

Stock Data

Share Price: 18.25p
Market Cap: £32.1m
Shares in issue: 175.9m

Company Profile

Sector: Healthcare
Ticker: AVCT
Exchange: AIM

Activities

Avacta ('the Group') 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



Source: [LSE](#)

Past performance is not an indication of future performance.

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Avacta Group plc

A positive Trading Update. Detailing unaudited figures for a 17-month period in order to shift its financial year end to December, Avacta has reported a doubling of revenues compared with numbers delivered for the 12-months ended July 2018. Revenues were boosted by receipt of its first milestone payment from its partnership with [LG Chem](#), along with significant growth within its Affimer® diagnostics business. Having also raised c.£9m gross proceeds from an equity placing and subscription last October, the Group presently sits on a good 'cash cushion' which is now being focussed on taking its first pre|CISION pro-drug, AVA6000, into the clinic during 2H'2020 while also forwarding its partnered programmes and licensing relationships for its Affimer® diagnostics reagents.

Avacta, the developer of Affimer® technology and pre|CISION chemotherapies, has released a positive trading update for the 17-month period ended 31 December 2019. Ahead of release of its scheduled results in late March, revenues for this period, which include an initial milestone payment from LG Chem, reportedly grew 100% to £5.5m from £2.76m (12-months ended 31 July 2018), were ahead of market expectations. Importantly within this, revenues from the Affimer® diagnostics business grew by 130% as more customer evaluations of the Affimer® platform got underway, with the Group's order intake and sales pipeline into 2020 are presently at their strongest to date.

Following completion of an equity placing in November 2019, Avacta's cash position at the end of 2019 was £8.7m (31 July 2018: £5.2m). During the current year to 31 December 2020, the Group expects to focus its resources on taking its first pre|CISION pro-drug, AVA6000, into the clinic in the second half of 2020 and on its partnered programmes. Current year revenues are also expected to further benefit from the Group's expanded LG Chem partnership, its new collaboration established with [ADC Therapeutics](#) and the recently announced joint venture with [Daewoong Pharmaceuticals](#). Significantly, each of these will fully fund Avacta's related R&D activities.

Today's trading update follows Tuesday's news of the appointment of a new Non-Executive Director to the Board, Mr Paul Fry, which becomes effective from 3 February 2020. Mr Fry has extensive financial experience across a number of industries including biotech, pharmaceutical and telecommunications. He is currently Chief Financial Officer of Vectura Group plc, an industry leading inhaled drug delivery specialist listed on the FTSE Main Market. Prior to his current position, he was Chief Financial Officer of Immunocore Limited, a leading biotech company focused on the development of a new class of immunotherapeutic drugs based on proprietary T-cell receptor technology. Mr Fry will also be appointed Chair of Avacta's Audit Committee.

The Affimer platform is an alternative to antibodies derived from a small human protein. Despite their obvious shortcomings, antibodies currently dominate global markets worth in excess of US\$100bn. Success in signing research and development accords with three major international companies, in the form of a partnership, collaboration and a joint venture, represents not only a major endorsement of Avacta's technology, but also highlights Big Pharma's determination to invest in such giant, albeit early-stage, opportunities. Meanwhile, through combination of its two proprietary platforms (Affimer® biotherapeutics and pre|CISION™), Avacta is building a wholly owned pipeline of novel cancer therapies with the aim of creating effective treatments for all cancer patients including those who do not respond to existing immunotherapies. Thus a ground-breaking year is now in prospect with the Group proposing to take its first drug, a pre|CISION targeted form of the standard-of-care Doxorubicin, into the clinic during the second half of 2020. Designed to reduce side effects without affecting efficacy, the molecule's initial readouts are expected before the end of this year and potentially represent a major inflection point along with an opportunity for creation of significant commercial value for the Group.

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