

Scancell

UKRI awards funding for COVID-19 trial

27 August 2020

- A Scancell led consortium has secured funding to initiate a Phase I trial (COVIDITY) to explore a vaccine for COVID-19. Approximately £2m of this award will be directed to Scancell to cover most of the costs of this initial clinical study, which is expected to initiate in 2021. The funding comes from Innovate UK, through the '[UK Research and Innovation \(UKRI\) Ideas to Address COVID-19](#)' programme. Details of the proposed vaccine programme were covered in our [May 2020 Update](#) note.
- The COVIDITY project will initially be a collaboration between the Centre for Research on Global Virus Infections and the Biodiscovery Institute at the University of Nottingham, together with Nottingham Trent University and the John van Geest Cancer Research Centre. Professor Lindy Durrant, Scancell's Chief Scientific Officer and Professor of Cancer Immunotherapy at the University of Nottingham, will lead the project.
- Scancell's proposed DNA vaccine has a two-pronged approach which targets both the SARS-CoV-2 nucleocapsid (N) protein and the key receptor-binding domain of the spike (S) protein to generate both high avidity T cell responses and virus neutralising antibodies (VNABs). The N protein is highly conserved amongst coronaviruses; hence it should have the potential to provide protection not only against SARS-CoV-2, but also against future new strains of coronavirus.
- The objective is not to be the first viable vaccine to reach the market, but to create a second-generation vaccine that can produce more potent and longer lasting immune responses, particularly in vulnerable populations with potentially weaker immune systems such as the elderly.
- Whilst the COVIDITY programme is a promising opportunity, the main focus of Scancell's development efforts remains on the core cancer immunology franchise. The recent £15m (gross) raise allows the company to pursue its strategy with greater clarity and purpose. This includes supporting partnering discussions for the antibody technology platform, progressing the Phase I/II trial for Modi-1 and Phase II study for SCIB2 (see our [May 2020 Outlook](#)).

Price	8.4p
Market Cap	£51.2m
Primary exchange	AIM
Sector	Healthcare
Company Code	SCLP.L
Corporate client	Yes

Company description:

Scancell is a clinical-stage immuno-oncology specialist that has three technology platforms. Two flexible therapeutic vaccine platforms are progressing through development. ImmunoBody and Moditope induce high avidity cytotoxic CD8 and CD4 responses, respectively, with the potential to treat various cancers.

Trinity Delta view: The award of £2m to fund the COVIDITY Phase I study is welcome validation of the value of Scancell's vaccine expertise. Whilst unlikely to be the first effective vaccine to market, its targeting of dendritic cells and ability to stimulate high avidity and potent T cell responses means it could provide a longer lasting and effective response through inducing both durable T cell responses and virus neutralising antibodies. The early nature of the project means that we do not include it in our current £83.7m valuation, equivalent to 13.3p/share (11.5p/share fully diluted), and so any success would represent additional upside.

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