

Avacta Group PLC

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Avacta raises £9m as its moves towards first clinical trial

Biotech firm Avacta Group PLC (LON:AVCT) is to raise £9m to push ahead with a first clinical trial of anti-cancer treatment Pro-Doxorubicin.

Avacta will use the funds to accelerate the collaboration with Tufts University Medical School on the drug, which is a new form of standard cancer drug Doxorubicin.

WATCH: Avacta Group PLC boss sees a huge opportunity with new version of cancer treatment

Doxorubicin has been a standard of care for soft tissue sarcomas for 40 years, but its use is limited by the heart damage it causes. Even so, the drug still generates US\$1bn a year in revenues.

AVA6000, the combination with the technology licensed from Tufts last year is inert until activated by a tumour, which reduces the heart's exposure to the chemotherapy and concentrates the active drug in the tumour.

Testing of 'AVA6000 Pro-Doxorubicin' has been limited to mice so far, but Avacta plans to start dosing patients in a phase 1 clinical trial in the second quarter of 2020, pending application and regulatory approval.

Avacta had previously said its first drug into human trials would be an Affimer PD-L1 inhibitor cancer treatment known as AVA004, but has decided to focus on Pro-Doxorubicin because it provides an opportunity for major licensing deal much sooner.

The £9m of new money is being raised through a placing at 15p though there is also a small subscription.

Alastair Smith, chief executive, said that it was an "exciting time on all fronts" for the group and not just Pro-Doxorubicin.

Seven evaluations are ongoing with possible partners, he said, which includes four out of the top ten global diagnostics companies.

Heavier research spending meant a loss before tax of £11.1m, in the year to July.

Gross profits though jumped 72% to £3.2m, which included US\$2.5m received from new partner LG Chem Life Sciences.

Last December, LG Chem, a Korean group, agreed to fund development and eventually license Affimer technology in a deal potentially worth over US\$300m.

Price: 119.5

Market Cap: £297.31 m

1 Year Share Price Graph



Share Information

Code: AVCT

Listing: AIM

52 week High Low
215.36 12.6172

Sector: Pharma & Biotech

Website: www.avacta.com

Company Synopsis:

At Avacta we have developed Affimer technology, an engineered alternative to antibodies. Based on a small protein, Affimer technology can be quickly developed to bind with high specificity and affinity to a wide range of targets. Affimer proteins can be developed as therapeutic molecules and can be used in a wide range of other life sciences applications in research and diagnostics.

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