

Stock Data

Share Price: 22.75p
Market Cap: £40.0m
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

Avacta announces its signing of a collaboration and license agreement with AffyXell Therapeutics. Coming just two weeks after establishing its joint venture with Daewoong Pharmaceutical, Avacta already appears to be 'punching well above its weight'. The unique opportunity presented through combination of two world-class technologies, Avacta's Affimer antibody mimetic platform and Daewoong's proprietary technology for generation of 'off-the-shelf' allogeneic mesenchymal stem cells ('MSC') therapies, offers potential to create the next generation of stem cell therapies. This not only opens up a giant new, long-term market opportunity but significantly also, AffyXell is committed to fund all of Avacta's related costs despite it retaining the commercial rights to the proteins in all unrelated fields.

Avacta, the developer of Affimer® technology and pre|CISION chemotherapies, has signed a collaboration and license agreement with AffyXell Therapeutics ('AffyXell'), the name given to the Group's recently established joint venture with Daewoong Pharmaceutical, the leading South Korean pharmaceutical company. Within this three-way agreement, AffyXell is committed to fund all of Avacta's related research and development costs, while it retains the rights to commercialise the Affimer proteins outside of the field of cell therapies.

Avacta and AffyXell will now work together to develop Affimer proteins against a range of targets. The initial focus will be on inflammatory and autoimmune diseases, with the intention that Affimer proteins produced by MSCs demonstrate their ability to inhibit metabolic pathways while improving overall efficacy.

Considering this news within a wider commercial perspective, the [global stem cell market](#) is expected to be worth US\$16bn by 2025. AffyXell has a unique opportunity to combine two world-class technologies, namely Avacta's Affimer antibody mimetic platform and Daewoong's proprietary technology for generating 'off-the-shelf' allogeneic MSC therapies. This in turn presents stakeholders with an opportunity for substantial and relatively near-term value creation, through the development of a next generation of stem cell and gene therapies.

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 therapies with the aim of creating effective treatments for all cancer patients including those who do not respond to existing immunotherapies. Significant though today's news is, it is likely to be just one step in what is expected to be a ground-breaking year. In 2020, the Group proposing to take its first drug, AVA6000, a pre|CISION targeted form of the standard-of-care Doxorubicin, into the clinic. Designed to reduce side effects without affecting efficacy, the molecule's initial readouts are expected before the period end. This potentially represents a major inflection point along with opportunity for creation of significant commercial value, while the Group also forwards its partnered programmes and licensing relationships for its diagnostics reagents.

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