

Stock Data

Share Price: 26.2p
Market Cap: £30.3m
Shares in issue: 115.5m

Company Profile

Sector: Healthcare
Ticker: AVCT
Exchange: AIM

Activities

Avacta is a biotechnology company which has developed the proprietary Affimer® technology platform, a unique engineered alternative to antibodies. Affimer proteins can be developed quickly for drug development and a wide range of life sciences applications in the diagnostics and research sectors.

Share price performance chart



Source: LSE

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Avacta Group plc

Avacta will announce its financial results for the year ended July 2018 on 2 October 2018. Within these results, we anticipate a positive forward looking statement as a consequence of the recently completed placing to raise £11.6m at the end of the financial year. These new funds have enabled Avacta to outline a comprehensive and potentially exciting long term investment programme across both its Therapeutics and Reagents businesses.

As announced on 31 July 2018, Avacta issued a total of 46.47 million shares at 25p per share to raise £11.6m before expenses. Avacta has earmarked these funds to enable the company to enter into new drug development partnerships, develop the Affimer therapeutic pipeline, licence Affimer reagents and also seek to achieve a clinic-ready candidate for first-in-man trials of its PD-L1/LAG3 bispecific therapy.

Avacta has outlined its intention to invest approximately £6.2m in its Therapeutics business. The company intends to deploy £2m into the PD-L1/LAG3 bispecific programme focused on the IND enabling studies during 2018/19.

The company will also deploy £1.2m into the PD-L1 Drug Conjugate programme in partnership with Tufts Medical Center. This co-development partnership was announced in late July 2018 and both parties have agreed to seek to develop a novel PD-L1 targeted drug conjugate in order to achieve in-vivo pharmacology data in 2020 for partnering or development.

A further £0.75m is earmarked for investment into the targeted agonists in order to achieve in-vivo pharmacology data in 2020 for partnering or development and £1.0m will be invested into the company's discovery pipeline to continue to build the Affimer I-O assets for future collaborative projects.

Finally, Avacta has targeted £1.25m of investment in staffing costs related to the group's clinical and regulatory team which will include the appointment of a Chief Medical Officer, business development and long term IP protection.

On the Reagents side of the business, Avacta has outlined plans to deploy £3.3m of new funds, of which £0.8m will be devoted to business development. This investment will seek to deliver 10-20 royalty bearing licences by 2021, at least one major diagnostic licence deal with seven figure royalty potential and 50-100 paid for projects by 2021. Additionally, this investment will fund Avacta future attendance at industry conferences and exhibitions and a full time global business development team.

The company has indicated that it will spend £2.5m on further R&D to extend the pipeline of diagnostic Affimer assets for licensing and also grow the R&D team. At group level, a further £1.0m will be made available for capex, working capital and additional IP costs where they arise.

In tandem with financing, Avacta continues to make progress on the operational side of the business, highlighting solid progress with existing partners, Moderna, Glythera and FIT Biotech and several new partnership including FIT Biotech and Tufts Medical Center agreements since the start of 2018. With significant new funds in place, we believe that the company is well placed to leverage the significant degree of in-house expertise through its growing network of commercial partnerships over the next three years.

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