

Avacta Group plc

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

Issue of Equity and Total Voting Rights

LONDON and PHILADELPHIA - 23 April 2025 - Avacta Therapeutics (AIM:AVCT), a life sciences company developing innovative, targeted oncology drugs, today announces it has issued and allotted a total of 9,384,366 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 c. £0.456 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 £25.5 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.

Avacta is on the pathway to becoming a pure play biotechnology company and focuses all its resources on its drug development activities. Maintaining an appropriate level of cash is fundamental for biotechnology companies at Avacta's stage of development and is a key factor in the Board's decision as to whether to make quarterly repayments in cash or through the issue of new Ordinary Shares.

The Board carefully considers each payment 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 Company's cash runway in the context of the funding requirements to advance the Company's R&D pipeline and value creation opportunities and the recent increased volatility in equity markets including biotechnology stocks.

The Board is focused on the effective delivery of the Company's strategic goals and whilst issuance of shares for the bond settlement is regrettable, the level of dilution from each conversion event depends on the prevailing share price, which has been adversely impacted by market volatility.

The Board continues to actively explore all available options to finance its clinical therapeutics programs as well as reviewing the terms of the Company's unsecured convertible bond. These include partnering, attracting global specialist biotechnology investors and potentially a NASDAQ dual listing.

Application has been made to AIM for the admission to trading of the 9,384,366 New Ordinary Shares resulting from the conversion, which is expected to occur at or around 8.00 am on 24 April 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 386,868,205. 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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