

# Notice of Annual General Meeting

Avacta Group plc

(Incorporated in England and Wales with registered number 04748597)

NOTICE IS GIVEN that the Annual General Meeting of Avacta Group plc (the 'Company') will be held at the Royal Society of Medicine, 1 Wimpole Street, London W1G 0AE on Wednesday 28 June 2023 at 10:30 a.m. for the following purposes:

**To consider and, if thought fit, pass the following resolutions as ordinary resolutions:**

1. To adopt and receive the audited accounts, the strategic report, the Directors' report and the auditor's report of the Company for the year ended 31 December 2022.
2. To approve the remuneration report contained within the report and accounts for the year ended 31 December 2022.
3. To re-appoint Eliot Forster as a Director of the Company in accordance with article 35 of the Company's articles of association (the 'Articles') who offers himself for re-appointment as a Director of the Company.
4. To re-appoint Alastair Smith as a Director of the Company in accordance with article 35 of the Articles who offers himself for re-appointment as a Director of the Company.
5. To re-appoint Trevor Nicholls as a Director of the Company in accordance with article 35 of the Articles who offers himself for re-appointment as a Director of the Company.
6. To increase the maximum number of Directors of the Company from eight to 10 Directors in accordance with article 29.1 of the Articles.
7. To appoint BDO LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
8. To authorise the Audit Committee of the Board of Directors of the Company to determine the auditor's remuneration.
9. To authorise the Directors of the Company generally and unconditionally pursuant to section 551 of the Companies Act 2006 (the 'Act') (if resolution 10 below is passed, in substitution for all existing authorities (other than, for the avoidance of doubt, resolution 10 below) or, if resolution 10 below is not passed, in addition to resolution 9 passed at the annual general meeting of the Company held on 23 June 2022 but otherwise in substitution for all existing authorities granted to the Directors of the Company under section 551 of the Act (to the extent that they remain in force and unutilised)) to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares ('Rights'):
  - 9.1 up to an aggregate nominal amount of £9,178,000 (being approximately one third of the issued ordinary share capital of the Company as at the date of this notice); and
  - 9.2 up to an aggregate nominal amount of £18,356,000 (such amount to be reduced by the aggregate nominal amount of shares allotted and Rights granted under the authority conferred by virtue of resolution 9.1) in connection with or pursuant to a fully pre-emptive offer (as defined below in resolution 11),provided that such authorities shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless varied, revoked or renewed by the Company in general meeting, save that the Company may, before the expiry of the authorities granted by this resolution, make a further offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors of the Company may allot shares and grant Rights in pursuance of such an offer or agreement as if the authorities conferred by this resolution had not expired.
10. To authorise the Directors of the Company generally and unconditionally pursuant to section 551 of the Act (in addition to all existing authorities granted to the Directors of the Company under section 551 of the Act (to the extent that they remain in force and unutilised)) to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £6,500,000 in connection with or pursuant to the bond agreement between the Company, Addition Finance (Jersey) Limited and CVI Investments, Inc. dated 18 October 2022, as amended or restated from time to time, provided that this authority shall expire on the date falling five years after the date on which this resolution is passed unless varied, revoked or renewed by the Company in general meeting.

**To consider and, if thought fit, pass the following resolutions as special resolutions:**

11. To empower the Directors of the Company (subject to the passing of resolution 9 and in substitution for all existing like powers granted to the Directors of the Company (to the extent that they remain in force and unexercised)) pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred upon them by resolution 9 or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act as if section 561(1) of the Act and sections (1) - (6) of sections 562 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - 11.1 in connection with or pursuant to an offer of such securities by way of a fully pre-emptive offer (as defined below);
  - 11.2 (otherwise than pursuant to resolution 11.1 above) up to an aggregate nominal amount of £2,753,000 (being approximately 10% of the issued ordinary share capital of the Company as at the date of this notice); and
  - 11.3 (otherwise than pursuant to resolutions 11.1 or 11.2 above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under resolution 11.2 above, such authority to be used only for the purposes of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

and shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before the expiry of any power contained in this resolution, make a further offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

For the purpose of this resolutions 9.2 and 11: fully pre-emptive offer means a rights issue, open offer or other pre-emptive issue or offer to: (i) holders of ordinary shares in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on the record date(s) for such allotment; and (ii) persons who are holders of other classes of equity securities if this is required by the rights of such securities (if any) or, if the Directors of the Company consider necessary, as permitted by the rights of those securities, but subject in both cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of any jurisdiction, the requirements of any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever.

12. To empower the Directors of the Company (subject to the passing of resolution 9 and in substitution for all existing like powers (other than resolution 11 above) granted to the Directors of the Company (to the extent that they remain in force and unexercised)) pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred upon them by resolution 9 or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act as if section 561(1) of the Act and sections (1) - (6) of sections 562 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - 12.1 up to an aggregate nominal amount of £2,753,000 (being approximately 10% of the issued ordinary share capital of the Company as at the date of this notice), such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors of the Company determine to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
  - 12.2 (otherwise than pursuant to resolution 12.1 above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under resolution 12.1 above, such authority to be used only for the purposes of making a follow-on offer which the Directors of the Company determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

and shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before the expiry of any power contained in this resolution, make a further offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

13. To authorise the Directors of the Company generally and unconditionally for the purpose of section 701 of the Act and in accordance with article 22 of Articles, to make market purchases (within the meaning of section 693 of the Act) of ordinary shares of 10p each in the capital of the Company on such terms and in such manner as the Directors of the Company may determine provided that:
  - 13.1 the maximum number of ordinary shares that may be purchased under this authority is restricted to 27,534,000 (being approximately 10% of the issued ordinary share capital of the Company as at the date of this notice);
  - 13.2 the maximum price which may be paid for any and each ordinary share purchased under this authority shall not be more than the higher of: (i) an amount equal to 105% of the average of the middle market prices (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out (in each case exclusive of expenses); and
  - 13.3 the minimum price which may be paid for any and each ordinary share purchased under this authority shall be the nominal value of that ordinary share (exclusive of expenses payable by the Company in connection with the purchase),

and shall expire on the earlier of the date falling six months from the end of the current financial year of the Company and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may make a contract or contracts to purchase ordinary shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of any such contract.

By order of the Board



Tony Gardiner  
Company Secretary

28 April 2023

Registered Office:  
Unit 20, Ash Way, Thorp Arch Estate, Wetherby LS23 7FA

# Notice of Meeting Notes

The following notes explain your general rights as a registered shareholder and your right to attend, speak and vote at this Annual General Meeting (the 'Meeting') or to appoint someone else to do so on your behalf:

1. To be entitled to attend, speak and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at 8.00 p.m. on 26 June 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the Meeting.
2. Registered shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend, speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the Meeting.
5. You can vote/appoint a proxy:
  - by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions;
  - Link Group, the Company's registrar ('the Registrar'), has launched a shareholder app: LinkVote+. It's free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play;
  - if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 10:30am on 26 June 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote;
  - by requesting a hard copy form of proxy directly from the Registrar by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk) or by phone on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales); or
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
6. In order for a proxy appointment to be a valid, a proxy form, electronic filing or any CREST Proxy Instructions (as described in note 10 below) must be completed. In each case so as to be received by Link Group by 10.30 a.m. on 26 June 2023 in accordance with these notes and the notes to the form of proxy.
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by Link Group before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed proxy form, electronic filing or any CREST Proxy Instructions (as described in note 10 below) will not prevent a shareholder from attending the Meeting and speaking and/or voting in person if they wish to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.30 a.m. on 26 June 2023. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a registered shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a registered shareholder, provided that no more than one corporate representative exercises powers in relation to the same share.
13. As at 28 April 2023 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consisted of 275,348,077 ordinary shares, carrying one vote each, and 19,327,344 deferred shares, carrying no voting rights. Therefore, the total voting rights in the Company as at 28 April 2023 were 275,348,077.
14. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
15. Under the Articles, resolutions 1 to 12 set out in this Notice are ordinary business, and resolution 13 is special business.

# Explanation of Resolutions

## Ordinary resolutions

Resolutions 1 to 10 are proposed as ordinary resolutions. Each of these resolutions will be passed if more than 50% of the votes cast (in person or by proxy) are cast in favour of it.

- a. **Resolution 1:** The Directors of the Company (“Directors”) are required to present to shareholders at the AGM the audited accounts of the Company, the strategic report, and the reports of the Directors and auditor, for the year ended 31 December 2022.
- b. **Resolution 2:** The Directors’ remuneration report is set out in the Company’s Annual Report and Accounts for the year ended 31 December 2022. The vote is advisory and the Directors’ entitlement to remuneration is not conditional on it.
- c. **Resolutions 3, 4 and 5:** The Company’s Articles of Association require one third of the Directors to retire from office each year (or, if their number is not a multiple of three, the number nearest to but not less than one-third). Eliot Forster, Alastair Smith and Trevor Nicholls are each retiring by rotation and seeking re-election at the AGM.

Biographical information for all the Directors standing for re-election is included on page 46 of the Directors’ report in the Company’s Annual Report and Accounts. Having considered the performance of and contribution made by each of the Directors standing for re-election, the board of Directors (the “Board”) remains satisfied that, and the Chair confirms that, the performance of each Director continues to be effective and to demonstrate commitment to the role and as such the Board recommends their re-election.

- d. **Resolution 6:** The Company’s Articles of Association limit the maximum number of Directors to eight. Resolution 6, if passed, would increase the maximum number of Directors to 10. The intention of this resolution is to give the Company flexibility to appoint additional Directors.
- e. **Resolution 7:** Resolution 7 relates to the appointment of BDO LLP as the Company’s Auditor to hold office until the next General Meeting of the Company at which accounts are laid before the Company.
- f. **Resolution 8:** It is normal practice for shareholders to resolve at the AGM that the Audit and Risk Committee decides on the level of remuneration of the auditor for the audit work to be carried out by it in the next financial year. The amount of the remuneration paid to the auditor for the next financial year will be disclosed in the next audited annual accounts of the Company.
- g. **Resolution 9:** The Directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The Investment Association (“IA”) guidelines on authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of a company’s issued share capital provided that any amount in excess of one-third of the company’s issued share capital is applied to fully pre-emptive offers only (including open offers and rights issues). Accordingly, resolution 9, if passed, would authorise the Directors under section 551 of the Companies Act 2006 (the “Act”) to allot new shares or grant rights to subscribe for, or convert any security into, new shares (subject to shareholders’ pre-emption rights (unless and to the extent disapplied)): (i) up to a maximum nominal amount of £9,178,000; and (ii) up to a maximum nominal amount of £18,356,000 (less the aggregate nominal amount of shares or rights granted under (i)) in connection with a fully pre-emptive offer, together representing the IA guideline limit of approximately two-thirds of the Company’s issued ordinary share capital (excluding shares held in treasury) as at 28 April 2023, being the latest practicable date prior to the publication of this document. Passing this resolution will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares or granting rights over shares. There are no current plans to issue new shares except in connection with employee share schemes and under the Bond Agreement (detailed below).
- h. **Resolution 10:** The Company has an option to allot new ordinary shares to CVI Investments, Inc. pursuant to the bond agreement between the Company, Addition Finance (Jersey) Limited and CVI Investments, Inc. dated 18 October 2022, as amended or restated from time to time (the “Bond Agreement”). As detailed above in relation to resolution 9, the Directors may only allot shares if authorised to do so by shareholders. Resolution 10, if passed, would, in addition to the authority granted by resolution 9, authorise the Directors under section 551 of the Act to allot new shares in the Company up to an aggregate nominal amount £6,500,000 pursuant to the Bond Agreement at any time during the five year period from the date on which the resolution is passed (this will therefore cover the remaining term of the bonds). Passing this resolution will ensure that the Directors have a dedicated authority to allot new ordinary shares pursuant to the terms of the Bond Agreement and avoid breaching the provisions of the Act or otherwise having to settle interest and/or amortisation payments in cash.

**i. Special resolutions**

Resolutions 11 to 13 are special resolutions. Each of these resolutions will be passed if 75% or more of the votes cast (in person or by proxy) are cast in favour of it.

- j. Resolutions 11 and 12:** The Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the publication of this document (the "Pre-Emption Principles") states that a general disapplication of pre-emption rights will likely be supported where a company seeks authority to issue non-pre-emptively for cash shares representing: (i) no more than 10% of its issued share capital on an unrestricted basis (being for any purpose); and (ii) no more than an additional 10% of its issued share capital to be used for an acquisition or a specified capital investment of a kind contemplated by the Pre-Emption Principles. In addition, the Pre-Emption Principles state that, in each case, a company may seek further authority to disapply pre-emption rights for up to 2% of its issued share capital to be used only for the purposes of a follow-on offer of a kind contemplated by paragraph 3 of Section 2B of the Pre-Emption Principles.

Resolution 11 contains a three-part disapplication of statutory pre-emption rights. Other than in connection with a fully pre-emptive offer, the power contained in resolution 11 would be limited to a maximum nominal amount of £3,303,600, which would equate to 33,036,000 ordinary shares in the capital of the Company, representing approximately 12% of the Company's issued share capital as at 28 April 2023, being the latest practicable date prior to the publication of this document. Of the £3,303,600, £550,600 can only be used for the purposes of making a follow-on offer.

Resolution 12 is a further disapplication of pre-emption rights limited to an additional 10% of issued ordinary share capital to be used for transactions which the Directors determine to be an acquisition or specified capital investment and a further 2% of issued ordinary share capital to be used for making a follow-on offer. This power would be limited to a maximum nominal amount of £3,303,600, which would equate to 33,036,000 ordinary shares in the capital of the Company, representing approximately 12% of the Company's issued share capital as at 28 April 2023, being the latest practicable date prior to the publication of this AGM notice. Again, of the £3,303,600, £550,600 can only be used for the purposes of making a follow-on offer.

If passed, these authorities will expire at the same time as the authority to allot shares given pursuant to resolution 9.

- k. Resolution 13:** A company may only purchase its own shares if authorised to do so by shareholders. The IA guidelines state that IA members will permit, and treat as routine, resolutions seeking authority to purchase up to 10% of a company's issued ordinary shares. Accordingly, resolution 13, if passed, would authorise the Company under section 701 of the Act to purchase up to 27,534,000 ordinary shares in its share capital, representing the IA guideline limit of 10% of the Company's issued ordinary shares as at 28 April 2023, being the latest practicable date prior to the publication of this document.

In accordance with the IA guidelines, the minimum price payable for the purchase of any ordinary share under this authority shall be the nominal value of that ordinary share, and the maximum price payable for each ordinary share under this authority shall be the higher of: (i) an amount equal to 105% of the average of the middle market prices (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out, in each case exclusive of expenses).

**Avacta Group plc**

**Registered Office:**

Unit 20, Ash Way, Thorp Arch Estate, Wetherby LS23 7FA

**[www.avacta.com](http://www.avacta.com)**