

Avacta Group plc

("Avacta" or the "Group" or the "Company")

Issue of Equity and Total Voting Rights

LONDON and PHILADELPHIA - Jan 21 2025 - Avacta Therapeutics (AIM:AVCT), a life sciences company developing innovative, targeted oncology drugs, today announces it has issued and allotted a total of 6,663,568 new ordinary shares of 10 pence each in the Company ("New Ordinary Shares").

The New Ordinary Shares are being issued in settlement of the quarterly principal of £2.55 million and interest repayment of £0.50 million in respect of the Company's unsecured convertible bond.

After settlement of the quarterly repayment, the principal remaining under the convertible bond will be reduced by £2.55 million to £28.05 million.

As communicated previously the Company originally issued the unsecured convertible bond in October 2022 to fund the acquisition of a diagnostic business, provide additional funding for a diagnostics roll-up strategy and provide working capital for the Group. More recently the Board has also consistently communicated its strategy to become a pure play biotechnology company and focus its resources on its drug development activities. Maintaining an appropriate level of cash on the balance sheet is fundamental for biotechnology companies at Avacta's stage of development.

The Board carefully considers each payment separately as it arises and took the following additional factors into account when determining to settle this quarterly payment via the issue of New Ordinary Shares: the stage of the process to divest of the Group's Diagnostics Division (which continues to progress) and shareholder dilution.

The Avacta management team and Board continue to explore all available pathways to provide optionality for financing its clinical therapeutics programs over the longer term, including divestment of the Diagnostics Division, partnering, attracting global specialist biotechnology investors and potentially a NASDAQ dual listing, on which further updates will be provided in the coming months.

Application has been made to AIM for the admission to trading of the 6,663,568 New Ordinary Shares resulting from the conversion, which is expected to occur at or around 8.00 am on 23 January 2025 ("Admission"). The New Ordinary Shares will rank pari passu with the existing Ordinary Shares of the Company.

Following Admission, the Company's enlarged issued share capital will be 376,216,957. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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About Avacta - www.avacta.com

Avacta Therapeutics is a clinical-stage life sciences company expanding the reach of highly potent cancer therapies with the pre|CISION[®] platform. pre|CISION[®] is a proprietary warhead delivery system based on a tumor-specific protease (fibroblast activation protein or FAP) that is designed to concentrate highly potent warheads in the tumor microenvironment while sparing normal tissues. Our innovative pipeline consists of pre|CISION[®] peptide drug conjugates (PDC) or Affimer[®] drug conjugates (AffDC) that leverage the tumor-specific release mechanism, providing unique benefits over traditional antibody drug conjugates.

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