Scancell

GlyMab evaluation agreement with major biotech player

13 June 2024

- Scancell has signed an exclusive agreement with an unnamed international biotech company to evaluate a GlyMab antibody. The current investigational anti-glycan antibody will be assessed for its potential to create innovative, highly differentiated, therapeutic products. The agreement allows seven months for the evaluation work to be undertaken in exchange for a $1m non-returnable payment. After this an option to licence the programme, for additional payments (likely including an upfront fee and development milestones), could be triggered.
- GlyMab is one of Scancell's four proprietary technology platforms, which can be classified into Vaccines (Moditope and ImmunoBody) and Antibodies (GlyMab and AvidiMab). Unlike antibodies that target proteins, GlyMabs target sugar motifs that result from tumour glycosylation. The clinical potential is increasingly appreciated but the challenge has been to produce high affinity antibodies that recognise these tumour-associated glycans. Scancell has built a pipeline of five differentiated anticancer antibodies that are generating exciting preclinical data. The first partnering deal, with Genmab (a renowned antibody specialist), was struck in October 2022 (October 2022 Lighthouse). Our February 2023 Outlook provides more detail on both the GlyMab platform and the five preclinical assets.
- This year will also see decisive clinical data reported for both vaccine platforms. Data from the second stage of the Phase II SCOPE study of SCIB1 in combination with checkpoint inhibitors (CPIs) in advanced melanoma are expected shortly. Positive data from the first stage, where the objective response rate was 85%, suggest this second stage has a 90% probability of success. The Phase I/II ModiFY trial of Modi-1 as monotherapy and in combination with CPIs in various challenging solid tumours is progressing. The MHRA also recently approved an expansion cohort in renal cancer which will evaluate Modi-1 in combination with doublet checkpoint inhibitor therapy (ipilimumab plus nivolumab). Initial early signals of efficacy have already been observed in various monotherapy cohorts and further data are expected during 2024.
- In December 2023 Scancell successfully raised over £10m in an upsized placing that extended the cash runway through to mid-to-late-2025, which covers the key clinical milestones for both SCIB1 and Modi-1 programmes.

Trinity Delta view: 2024 is an important year for Scancell and investor attention is understandably centred on the therapeutic cancer vaccines programmes, with both the SCIB1 and Modi-1 programmes set to deliver important clinical milestones. However, today's evaluation agreement reminds of the inherent value within the GlyMab and AvidiMab antibody platforms. The $1m upfront payment bolsters the current cash resources, which would be augmented further were a licensing deal struck in the future. Our risk adjusted NPV valuation for Scancell is £304m, or 33p per share. For context, the GlyMab platform (including the Genmab deal) accounts for 17.2% of the value.

Price	9.75p
Market Cap	£92.98m
Primary exchange	AIM
Sector	Healthcare
Company Code	SCLP
Corporate client	Yes

Company description:

Scancell is a clinical-stage immuno-oncology specialist that has four broadly applicable technology platforms. Two are therapeutic vaccines, Moditope and ImmunoBody, and two are antibody based, GlyMab and AvidiMab.

Analysts

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