

Scancell Holdings (SCLP.PLUS) - bolt-on value with new licensing agreement

Biotechnology Sector

Earlier this week, Scancell announced a licensing agreement with Cancer Research Technology Ltd., Cancer Research UK's commercialisation and development arm, for the rights to use a human antibody known as 105AD7 as a framework for future ImmunoBody® vaccines for any immunotherapy indication.

The agreement gives Scancell the worldwide exclusive rights to this human antibody for ImmunoBody® vaccine development in exchange for a very modest upfront payment, development milestone payments, and royalties on future sales of ImmunoBody® vaccines in which 105AD7 is used. This antibody, developed by current Scancell CEO Lindy Durrant while she was at Nottingham University, has already shown success in the clinic in treating osteosarcoma.

Objective's view:

While de-immunised mouse antibodies – the current framework for Scancell's SCIB1 vaccine – have shown excellent safety and efficacy in past clinical trials, there is still a perception in the market that fully humanised antibodies will have less immunogenicity than de-immunised mouse antibodies. As such, the addition of this human antibody from Cancer Research Technology is important in potentially improving the marketability of the Scancell portfolio at the time of licensure or ultimate sale. The intention at Scancell is to compare the safety and efficacy of using 105AD7, as a framework for the SCIB2 vaccine in development, against the current structure using a de-immunised mouse antibody.

There is the potential that the results will vary little. In some ways, this would be a desired outcome as it would tend to validate the current ImmunoBody® structure used in SCIB1. However, the goal of this transaction, in our view, is to broaden the portfolio and make it more attractive to a potential licensing partner or buyer. With modest upfront costs expended and an intimate history with the antibody dating back to Nottingham University, the risk-reward analysis of this agreement appears to be highly attractive for Scancell.

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