

**Stock Data**

Share Price:	55.0p
Market Cap:	£96.7m
Shares in issue:	175.9m*

\*Pre-Conditional Placing

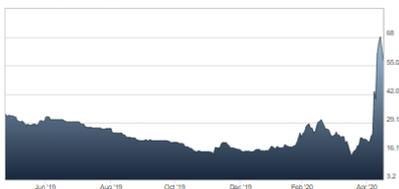
**Company Profile**

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.

**Turner Pope contact details**

Turner Pope Investments (TPI) Ltd  
8 Frederick's Place  
London  
EC2R 8AB

Tel: 0203 657 0050  
Email: [info@turnerpoppe.com](mailto:info@turnerpoppe.com)  
Web: [www.turnerpoppe.com](http://www.turnerpoppe.com)

Attention is drawn to the disclaimers and risk warnings at the end of this document.

This is a non-independent marketing communication. The analyst who has prepared this report is aware that TPI has a relationship with the company covered in this report. Accordingly, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

TPI acts as joint broker to Avacta Group plc.

Retail clients (as defined by the rules of the FCA) must not rely on this document.

**Barry Gibb**  
Research Analyst

Tel: 0203 657 0050  
[barry.gibb@turnerpoppe.com](mailto:barry.gibb@turnerpoppe.com)

**Andrew Thacker**  
Corporate Broking & Sales

Tel: 0203 657 0050  
[andy.thacker@turnerpoppe.com](mailto:andy.thacker@turnerpoppe.com)

**Zoe Alexander**  
Corporate Broking & Sales

Tel: 0203 657 0050  
[zoe.alexander@turnerpoppe.com](mailto:zoe.alexander@turnerpoppe.com)

# Avacta Group plc

After just four weeks, the Avacta/Cytiva Partnership has successfully generated several highly specific Affimer reagents for a COVID-19 antigen rapid test. Today's news release perfectly reflects the exceptional value, advantages and opportunity the Group's Affimer® technology is capable of creating. The need for antigen tests to diagnose this coronavirus infection that can be mass produced for rapid, professional screening of large populations, and for self-testing by consumers themselves, is crucial to limiting and tracking the spread of this disease. Antigen testing will also be critical to lockdown exit strategies around the world in order to get healthy, non-contagious people back to work to re-boot economies, together with an ongoing future need for antigen testing given that the disease is likely to recur. Representing an excellent start to its collaboration with Cytiva, Avacta expects shortly to be able to provide Affimer reagents to implement on their rapid test strip technology. This represents a significant step forward, not only in terms of development of a reputation-building, high-profile new product of global significance, but also near and longer-term commercial opportunities for its platform.

Avacta, the developer of Affimer® technology and pre|CISION chemotherapies has, well ahead of schedule, this morning announced it has successfully generated multiple Affimer reagents that bind the SARS-COV-2 viral antigen as part of the collaboration with Cytiva (formerly GE Healthcare Life Sciences) to develop an Affimer-based rapid test for the COVID-19 coronavirus infection. These Affimer reagents will be characterised by Avacta with the aim of developing a laboratory test within the next few weeks. These Affimer binders will also be transferred to Cytiva shortly for implementation in a point-of-care test strip, similar in appearance to a pregnancy test, giving a visual read-out in minutes using a sample such as saliva.

This collaboration is providing an ideal demonstration of the advantages of Affimer® technology, using which Avacta is already building a pipeline of clinically differentiated cancer immunotherapies that leverage the technology's key benefits. Generated using a well-established and optimised phage display process, high-affinity Affimer® target binders are routinely identified directly from the naïve library in just a few weeks. The simple Affimer® scaffold is easy and cost-effective to produce in high-yield bacterial expression systems, while being fully compatible with mammalian and other expression systems.

As such, Affimer® proteins can be genetically fused to each other to form multi-specific therapies, or to a variety of other proteins, such as the C-terminus of an antibody, to generate bispecific biobetter formats. Importantly, all formats of these multi-specific Affimer® therapeutics retain high expression yields. They can also be conjugated to toxins to form Affimer-drug conjugates. Most significantly for investors, Avacta owns all intellectual properties relating to the SARS-COV-2 Affimer reagents and retains all commercial rights. It is also in active discussion with other global diagnostic companies to develop Affimer-based COVID-19 antigen tests to increase high-throughput testing capacity on a world-wide scale.

On 6th April 2020, Avacta confirmed its conditional raising of a further £3.75m (taking its total raise to £5.75m) through an equity placing at 18p/share in response to substantial institutional interest. This remains subject to a General Meeting to be held on 23 April 2020. The new funds will be put towards the Group's key objectives as detailed in October 2019, primarily to complete the Phase I clinical trial of AVA6000 (pro-doxorubicin), as well as strengthening its balance sheet in order to adequately respond to the uncertainties generated by the coronavirus pandemic. Based on anticipated burn for the COVID-19 test strip as detailed above and its existing programmes, TPI estimates Avacta should still hold cash c.£8.5m by its December year end. It will initiate the Phase I trial of its lead asset late in 2020 and initial data will be available within a few months, but the cash position means that Avacta is now fully-funded to complete this trial. Beyond the obvious reputational and commercial, albeit presently unquantifiable, short and longer-term opportunities that could emerge from its new partnership with Cytiva, this development represents a major inflection point along with potential for creation of significant value for Avacta, while it also forwards its partnered programmes and licensing relationships for its diagnostics reagents.

**THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.**

### **Conflicts**

This is a non-independent marketing communication under the rules of the Financial Conduct Authority (“FCA”). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited (“TPI”) has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

### **Risk Warnings**

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Any opinions expressed in this document are those of TPI’s research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results.

AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

### **Specific disclaimers**

TPI acts as joint broker to Avacta Group plc (“Avacta”) which is listed on the AIM Market of the London Stock Exchange (“AIM”).

TPI’s private and institutional clients may hold, subscribe for or buy or sell Avacta’s securities.

Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. TPI has no authority whatsoever to make any representation or warranty on behalf of Avacta.

### **General disclaimers**

This document, which presents the views of TPI's research analyst, cannot be regarded as "investment research" in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPI's judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPI's prior written consent.

Copyright © 2020 Turner Pope Investments (TPI) Limited, all rights reserved.