

**Stock Data**

Share Price:	152.5p
Market Cap:	£379.4m
Shares in issue:	248.8m

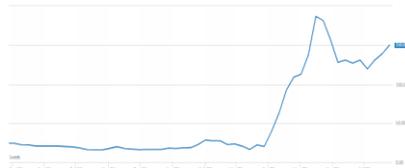
**Company Profile**

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.

**1-year Share price performance**



Source: [LSE](#)

**Past performance is not an indication of future performance.**

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# Avacta Group plc

Avacta has announced an extension to its collaboration and license agreement with Daewoong Pharmaceutical Co. Ltd. (KSX: 069620, 'Daewoong'). [AffyXell Therapeutics](#), the joint venture established in South Korea by the two companies, will now also undertake research covering the SARS-COV-2 neutralising Affimer molecules for the treatment of COVID-19, while also ensuring that it is prepared for rapid development of similar therapies for future global pandemics. Given that the JV's research & development costs are fully funded by Daewoong, Avacta has effectively established a low-cost means by which to actively participate in the exciting field of cell and gene therapy, while still retaining all therapeutic right to Affimers outside these areas. Although AffyXell is still a young business, the direction of resources, IP and timely application by its founding companies suggests opportunity for substantial value creation exists. Possibly this was best highlighted in a [recent white paper](#) by [Pharma Intelligence](#) that detailed acquisitions of such early clinical stage assets being completed in the range of US\$1bn to US\$5bn over the past 12 months.

## Expanding the scope of the partnership

AffyXell Therapeutics, the next-generation cell and gene therapy joint venture between Avacta (45%) and Daewoong Pharmaceutical (55%) established in [January 2020](#), has been developing a novel class of mesenchymal stem cell ('MSC') treatments that are engineered to also produce Affimer therapies in the patient at the site of action. Their potential is for application to a wide range of inflammatory and autoimmune diseases, while also ideally demonstrating the power of Affimer proteins in the field of engineered cell therapies. The ultimate objective originally cited by the joint venture is to create capability to fully address severe and life-threatening conditions, such as inflammatory bowel diseases and multiple sclerosis, as well as other autoimmune diseases.

The expansion of the agreement announced today extends the scope of the partnership to include Affimer molecules that target viruses, such as coronaviruses, in order to develop therapies that repair the lung damage caused by COVID-19, whilst also producing neutralising Affimer molecules to prevent the progression of the disease. The work will allow AffyXell to develop expertise in order to rapidly develop next-generation stem cell therapies for future infectious respiratory disease outbreaks. This expertise could also be applied to other severe respiratory conditions resulting from an overactive immune response, such as chronic obstructive pulmonary disorder ('COPD') and idiopathic pulmonary fibrosis ('IPF').

## Approaching a major inflection point?

Having recently put the necessary [financial resources in place](#), Avacta now appears positioned to reach a number of major inflection points. While timing remains of the essence for any COVID-19 therapeutic development, the broader research opportunity that now also encompasses potential application for future global pandemics could create exceptional long-term value. The wider ambition of the JV to also control infectious respiratory disease outbreaks that already command multi-billion dollar markets further highlights the development potential offered through Affimer molecules. Today's news covers just one of a number of ambitious and rapidly developing projects Avacta presently has underway, all of which address areas of major growth potential. Although, given the development stage and rapidly moving background, it is not presently possible to award specific, high confidence value to any of these, successful delivery could further multiply Avacta's current market valuation in the relatively near-term.

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