

MaxCyte

US institutional private placing raises £40m

5 February 2021

- MaxCyte has raised £40m (gross), c \$55m, through an over-subscribed private placement of 5.74m new shares priced at 700p a share, a 4.5% premium to the closing price on February 2. Proceeds will strengthen MaxCyte's balance sheet, supporting its leading position in the field of electroporation for cell-engineering and its growing stable of partnerships. MaxCyte's ExPERT flow electroporation platform for non-viral delivery is increasingly playing an important enabling role in the development and manufacturing of many potentially transformative cell and gene therapies.
- MaxCyte counts all the top ten biopharmaceutical companies as clients plus numerous smaller, albeit well capitalised, specialised cell and gene therapy players. Licenced partnered programmes, a key component of our valuation model, now exceed 140 with more than 100 under clinical licence. Potential pre-commercial milestone payments are estimated to now exceed \$950m.
- The new shares, representing 6.9% of the enlarged share capital, have been issued as part of a strategic capitalisation round ahead with new investors including D1 Capital Partners, funds and accounts advised by T. Rowe Price Associates, ArrowMark Partners, Baron Capital Group, and First Light Asset Management. Existing investors, Casdin Capital and Sofinnova Partners, also participated. These specialist crossover investors will be helpful in ensuring a smooth NASDAQ dual listing, which remains on track for 2021.
- Of these newly issued shares, 5.4m will be classed US subscription common shares (symbol MXCT; ISIN US57777K1060) and are unrestricted; and 0.3m will be part of an "offshore transaction" and registered under Regulation S under the US Securities Act 1933 (symbol MXCN; ISIN USU575801258). The unrestricted shares are expected to be admitted to trading at 8.00am on February 9 and the Reg S shares at 8.00am on February 12.

Price	870p
Market Cap	£673.6m
Primary exchange	AIM London
Sector	Healthcare
Company Code	MXCT MXCL MXCN
Corporate client	Yes

Company description:

MaxCyte uses its patented flow electroporation platform to transfect a wide array of cells. Revenues arise from sale and lease of equipment, disposables and licence fees; with an impressive client list. Key programmes with several clients are gaining greater visibility and approaching material value-inflection points. These will trigger a stream of milestone fees.

Trinity Delta view: The pivotal role of MaxCyte's ExPERT flow electroporation platform in enabling next-generation cell and gene therapies is becoming more widely recognised, with major licence deals with both leading cell therapy players and cutting-edge start-ups. During FY20 MaxCyte delivered impressive revenue growth despite operational challenges posed by the COVID-19 pandemic. FY21 growth is expected to be stronger as the core business continues to progress and milestone receipts reflect progress in partner pipelines. Industry-wide progress in cell and gene therapy pipelines means increasing visibility on partner assets and promising, albeit early data. The success of even a small portion of programmes under licence would be transformative for MaxCyte. The sizeable private placement boosts end-FY20 cash of £34.8m, providing MaxCyte with ample resources to support its clients and partners, and further external validation of its rising industry-wider reputation from a growing knowledgeable US institutional investor base. In line with our usual practice, we suspend our valuation and forecasts with the aim to re-introduce updated values as soon as practicable.

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