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Avacta Group PLC
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Avacta Announces Agreement to Sell Launch Diagnostics and a Corporate Update

LONDON AND PHILADELPHIA - 07 March 2025 - Avacta Therapeutics (AIM: AVCT, 'the Company'), a life sciences company developing next generation peptide drug conjugates (PDC) targeting powerful anti-tumor payloads directly to the tumor, announces that it has agreed to sell Launch Diagnostics Holdings Limited ("Launch Diagnostics") and its subsidiaries, its UK-based and largest diagnostics unit, for £12.9 million in cash to Duomed Belgium NV, a subsidiary of Palex Healthcare Group S.L.U. Completion of the sale is expected by the end of April 2025, subject to customary closing conditions. The sale proceeds will be used to further Avacta's pre|CISION® platform.

This disposal is a significant step towards delivering a key Board objective of the Company becoming a pure-play biotechnology company. In order to complete the divestment of its diagnostics business operations, Avacta is also in discussions regarding the sale of its remaining and much smaller Belgian-headquartered diagnostics unit, Coris BioConcept SRL.

Launch Diagnostics delivered audited revenues of £17.9 million and profit after tax of £0.38 million in the year ended 31 December 2023 and has traded in line with the Board's expectations during the year ended 31 December 2024. As at 30 June 2024 Launch Diagnostics had unaudited net assets of £13.65 million.

Following the divestment of Launch Diagnostics, the Company's cash runway will extend into Q1 2026.

In the year ending 31 December 2025, the Group expects to report a non-cash loss as a result of this disposal.

Shaun Chilton, Non-Executive Chairman commented:

"The diversification into diagnostics over the last two years has been very disappointing. However, this disposal is a critical and necessary step forward in our corporate strategy to become a pure-play therapeutics company.

"This disposal, which followed an extensive auction process, realizes cash to support our growing R&D investment program and also enables the management to focus on the development of our unique proprietary pre|CISION® technology platform."

Corporate Update

Avacta Therapeutics has made strong progress, presenting the R&D pipeline, adding critical experience to the management team, formalizing the strategic partnership with Tempus and achieving previously stated development milestones.

AVA6000

The Company has today also separately announced an update on its lead program, AVA6000, the first clinical stage asset which is a pre|CISION®-enabled form of doxorubicin.

Initial proof of concept data with AVA6000 in the clinic have demonstrated the broad potential of the pre|CISION® platform and data from our strategic collaboration with Tempus AI have demonstrated the broad addressable patient populations that could be targeted with pre|CISION®-enabled medicines.

Importantly, in the clinic AVA6000 has demonstrated the profile of a pre|CISION® medicine with three key findings: (1) a significant reduction in the observed toxicities associated with conventional doxorubicin, (2) the capacity to shrink tumors with multiple, durable responses observed in different disease settings with sensitivity to doxorubicin and (3) the profound concentration of the active payload (doxorubicin) in the tumor versus the plasma. Together, these findings in the clinic underscore the potential for the next assets in the pipeline to be highly differentiated and have potential for enhanced activity compared with traditional oncology therapeutics.

AVA6103

AVA6103, the Company's second program, is a pre|CISION®-enabled PDC comprised of the pre|CISION peptide linked to exatecan, the most potent topoisomerase I (topo I) inhibitor in clinical development. The AVA6103 program has completed candidate selection and is in the pre-IND preparation stage with GMP manufacturing ongoing for the Phase 1 trial. The Phase 1 trial of AVA6103 is anticipated to begin early in 2026.

The Company has seen a dramatic increase in therapeutic index in preclinical models, suggesting that AVA6103 could have an unprecedented safety profile in the clinic. AVA6103 has the potential to treat hundreds of thousands of patients with the broad use of the topo I drug class and over 90% of solid tumors expressing FAP.

Other strategic initiatives
The Company continues to explore the possibility of attaining a dual listing on NASDAQ. Any definitive decision on if or when to dual list on NASDAQ will depend on a range of factors including the Group's clinical data package, SEC approval and wider market conditions. The Board continues to see a NASDAQ dual listing as a key strategic option for the Company and also continues to explore all available pathways to provide optionality for financing its clinical therapeutics program over the longer term.

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For further information from Avacta, please contact:

Avacta Group plc www.avacta.com
Michael Vinegrad, Group Communications Director

Peel Hunt (Nomad and Broker)
James Steel / Chris Golden / Patrick Birkholm www.peelhunt.com

Panmure Liberum (Joint Broker) www.panmureliberum.com
Emma Earl / Will Goode / Mark Rogers

ICR Healthcare
Mary-Jane Elliott / Jessica Hodgson / Stephanie Cuthbert avacta@icrhealthcare.com

Investor Contact
Renee Leck renee@thrustsc.com
THRUST Strategic Communications

Media Contact
Carly Scaduto Carly@carlyscadutoconsulting.com
Carly Scaduto Consulting

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 payload delivery system based on a tumor-specific protease (fibroblast activation protein or FAP) that is designed to concentrate highly potent payloads 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.

About the pre|CISION® Platform
The pre|CISION® platform comprises an anticancer payload conjugated to a proprietary peptide that is a highly specific substrate for fibroblast activation protein (FAP) which is upregulated in most solid tumors compared with healthy tissues. The pre|CISION® platform harnesses this tumor specific protease to cleave pre|CISION® peptide drug conjugates and pre|CISION® antibody/Affimer® drug conjugates in the tumor microenvironment, thus releasing active payload in the tumor and reducing systemic exposure and toxicity, allowing dosing to be optimized to deliver the best outcomes for patients.

About Palex Healthcare Group S.L.U - palexhealth.com
Palex is the European benchmark for advanced solutions in the healthcare sector, with over 70 years of experience providing tailored technological innovations to healthcare professionals and researchers. Its purpose is to improve lives by introducing cutting-edge technology to hospitals, laboratories, and research centers. Palex's approach ranges from selecting state-of-the-art products to offering technical support and specialized training for healthcare and research professionals. The company operates across various fields, including surgery, diagnostics, laboratory and critical care, ensuring solutions adapted to each client's needs. With a presence in multiple countries, Palex remains strongly committed to quality, innovation, and sustainability in the healthcare sector. Through its own brands and strategic partnerships with internationally renowned manufacturers, Palex positions itself as a key partner in the evolution of the medical-scientific sector, contributing to improved efficiency and safety in healthcare.

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