolades for its revolutionary clothes washing techniques with a much reduced requirement for water.

For more information, please visit our website at www.ipgroupplc.com.

About Modern Biosciences

Modern Biosciences is a drug development company which sources late-stage discovery projects from academia, conducts early proof-of-principle clinical studies and out-licenses the resulting programmes to the pharmaceutical industry. Modern Biosciences' major shareholder is IP Group plc, the developer of intellectual property based businesses. For more information, please visit www.modernbiosciences.com.

About MBS' bone-protective compounds

MBS' novel bone-protection programme was licensed in 2007 from OsteoRX Limited ("OsteoRX"), a spin-out company from the University of Aberdeen ("Aberdeen"). The programme comprises a series of orally available small molecules which are highly effective in preventing rheumatoid arthritis in disease models. The compounds act via a novel molecular mechanism which means they not only reduce inflammation and bone damage associated with rheumatoid arthritis, but have the potential to reverse bone damage via a directly protective effect that is unique amongst existing agents. Under the terms of its agreement with OsteoRX and Aberdeen, MBS will share an undisclosed percentage of revenue generated under the Janssen agreement with Aberdeen and other stakeholders. MBS' novel bone-protection programme was recently the subject of a £2.4 million award from Innovate UK through the BioMedical Catalyst ("BMC"). The BMC funding will make an important contribution to the Phase 1 programme and builds upon an earlier £1.6 million BMC award made in 2012 which enabled the programme to progress to its current stage.

About rheumatoid arthritis

Rheumatoid Arthritis (RA) is a chronic, progressive and disabling auto-immune disease affecting 165 million people worldwide, or one per cent of the global population. It is an incredibly painful condition, can cause severe disability and ultimately affects a person's ability to carry out everyday tasks. The disease can progress very rapidly, causing swelling and damage to cartilage and bone around the joints. Any joint may be affected but it is commonly the hands, feet and wrists that are involved. It is a systemic disease which means that it can affect the whole body and internal organs such as the lungs, heart and eyes.

Filing Data

Not available.

Contract

Not available.