

Stock Data

Share Price:	31.0p
Market Cap:	£54.5m
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.

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Avacta Group plc

The Zika virus, a member of the Flaviviridae family that was originally spread by daytime-active Aedes mosquitoes, has already provided an ideal demonstration that Avacta's Affimer platform can very quickly develop highly specific reagents in response to an outbreak of an infectious disease. The Group's global technology partnership with Cytiva announced today now provides it with immediate access to a COVID-19 diagnostic, which is essential if a practical and commercial solution is to be promptly offered to governments and healthcare providers around the world. Affimer-based tools can be designed rapidly and specifically for identified epitopes, while Cytiva's support in the form of technology transfer and usability should ensure a test is ready at the earliest point for use in the field. Potentially this provides Avacta with not only 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 entered into a collaboration with Cytiva, formerly known as GE Healthcare Life Sciences. The companies will develop and manufacture an Affimer-based point-of-care rapid test intended for screening of large populations to diagnose the COVID-19 coronavirus infection. The World Health Organisation ('WHO') recently highlighted the need for the development of rapid tests to quickly diagnose COVID-19 at point-of-care to assist in limiting and tracking infections. Existing tests are not suitable for screening large numbers of people for the infection as they are laboratory-based and it can take up to several days to get the results.

Avacta is already generating Affimer reagents that detect the COVID-19 virus and together with Cytiva will now develop and manufacture a test capable of diagnosing the infection in minutes using a respiratory sample, such as saliva. Cytiva will transfer this diagnostic assay onto its proprietary point-of-care test strip platform and both companies will work together to complete analytical and clinical validation of the test as quickly as possible. Avacta will own the intellectual property relating to the COVID-19 Affimer-reagents and will retain all the commercial rights to future products. Further commercial details have not been disclosed.

Many millions of tests will be needed for population screening and Avacta seeks to deliver an Affimer-based solution not only on Cytiva's platform but potentially also through other partners (with whom it is already in active discussion) as soon as possible. The Group aims to have developed Affimer reagents for a COVID-19 test by the end of May that can be transferred to Cytiva, and potentially to other global diagnostic manufacturers, with a view to its implementation in a test strip or similar-type application.

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. It 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 outlined today 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.

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