

RNS Number : 9394A
Avacta Group PLC
13 June 2016

Avacta and Mologic Enter Research and Product Development Collaboration Agreement

- *Avacta's Affimer technology will be used to develop rapid lateral flow diagnostics for clinical applications*
- *Development and commercialisation partnership in point of care testing*
- *Lateral flow diagnostics market is worth \$5bn annually and is growing at around 7% per annum*

Wetherby and Cambridge, UK, 13 June 2016: Avacta Group plc (AIM: AVCT) ("Avacta" or "the Group") the developer of Affimer[®] biotherapeutics and research reagents, and Mologic, a specialist diagnostic development company, today announced they have formed a collaborative partnership to develop diagnostic tests against multiple targets of clinical interest for point of care (POC) testing, using Avacta's Affimer technology. As stated at the time of Avacta's interim results, establishing commercial relationships in the POC testing market is one of the Company's key strategic objectives.

The non-exclusive collaboration with Mologic will focus on the development of novel Affimer-based diagnostic assays and the subsequent development of new lateral flow devices (LFDs) as POC diagnostics for human healthcare. Both companies will share in the future revenues from the commercialisation of the marketed diagnostics.

POC testing is performed at the time and place of patient care (e.g. doctor's surgery), and provides results more rapidly than if samples are sent to a laboratory. POC testing is dominated by lateral flow technology where the test result is displayed through the appearance of coloured bars on a test strip. The lateral flow diagnostics market is worth \$5bn annually and is growing at around 7% per annum.

The development of Affimer-based LFDs will address many of the existing limitations of traditional antibody-based systems. Current lateral flow technology relies predominantly on antibody-based detection which can limit specificity and the detection of certain classes of target molecule. In addition, lengthy development times, combined with poor consistency and reproducibility often

create manufacturing challenges. In comparison, the generation of Affimer molecules typically takes weeks rather than months, and as the process is based on tuneable, recombinant technology, Affimer reagents can be specifically engineered to a wide range of targets, in a highly consistent, reproducible and cost-effective process.

Mologic, whose senior management team has a long track record of successfully bringing rapid tests to market, is a UK-based developer of POC solutions and has been developing lateral flow technology for well over a decade.

Dr Alastair Smith, Chief Executive Officer, Avacta, commented: "I am very pleased that we have established this collaborative partnership with Mologic, who are well recognised as an innovative developer of lateral flow devices. It is important that Avacta forges co-development relationships such as this in the strategic application areas we have identified. They offer the opportunity to leverage each party's expertise to rapidly progress and develop the Affimer technology in these key markets, for delivery of new and innovative tools for clinical and bio-therapeutic applications. This partnership is a great endorsement of the value of Affimer technology in rapid test diagnostics, and I look forward to working together with Mologic and reporting on progress."

Mark Davis, Chief Executive Officer, Mologic, said: "At Mologic we are continually working to find new ways to improve LFDs. By partnering with Avacta and becoming one of the first companies to develop LFD tests using the Affimer platform, we have the potential to address a wider range of challenging targets than is possible with antibodies alone, with faster development times and improved performance, to the benefit of customers and patients."

ENDS

For further information from Avacta Group plc, please contact:

Avacta Group plc
Alastair Smith, Chief Executive Officer
Tony Gardiner, Chief Financial Officer

Tel: +44 (0) 844 414 0452
www.avacta.com

Numis Securities Limited
Michael Meade / Freddie Barnfield -
Nominated Adviser
James Black - Corporate Broking

Tel: +44 (0) 207 260 1000
www.numiscorp.com

WG Partners

Tel: +44 (0) 203 705 9318
Tel: +44 (0) 203 705 9217

David Wilson
Nigel Barnes
Claes Spang

www.wgpartners.co.uk

Zyme Communications (Trade and Regional
Media)
Katie Odgaard

Tel: +44 (0)7787 502 947
katie.odgaard@zymecommunications.com

FTI Consulting (Financial Media and IR)
Simon Conway / Natalie Garland-Collins

Tel: +44 (0) 203 727 1000
avacta@fticonsulting.com

For further information from Mologic, please contact:

Mologic Tel: +44 (0)1234 780020
Amanda Oxley amanda.oxley@mologic.co.uk

About Avacta Group plc (www.avacta.com)

Avacta's principal focus is on its proprietary Affimer[®] technology which is a novel engineered alternative to antibodies that has wide application in Life Sciences for diagnostics, therapeutics and general research and development.

Antibodies dominate markets worth in excess of \$50bn despite their shortcomings. Affimer technology has been designed to address many of these negative performance issues, principally; the time taken to generate new antibodies, the reliance on an animal's immune response, poor specificity in many cases, and batch to batch variability. Affimer technology is based on a small protein that can be quickly generated to bind with high specificity and affinity to a wide range of protein targets.

Avacta has a pre-clinical biotech development programme with an in-house focus on oncology and bleeding disorders as well as several partnered development programmes. Avacta is commercialising non-therapeutic Affimer reagents through custom Affimer services to provide bespoke solutions to research and diagnostics customers and via a small on-line catalogue of Affimer products.

About Mologic (www.mologic.co.uk)

Mologic, developer of novel diagnostic products for human and non-human applications, is entering into an exciting phase of product development and commercialisation, bringing to market its entire range of diagnostic and patient management technology established during the past 10 years of dedicated research. This portfolio includes a home based Respiratory Disease Exacerbation Monitor for CF and COPD, a Peritoneal Dialysis Infection Diagnostic, a Sepsis Diagnostic and a series of technically related products monitoring the host inflammatory response, all for use at the point of care and/or in the home.

These products are aimed at bringing early warning of disease progression to the patient in the home or to the care provider in the professional environment. This will not only bring forward the use of appropriate treatment but will also reduce the burden on healthcare resources whilst improving the quality of life for patients with chronic disease.

The first products to reach the market during or before Q1 2017 will include products for the diagnosis of Bacterial Vaginosis, Urinary Tract Infection and Peritoneal Dialysis Infection.

Underpinning these technical developments, Mologic has maintained its vibrant contract partnering group that continues to deliver high quality innovation and applied development in the sectors of diagnostics and vaccine development for both human and non-human applications.

This information is provided by RNS
The company news service from the London Stock Exchange

END

NRAAKBDDDBKBCAD