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# LCT, Otsuka to co-develop NTCELL for Parkinson's

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**Singapore:** Living Cell Technologies have signed an agreement with Otsuka Pharmaceutical Factory to co-develop NTCELL for the treatment of Parkinson's disease and other neurological disorders.

LCT will receive an upfront payment of $3 million within 30 days of signing. In addition, Otsuka will fund all development costs, estimated at $2 million, to complete the previously announced phase I trial of NTCELL in Parkinson's disease. LCT will receive a further milestone payment of $2m when the first patient in the Phase I Parkinson's trial has been safely implanted with NTCELL. This is expected to occur in the second quarter of 2013.

In return, LCT has granted Otsuka an exclusive option to jointly develop and commercialize NTCELL in Parkinson's and other neurological diseases, including hearing loss, through Diatranz Otsuka, the 50:50 joint venture formed between LCT and Otsuka. If Otsuka exercises this option it will subscribe for $20 million of additional equity into DOL to fund the ongoing development of NTCELL in Parkinson's disease through to market approval and to further develop NTCELL in other neurological diseases.

At the same time LCT will transfer the intellectual property for therapeutic use of NTCELL in neurological disease and hearing loss into DOL. This will create a new $40m asset in the DOL joint venture. Both OPF and LCT will remain equal shareholders in DOL after this transaction.

LCT will retain the exclusive, perpetual licence to develop NTCELL for the treatment of all other, nonneurological diseases. "This agreement ensures that, if the Phase I clinical trials are successful, the development of NTCELL as a treatment for Parkinson's disease will be fully funded through to market approval," said Dr Andrea Grant, managing director of LCT. "We will be able to bring NTCELL to patients and the market without further recourse to our shareholders' funds, whilst retaining 50% of the commercial return through our shareholding in DOL."

LCT will use the $3m up front and $2m early milestone payment to further develop its other therapeutic products, including NTCELL in non-neurological diseases, and other cell based products from its technology platform. "We can also set about securing further assets and partnerships to broaden and diversify our platform technologies and product pipeline," said Dr Grant.

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Mr Hiromi Yoshikawa, executive senior managing director, Otsuka Pharmaceutical Factory, said, "Our partnership with LCT in DIABECELL has delivered on all fronts in the last year. NTCELL represents another pioneering potential therapeutic that LCT has developed. We are delighted to extend our partnership to include NTCELL so that together we might transform the lives of patients with Parkinson's disease and other neurological disorders."

Mr Roy Austin, chairman, LCT, added, "That Otsuka has chosen to expand its partnership with LCT is a testament to the mutual respect and trust that the two companies have for each other, and to the progress we have made in the last year. It further validates LCT's approach to innovative research, clinical development and business development, and enables us to continue to build LCT into a biopharmaceutical company with a diverse platform of technologies and therapeutic assets."