

**Stock Data**

Share Price:	143.5p
Market Cap:	£299.2m
Shares in issue:	208.5m

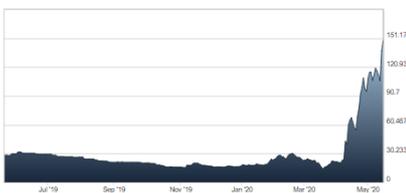
**Company Profile**

Sector:	Healthcare
Ticker:	AVCT
Exchange:	AIM

**Activities**

Avacta Group plc ('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 has entered into an exclusive distribution agreement with [Medusa19 Limited](#) ('Medusa19') for direct-to-consumer sales of a saliva-based rapid test for the COVID-19 antigen. Having established the giant and immediate global market opportunity for such a product, [significant investment](#) that Medusa19 is proposing to make along with its team's track records, provides Avacta's CEO with confidence that the commercial impact of this partnership could be 'very significant' for his Group. Avacta's decision to rapidly enter into such an agreement reflects its understanding of the importance of being an early mover, capable of offering the highest quality product along with the necessary manufacturing capacity through a global distribution hub capable of satisfying international consumer demand in a marketplace that might otherwise become saturated with 'me too' players. Subject to regulatory approval, Avacta and its development partner, Cytiva (formerly GE Healthcare Life Sciences), have now positioned themselves for global commercialisation in the direct to consumer market. Avacta continues to work to establish other routes to market with additional partners.

## Positioned for global commercialisation

Subject to the necessary regulatory approvals, Avacta has now agreed an exclusive distribution agreement with Medusa19 for the supply of the COVID-19 rapid test direct to consumers globally. Medusa19 has recently been established by Richard Hughes and Mahmud Kamani, both founder shareholders of Boohoo.com and shareholders of Avacta\*, in order to build a global consumer self-testing business. Medusa19's initial focus will be on COVID-19 home testing and it is currently investing in global e-commerce, logistics and customer support infrastructure in preparation for Avacta's COVID-19 test launch. Medusa19 will also have non-exclusive rights to supply the tests to businesses for workforce testing. The distribution agreement includes a profit-sharing arrangement.

The global demand for rapid antigen tests, which will be critical to lockdown exit strategies around the world in order to get healthy, non-contagious people back to work, could be many millions of tests per month. There will also be an ongoing need for several years for this type of testing as the disease recurs. Having supplied reagents that detect the SARS-COV-2 virus spike protein to Cytiva for test development, the Group now intends to establish further rapid test strip manufacturing partners in anticipation of a very high demand for the COVID-19 antigen test. The ambition is to have prototype devices available around the end of May and then to have the test validated and CE marked for professional and consumer use as soon as possible this summer.

## At a major inflection point?

Presently there is only one other 'nasal swab' [FDA-approved antigen test](#) (from [Quidel Corp](#)). Yet it appears to be somewhat flawed due to relatively (85%) poor detection sensitivity, something which Avacta's product is expected to surpass. Beyond the obvious reputational/commercial, albeit presently wholly unquantifiable, short and longer-term opportunities that could emerge from the Group's partnerships with Cytiva (and Adeprinx), along with potential to also collaborate with Big Pharma in an effort to develop a globally significant coronavirus neutralising technology, Avacta is potentially at a major inflection point, presenting opportunity for the creation of significant further near-term value for shareholders.

\* Clare Hughes (wife of Richard Hughes) and Umar Mahmud Kamani (son of Mahmud Kamani).

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