

#### Stock Data

Share Price: 18.0p  
Market Cap: 20.9m  
Shares in issue: 116.2m

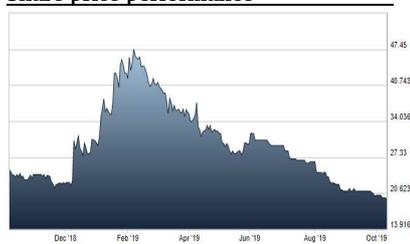
#### Company Profile

Sector: Healthcare  
Ticker: AVCT  
Exchange: AIM

#### Activities

Avacta is a biotechnology company which has developed the proprietary Affimer<sup>®</sup> 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



Source: LSE

**Past performance is not an indication of future performance.**

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## Avacta Group plc

Avacta has entered into an agreement with ADC Therapeutics SA (Lausanne CH) under which the parties will develop jointly Affimer-drug conjugates combining Avacta's Affimer<sup>®</sup> technology with ADC Therapeutics' pyrrolbenzodiazepine (PBD)-based warhead and linker technologies. This collaboration is expected to harness the benefits of Affimer proteins to selectively and efficiently target ADC Therapeutics' PBD drugs to the sites of tumours with the intention of developing breakthrough oncology treatments.

Based in Lausanne in Switzerland and with operations in the UK and US, ADC Therapeutics is an oncology drug discovery and development company specialising in the development of proprietary antibody drug conjugates (ADCs) that target major haematological malignancies and solid tumours. Its ADCs are highly targeted biopharmaceutical drugs that combine monoclonal antibodies specific to surface antigens present on particular tumour cells with a novel class of highly potent PBD-based warheads via a chemical linker.

ADC Therapeutics has five PBD-based ADCs undergoing clinical trials. These range from landmark Phase II studies to first-in-human trials combined with an extensive pipeline of other preclinical ADCs in development. ADC Therapeutics' is closely linked to and heavily backed by AstraZeneca and its global biologics research and development subsidiary, MedImmune.

Under the terms of the collaboration with DC Therapeutics, Avacta has agreed to generate and optimise Affimer<sup>®</sup> binders against three as yet undisclosed cancer targets and provide these to ADC Therapeutics to target its proprietary cytotoxic warheads (PBDs) to the site of tumours. ADC Therapeutics will also conduct pre-clinical research and development programmes to evaluate each of the Affimer-drug conjugates with the intention of generating clinical candidates.

The commercial agreement between the two parties provides ADC Therapeutics with options to obtain exclusive licenses to Avacta's Affimer<sup>®</sup> proteins for clinical development and commercialisation on a target by target basis.

Although no specific financial terms have been disclosed at this stage, ADC Therapeutics has agreed to cover all of Avacta's costs over the duration of the collaborative agreement. Upon ADC Therapeutics entering into each of the commercialisation licenses and bringing new Affimer-drug conjugates to market successfully, Avacta will receive option fees and development and commercialisation milestones in addition to single-digit royalties on sales.

**We believe that this represents further progress for Avacta as the group is in a strong position to demonstrate the effectiveness of Affimer<sup>®</sup> technology in a range of oncology treatments and de-risk the Affimer<sup>®</sup> platform further. With Avacta's costs covered by ADC Therapeutics over the course of the collaboration and the potential for Avacta to generate diverse and recurring revenue streams in the event the ADC Therapeutics brings an Affimer-drug conjugate to market, we believe that agreements such as this serve as a highly attractive blueprint for the commercial advancement of the company.**

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