

Local challenge to CSL's monopoly

JARED LYNCH

Brisbane has lured a Sydney-based company that hopes to challenge CSL's monopoly in plasma processing.

Aegros, which plans a \$300m-plus listing on the ASX next year, has developed plasma fractionation technology which it says can nearly double the yield compared with bigger biotech companies such as CSL.

It is shifting its headquarters from Sydney to Brisbane and building a \$450m fractionation plant to process a million litres of plasma equivalent a year, after attracting support from the Queensland government.

But to produce its hyper-immune products, the company has to rely on costly imported plasma from the US, rather than securing it for free from the National Blood Authority, which funds the collection of plasma donations via Red Cross Lifeblood.

Aegros managing director John Manusu said this was holding Australia back from being self-sufficient in plasma – a goal that could be met using Aegros's technology rather than current fractionation methods.

"The problem is that CSL, because they are a monopoly, they are – and rightfully so – exercising monopolistic profits," Mr Manusu said. "They charge the Australian government \$57 for every gram that they process of Australian plasma – plasma that is given to them for free.

"But the product that they cannot supply out of Australia, and it's roughly 50 per cent ... they charge \$45 per gram for the same finished product, but that includes the cost of plasma. That's called the monopolistic profit. And that is what the National Blood Authority would love to remove by having a second supplier, an Australian supplier."

Mr Manusu says if the company could access free NBA-funded plasma collections, it would charge the government



Aegros co-founders John Manusu, left, and Hari Nair

DYLAN COKER

\$45 a gram, which is the same price CSL charges for its imported product.

"We're not interested in destroying the market. We have offered \$45, so we are saying 'look, we'll do it for the same price as international plasma'," he said.

"It will reduce their costs, it'll increase resource efficiency because we double the yield, so you could actually make Australia completely self-sufficient, if we fractionated every litre of plasma collected in this country.

"That's not going to happen, not any time soon. But that's what we could do with the facility in Queensland and this is why the National Blood Authority are so keen on it."

In the past 15 years, the share of locally donated plasma has fallen from 82 to 52 per cent, while imports of immunoglobulins surged from 20 to 47 per cent.

Mr Manusu said Aegros's Queensland factory would be able to supply 85 per cent of Australia's demand for plasma-derived medicinal products, and was working with the University of Queensland and other institutions to develop the next generation of hyper-immunes to help combat the next pandemic.

He said Aegros could separate the proteins from plasma more efficiently because it uses a four-step process. "No matter how good your process is, you're never going to get 100 per cent yield out

of every step," he said. "So if you take four or five steps and you're getting a 90 per cent yield, you're down to 50 per cent before you even know it, and that's the problem that they have."

Aegros founding executive chair Hari Nair said he believed the tide was beginning to turn in the company's favour. "What has become very apparent for us is that during the pandemic, that having an alternative to CSL in terms of supply of plasma proteins is important in Australia," Professor Nair said.

"And if you can do that with a much more efficient technology that is an Australian invented and developed technology, then that's the way we should go."