

Synairgen PLC

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Synairgen making headway

- Focused on respiratory disease
- Two drugs candidates, one being developed in-house the other by a partner
- Financially well set to progress its key asset, analyst says

Respiratory specialist

Synairgen plc (LON:SNG) is currently running a two-part phase II trial evaluating SNG001. This is an inhaled interferon beta drug candidate designed for people with chronic obstructive pulmonary disease (COPD) who are also suffering cold or flu infections.

It has completed the first part of its SG015 study, assessing the safety of the treatment. The second instalment is underway at 13 separate sites.

In an update, the company said the milder start to the current virus season means Synairgen expects the trial to continue into the 2019/20 peak period for cold and flu.

LOXL2

The company's Australian partner has completed phase I trials and toxicology on a LOXL2 inhibitor developed by Synairgen.

This now paves the way for Pharmaxis to advance discussions with potential partners for the drug, which has been developed to treat non-alcoholic liver disease (NASH) and a rare lung condition.

The company retains a 17% "carried interest" in the asset.

Synairgen's BioBank

Over the years, Synairgen has accumulated an extensive bank comprised of blood, sputum, nasal lavage, biopsies, bronchial epithelial cells and fibroblasts from volunteers with asthma or COPD. Using this resource, the company has developed a number of advanced tissue models.

It uses these models to:

- Discover novel drug targets
- Identify disease-related lesions and underlying molecular mechanisms
- Conduct proof of concept testing and validation of novel drug targets
- Conduct screening assays for novel drug targets and lead target selection
- Provide support for clinical trial activities

Financially solid

Price: 9.75p

Market Cap: £1066980000M

1 Year Share Price Graph



August 2018 February 2019 August 2019

Share Information

Code: SNG

Listing: AIM

52 week High Low
22.50p 9.51p

Sector: Pharma & Biotech

Website: www.synairgen.com

Company Synopsis:

Synairgen is a drug discovery and development company founded by University of Southampton Professors Stephen Holgate, Donna Davies and Ratko Djukanovic. The business, focused primarily on severe asthma and COPD, uses its differentiating human biology BioBank platform and world-renowned international academic Key Opinion Leader network to discover and develop novel therapies for respiratory disease. .

action@proactiveinvestors.com

The company ended last year with £5.33m in the bank, having raised £2.7m.

Research and development costs were £3.23m, while the company posted a loss of £4.13m for the 12 months to December 31.

What the broker says

Mark Brewer of small-cap specialist finnCap said the adjusted net loss was £1.3m better than he had been forecasting. He added that year-end cash of £5.3m was "sufficient to more than cover the cost of the ongoing phase IIa study of SNG001".

On the slower than expected sign-up rate for the trial, he added: "We are hugely reassured by the fact that all patients enrolled are virus-positive, which increases the probability of SNG001 showing a drug-related effect."

Brewer's price target for the stock is 54p. The shares are currently changing hands for 15p.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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