

## Scancell

### Missing out on the CRUK Grand Challenge

23 January 2019

- The winner of the CRUK Grand Challenge has been announced and, although commended, Project Blueprint (including Modi-3) in which Scancell was involved was not selected. A total of 134 applications from 41 countries were received, with Scancell being a member of one of the ten multidisciplinary teams that were asked to submit full applications and be interviewed by an independent advisory panel. The submission was headed by Prof Lindy Durrant and Prof Ugur Sahin involved 16 members from across Europe and the US that included academics, clinicians, surgeons, and industry experts (Genentech, ISA Pharmaceuticals and BioNTech).
- That Project Blueprint was short-listed for the Grand Challenge can be viewed as important validation of Scancell's Moditope technology as a whole and this approach in particular. However, as we stated in our [Initiation](#) note (November 2018), whilst clearly flattering to be selected we questioned whether the Prize would become an unnecessary distraction.
- The headline appeal of a grant of up to £20m is understandable, with some viewing this as attractive non-dilutive funding. However, placing this in context, this would have to be shared between the various team members and the amount apportioned to Scancell would probably have been around 5% of the award spread over five years.
- More importantly, we questioned who would own the data and the intellectual property that arose from the programme. It is worth noting that the new Moditope vaccine, Modi-3, resulting from Project Blueprint could still be developed with one or more of the team members on a more commercial basis.

**Trinity Delta view:** We never bought into the value of winning the CRUK Grand Challenge and so today's announcement is not material to our stance or valuation. Understandably some will be disappointed at being so close yet missing out; but, in our view, the commercial importance of the award was always questionable, particularly in relation to ownership of any intellectual property that arose.

We continue to value Scancell at 21.1p/share. There are various catalysts over the coming year with a Phase II trial with ImmunoBody SCIB1 and the first clinical study with a Moditope due to be initiated in 2019. It has started the year by announcing the strengthening of its team with the appointment of Dr Samantha Paston from Immunocore as Head of Research and Dr Adrian Parry from Mereo BioPharma as Head of Manufacturing.

Price	9.55p
Market Cap	£37.0m
Primary exchange	AIM
Sector	Healthcare
Company Code	SCLP.L
Corporate client	Yes

#### Company description:

Scancell is a clinical-stage immuno-oncology specialist that is developing two innovative and flexible therapeutic vaccine platforms. ImmunoBody and Moditope induce high avidity cytotoxic CD8 and CD4 responses, respectively, with the potential to treat various cancers.

#### Analysts

**Mick Cooper PhD**  
mcooper@trinitydelta.org  
+44 (0) 20 3637 5042

**Lala Gregorek**  
lgregorek@trinitydelta.org  
+44 (0) 20 3637 5043

**Mick Cooper PhD CFA**

[mcooper@trinitydelta.org](mailto:mcooper@trinitydelta.org)  
+44 20 3637 5042

**Lala Gregorek**

[lgregorek@trinitydelta.org](mailto:lgregorek@trinitydelta.org)  
+44 20 3637 5043

**Franc Gregori**

[fgregori@trinitydelta.org](mailto:fgregori@trinitydelta.org)  
+44 20 3637 5041

### Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publically available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at [www.fisma.org](http://www.fisma.org). TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2019 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: [www.trinitydelta.org](http://www.trinitydelta.org)