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FOR IMMEDIATE RELEASE

Avacta Group plc

("Avacta" or the "Company")

Interim Results for the Six Months to June 30, 2026, and Business Update

LONDON and PHILADELPHIA – September 30, 2026 – Avacta Therapeutics (AIM: AVCT, "the Company", "Avacta"), a life sciences company developing innovative, targeted oncology drugs, today publishes its unaudited interim results for the six months ended June 30, 2026 ("H1 26").

H1 highlights and post period

Research & development

Next Generation pre|CISION® pipeline

- AVA6103 (FAP-Exd)
 - Preliminary preclinical and clinical data with AVA6103 have been presented recently. Data reported in the Phase 1a trial in patients with select solid tumors demonstrate proof of mechanism with two key findings:
 - AVA6103 pre|CISION® controlled-release exatecan demonstrates a clean safety profile through the first three dose levels, including a payload dose level 50% higher than the maximum tolerated dose (MTD) of conventional exatecan at dose level 3, and
 - The comparison of the preclinical modeled pharmacokinetic (PK) data and clinical trial PK data demonstrates an exceptional alignment through the first 3 dose levels with controlled release of exatecan evident in patients for days after dosing
 - The first head-to-head preclinical comparison of AVA6103 and Enhertu®, a marketed antibody drug conjugate (ADC) that targets HER2, demonstrates that AVA6103 shows better antitumor activity vs. Enhertu®, with deep and durable responses delivered by our dose dense regimen that has been applied in the FOCUS-01 trial.
 - Updated preclinical pharmacology and exposure data analyses, highlighting the favorable delivery profile, presented at the American Association for Cancer Research (AACR) Annual Meeting 2026.
 - Comparative analyses of pre|CISION® payload delivery preclinical pharmacokinetics (PK) via AVA6103, compared with now two approved ADCs (Enhertu® and Datroway®), presented at the Company's Science Day, showing the clear advantages of pre|CISION® over traditional ADCs.
 - U.S. Food and Drug Administration (FDA) granted clearance of the Investigational New Drug (IND) application for AVA6103 in January, 2026 and the first patient was treated in the trial in March, 2026.
- AVA6207 (Dual Payload)

- Presented first *in vivo* efficacy and exposure pharmacology for the pre|CISION® dual payload technology program at AACR 2026.
- Presented updated *in vivo* studies of the dual payload delivery system AVA6207 at Science Day.

pre|CISION® platform and First Gen (AVA6000)

- Reported data validating the pre|CISION® PDC platform, with AVA6000 in patients with salivary gland cancer, where robust tumor responses are observed with low expression of fibroblast activation protein (FAP) and the persistence of FAP expression despite tumor response.
- Published new data demonstrating the favorable delivery profile and advantages of pre|CISION® compared to a marketed antibody drug conjugate (ADC)
- AVA6000 (Faridoxorubicin, pending partnering)
 - Presented updated Phase 1a/1b data showing encouraging early efficacy signals for AVA6000 in salivary gland cancers at the 2026 American Society of Clinical Oncology (ASCO) Annual Meeting.
 - At the end of Phase 1 meeting, certain pivotal trial elements and the regulatory path forward with Phase 1b data were agreed with the U.S. Food and Drug Administration (FDA) for potential full regulatory approval.
 - Agreed updates with the FDA to the ongoing Phase 1 trial protocol including the removal of the maximum dosing limit and to allow flexibility in dosing levels to identify the dose for further development.

Financial

Strengthened financial position to support R&D programs:

- Completed oversubscribed placing and subscription, raising £10 million (March 2026), and raised gross proceeds of approximately £9 million in an equity fundraise (June 2026), from institutional investors and existing shareholders.
- Today, separately announcing a proposed capital raise to further strengthen the balance sheet
- Cash and short-term deposit balances at June 30, 2026, of £20.27 million (31 December 2025: £16.9 million). As of August 31, 2026, cash held was £10.59 million.

Corporate

Strengthened leadership and corporate governance via Board appointments:

- Richard Hughes as non-executive Chairman (June 2026)
- Patrick Vink as Deputy Chairman (in July 2026)
- Mats Blom as Chair of the Audit Committee (in September 2026)

Outlook 2026 and beyond

- The design of the FOCUS-1 trial of AVA6013 and preclinical updates were presented in Trials in Progress presentations at both the American Association of Cancer Research (AACR) Conference on Pancreatic Cancer, being held on September 25-28, 2026, and the European Society for Medical Oncology (ESMO) Congress, being held on October 23-27, 2026.
- First efficacy data from the FOCUS-01 trial with AVA6103 is anticipated to be presented in H1 2027 – including data from clinical tumor biopsies which are anticipated to confirm AVA6103 is being retained in a ‘drug reservoir’ in the tumor, based on the preliminary Phase 1 data.

- The selection of the payloads and data to support clinical candidate selection for the Dual Payload Next Gen Program (AVA6207) will be presented in Q4 2026.
- Clinical data from the First Gen faridoxorubicin (AVA6000) program will also be presented in Q4 2026 at the ESMO Congress, Oct 23-27, 2026.

Christina Coughlin, CEO of Avacta, commented:

“This has been a transformative first half for Avacta, with compelling clinical validation of our pre|CISION® platform delivering robust and durable tumor responses and demonstrating the clear advantages of our approach over conventional ADCs. The controlled-release mechanism of our Next Gen pipeline with AVA6103 as the lead asset is now working in patients, exactly as modelled, and we are moving towards initial efficacy data in 2027.

“This progress is underpinned by a strong and complementary leadership team. We have further reinforced the expertise and governance at Avacta with several senior appointments in 2026 to management and our Board, who bring the benefit of their scientific, industry, markets and financial acumen to the Company as we advance our proprietary pipeline and explore partnering opportunities to maximize the potential of our pre|CISION® platform.

“Our financing activities have raised approximately £19.0 million in 2026 to date, which together with the anticipated proceeds of our planned capital raise being launched today, will ensure funding is in place to execute on multiple value inflection milestones, including the efficacy data on AVA6103 in H1 2027, as well as payload selection for our dual-payload program AVA6207 later this year.”

Enhertu® (trastuzumab deruxtecan; T-DXd) is a protease cleavable-linker ADC, approved for both breast cancer and gastric cancer indications (an AstraZeneca/Daiichi Sankyo product). Datroway® (datopotamab deruxtecan-dlnk; Dato-DXd) is a protease cleavable-linker ADC, approved for certain types of breast and lung cancer (a Daiichi Sankyo product).

-Ends-

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About Avacta - <https://avacta.com/>

Avacta Therapeutics is a clinical-stage life sciences company expanding the reach of highly potent cancer therapies through its proprietary pre|CISION® platform. pre|CISION® is a 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. Avacta's innovative pre|CISION®

peptide drug conjugates (PDC) are a novel entry to the XDC drug class, leveraging the success of antibody drug conjugates with alternative methods of delivery beyond antibodies.

Our pre|CISION® PDCs leverage this tumor-specific release mechanism in a small molecule format to provide unique benefits over traditional antibody drug conjugates (ADC), releasing active payload in the tumor and reducing systemic exposure and toxicity which enables dosing to be optimized to deliver the best outcomes for patients. The lead clinical program is AVA6103, a Next Generation FAP-enabled controlled release pre|CISION® version of exatecan that delivers the payload directly in the tumor with limited peripheral blood exposure and is currently in clinical development as a treatment for tumor types sensitive to exatecan including cervical cancer, HR+ breast cancer, small cell lung cancer, gastric cancer, colorectal cancer and pancreatic cancer.

About FAP-Exd (AVA6103)

AVA6103 is the second clinical candidate and is the first asset in the pipeline based on the Next Generation innovative pre|CISION® controlled release mechanism that provides for prolonged release of payload directly in the tumor, minimizing systemic exposure. AVA6103 is being evaluated in the FOCUS-01 Phase 1 trial (FAP-Exd in **O**ncologic **C**ancers with **U**nmet need**S**). Preclinical data suggest this approach has optimized payload delivery with a high intratumoral concentration and prolonged exposure of released payload in the tumor, coupled with limited systemic exposure to the released payload.

Interim report

Strategic overview

We are making excellent progress in the development of our unique pre|CISION® technology platform, pioneering a novel, differentiated class of pre|CISION®-based medicines to revolutionize drug delivery.

Our platform technology demonstrates multiple advantages over conventional therapeutics by addressing one of the primary challenges of effective treatment of diseases, specifically the balance between efficacy and safety. pre|CISION®-based medicines are specifically designed to be silent (inert) in the bloodstream and in the tissues, and to only activate once in the tumor.

We are confident in Avacta's ability to partner pre|CISION® across a number of modalities and in the management team's ability to secure the requisite funding to progress the pre|CISION® platform through multiple value driving events.

pre|CISION® - our proprietary technology

The challenge in oncology is that the most effective therapies cause the most toxicity in normal tissues. The ability to deliver the active drug directly to the tumor is the promise of our proprietary pre|CISION® platform. Avacta's innovative pre|CISION® peptide drug conjugates (PDC) are a novel entry to the XDC drug class, leveraging the success of antibody drug conjugates with alternative methods of delivery beyond antibodies.

The key aspect of pre|CISION® peptide drug conjugate (PDC) technology is that the conjugated drug (the combination of the oncology drug and our peptide) is inert. It is incapable of entering cells and killing until the peptide is specifically released when it comes into contact with common tumor-associated protein, known as fibroblast activation protein or FAP, in the tumor.

When a pre|CISION® PDC encounters FAP in the tumor, the peptide is cleaved and the active payload is released. The release of the payload from the pre|CISION® compound in the tumor results in higher concentration of the drug at the tumor and lower blood and healthy tissue levels than would be achievable with standard systemic administration. Importantly, the increased toxicities (payload) at the tumor are directly associated with the pre|CISION® medicines.

Two factors that dictate the antitumor potential of pre|CISION® medicines are (1) the expression of FAP in the tumor to cleave the peptide (the amount of the FAP protein that exists in the tumor) and (2) the inherent susceptibility of the associated tumors to the chemotherapy (chemicals in the drug) that is released.

We believe that pre|CISION® can deliver higher drug levels within tumors which will lead to improved antitumor activity while reducing systemic toxicities. This will dramatically impact the therapeutic index and efficacy of a given anticancer drug. We have observed this with our first clinical program, faridoxorubicin. This program has demonstrated a dramatic reduction in the toxicities associated with conventional doxorubicin and is delivering exciting preliminary efficacy data.

To further extend the pipeline, Avacta has invented the Next Generation Controlled Release pre|CISION technology that adds a chemical capping group and linker with two key advantages: (1) greater control over the release of the payload in the tumor, allowing optimized pharmacokinetic delivery even with payloads that have challenging PK properties, and (2) implementing the linker technology opens a large number of payloads that can be delivered with Next Gen pre|CISION, permitting a full exploration of the landscape opportunity of pre|CISION with ~90% FAP expression among solid tumors.

Programs

Our pre|CISION® PDCs leverage this tumor-specific release mechanism in a small molecule format to provide unique benefits over traditional antibody drug conjugates (ADC), releasing active payload in the tumor and reducing systemic exposure and toxicity which enables dosing to be optimized to deliver the best outcomes for patients. The lead clinical program is AVA6103, a Next Generation FAP-enabled controlled release pre|CISION® version of exatecan that delivers the payload directly in the tumor with limited peripheral blood exposure and is currently in clinical development as a treatment for tumor types sensitive to exatecan including cervical cancer, HR+ breast cancer, small cell lung cancer, gastric cancer, colorectal cancer and pancreatic cancer.

Our first generation asset, Faridoxorubicin (AVA6000) continues in Phase 1b. We anticipate presenting data in October, 2026, at the European Society for Medical Oncology (ESMO) meeting from the cohort of patients with salivary gland cancer. This program is intended to go forward within a partnership and discussions are ongoing regarding such an arrangement.

AVA6207 is our Next Gen Dual Payload program which is on track for the goals, in 2H 2026, of naming of the two payloads that will be included in the molecule and clinical candidate selection. Clinical candidate selection is based on the preclinical pharmacology, chemical properties of the molecule with initial assessment of manufacturing for use in the clinic. These data will be presented in the fourth quarter of 2026.

Outlook

Avacta continues to build our value proposition and our unique world-class scientific and clinical capabilities. Our data are robust and building and industry interest in our innovative platform continues to increase. We are very excited about the next stages of Avacta's journey with the recent clinical data demonstrating proof of mechanism for AVA6103 in the clinic demonstrating the potential in the Next Gen pre|CISION platform. Our upcoming data catalysts demonstrate the progress made in the programs, including the presentation of the FOCUS-01 trial and updated preclinical work with AVA6103, our updated Faridoxorubicin data being presented in October at ESMO, and the payloads and clinical candidate selection in the Next Gen pre|CISION Dual Payload program in the fourth quarter of 2026.

Financial Review

Revenue

Revenues from continuing operations for the six months ended 30 June 2026 were £0.06 million (H1 2025: £0.06 million; FY 2025: £0.113 million).

Revenues from discontinued operations for the six months ended 30 June 2026 was £nil million (H1 2025: £6.10 million; FY 2025: £6.20 million).

Research costs and selling, general and administrative costs

Research costs relate predominantly to the clinical and pre-clinical development work of the pre|CISION® therapeutics programs as planned increased to £9.69 million (H1 2025: £7.20 million; FY 2025: £18.76 million).

Other costs and charges

Depreciation from continuing operations decreased to £0.56 million (H1 2025: £0.73 million; FY 2025: £1.27 million). Amortization expense remained at £0.01 million (H1 2025: £0.01 million; FY 2025: £0.01 million).

The share of the costs from the AffyXell joint venture was £0.26 million (H1 2025: £0.19 million; FY 2025: £0.45 million). The share of losses reflects the Group's 21% ownership share of the losses accumulated in the year. The Group investment remained at 21%.

Share-based payment charges were £0.54 million (H1 2025: £0.74 million; FY 2025: £2.13 million).

Operating loss

The Group's operating loss from continuing operations decreased to £13.91 million (H1 2025: £14.18 million; FY 2025: £29.89 million).

Convertible bond costs

During the period, the Group made interest-only cash repayments of £0.66 million in accordance with the amended bond terms and settled a further £1.20 million of the debt component through an early equity conversion.

The Board continues to consider each settlement event as it arises, taking into account a range of factors including the Company's cash runway, shareholder dilution and broader business prospects.

The bond agreement contains embedded derivatives in conjunction with an ordinary host debt liability. Accordingly, the convertible bonds are presented in the Consolidated Statement of Financial Position as two separate components: 'Convertible bond – debt' and 'Convertible bond – derivative'. The derivative element is measured at fair value using a Monte Carlo option pricing model.

The derivative element was revalued as at 30 June 2026 to £3.29 million (30 June 2025: £0.27 million; 31 December 2025: £2.79 million). After taking account of the £0.37 million reduction arising from the early conversion, this resulted in a £0.87 million charge recognised in profit or loss in the period (H1 2025: £1.01 million credit; FY 2025: £1.51 million debit).

The debt element of the bond increased to £15.77 million (H1 2025: £18.17 million; 31 December 2025: £13.36 million). The movement primarily reflects a non-cash interest expense of £3.46 million and a £0.82 million loss arising from revisions to expected future cash flows, partially offset by £0.66 million of interest-only cash repayments and an early conversion of £1.20 million. As of 30 September, the outstanding loan balance is £12.00 million.

Loss for the period

The reported loss from continuing operations after taxation was £19.02 million (H1 2025: £16.13 million; FY 2025: £36.26 million).

The basic loss per share from continuing operations was 4.23p (H1 2025: 4.23p; FY 2025: 9.07p).

The basic loss per share from discontinued operations was nil (H1 2025: 3.82p; FY 2025: 0.59p).

Cash flow

The Group reported cash and cash-equivalent balances of £20.27 million (30 June 2025: £12.65 million; 31 December 2025: £16.86 million). Cash and cash-equivalents were £10.59 million as of 31 August 2026.

There was a cash outflow from operations and working capital movements of £15.69 million (H1 2025: £12.33 million; FY 2025: £24.93 million) and cash outflow from investing activities was £0.02 million (H1 2025: inflow of £8.77 million; FY 2025: inflow of £9.90 million, reflecting the proceeds of the sale of Launch and Coris).

Cash inflow from financing activities, being net proceeds from the issue of share capital and share options, net of the principal elements of lease payments amounted to £17.76 million (H1 2025: inflow of £0.67 million; FY 2025: inflow of £15.64 million). The cash inflows for H1 2026 and FY 2025 related to equity fundraising.

Financial position

Net assets as at 30 June 2026 were £3.77 million (30 June 2025: £0.14 million; 31 December 2025: £2.48 million) of which cash and cash equivalents amounted to £20.27 million (30 June 2025: £12.65 million; 31 December 2025: £16.86 million).

Right-of-use assets amounting to £0.63 million (30 June 2025: £1.77 million; 31 December 2025: £1.32 million) are recognized in relation to the Group's leasehold properties, together with a corresponding lease liability of £0.80 million (30 June 2025: £1.97 million; 31 December 2025: £1.55 million).

Intangible assets decreased to £1.55 million (30 June 2025: £1.83 million; 31 December 2025: £1.55 million) due to amortization of intangible assets.

Liabilities in relation to the unsecured senior convertible bonds issued in October 2022 result in a fair value of the derivative element of £3.29 million (30 June 2025: £0.27 million; 31 December 2025: £2.79 million). The convertible bond debt element at 30 June 2026 was £15.77 million (30 June 2025: £18.17 million; 31 December 2025: £13.36 million).

With current committed expenses, current cash runway takes the Group into early first quarter of 2027.

Events after the reporting period

In July 2026 the Company received an accelerated payment notice from the convertible bond holder in respect of the January 2026 quarterly deferred convertible bond repayment, as referenced most recently in the financing [announced](#) on 5 June 2026, which the Company has elected to settle in cash. Accordingly, the Company has settled the accelerated quarterly amortization payment of £3.67 million representing principal of £2.4 million together with the associated interest and fees payable in the deferment.

In September 2026 the Company received an accelerated payment notice from the convertible bond holder in respect of the April 2026 quarterly deferred convertible bond repayment, which the Company elected to settle in cash. Accordingly, the Company has settled the accelerated quarterly amortization payment of £2.613 million, representing principal of £2.4 million together with the associated interest and fees payable in the deferment. Following the cash settlement of the April 2026 quarterly deferred convertible bond repayment, both deferred payments have now been satisfied.

As announced on 1 September 2026, the Board of Directors granted share options under the Company's Equity Share Option Scheme incentive plan ("ESOS") to all members of the Management Team (the "Options"). The Options are exercisable at an exercise price of 69 pence per share, being the mid-market closing price of the Company's Ordinary Shares on 27 August 2026, the last trading date before the Options were granted.

As announced on 14 September 2026, Mats Blom, an experienced biotechnology finance executive and Board member with a strong track record as Chief Financial Officer in several life sciences companies, was appointed as a member of its Board of Directors and Chair of the Audit Committee.

**Condensed Consolidated Statement of Profit or Loss
for the 6 months ended 30 June 2026**

Notes		Unaudited 6 months ended 30 June 2026 £000	Unaudited 6 months ended 30 June 2025 £000	Audited Year ended 31 December 2025 £000
Revenue	4	56	56	113
Cost of sales		-	-	-
Gross profit		56	56	113
Research costs		(9,686)	(7,200)	(18,761)
R&D expenditure credit (RDEC)		926	-	1,852
Selling, general and administrative expenses		(3,873)	(4,470)	(8,485)
Adjusted EBITDA		(12,577)	(11,614)	(25,281)
Exceptional expenses		23	(899)	(754)
Amortization expense		(5)	(10)	(11)
Share of loss of associate		(259)	(189)	(454)
Depreciation expense		(557)	(728)	(1,268)
Share-based payment charge		(536)	(740)	(2,126)
Operating loss		(13,911)	(14,180)	(29,894)
Convertible bond – interest expense	6	(3,460)	(3,865)	(6,980)
Convertible bond – revaluation of derivative	6	(869)	1,009	(1,507)
Gain/(loss) on modification of financial liabilities	6	(816)	-	2,031
Finance income		236	217	371
Finance costs		(28)	(53)	(69)
Loss before tax		(18,848)	(16,872)	(36,048)
Taxation		(175)	738	(216)
Loss from continuing operations		(19,023)	(16,134)	(36,264)
Discontinued operation				
Loss on disposal of subsidiary		-	(705)	(236)
Loss from discontinued operation, net of tax		-	(889)	(2,112)
Loss for the period		(19,023)	(17,728)	(38,612)
Other comprehensive income:				
Foreign currency translation differences		(33)	711	315
Total comprehensive loss for the period		(19,056)	(17,017)	(38,297)
Loss per share:				
Basic and diluted		(4.23p)	(4.65p)	(9.66p)

**Condensed Consolidated Statement of Financial Position
as at 30 June 2026**

	Unaudited as at 30 June 2026 £000	Unaudited as at 30 June 2025 £000	Audited as at 31 December 2025 £000
Assets			
Property, plant and equipment	187	335	251
Right-of-use assets	631	1,765	1,319
Investment in associate	2,901	3,312	3,104
Intangible assets	1,550	1,834	1,548
Non-current assets	5,269	7,246	6,222
Trade and other receivables	5,401	3,006	4,479
Income tax receivable	-	2,400	1,861
Cash and cash equivalents	20,271	12,645	16,855
	25,672	18,051	23,195
Assets directly associated with the assets held for sale	-	3,940	-
Current assets	25,672	21,991	23,195
Total assets	30,941	29,237	29,417
Liabilities			
Lease liabilities	-	(987)	(496)
Provisions	(38)	(208)	(288)
Non-current liabilities	(38)	(1,195)	(784)
Trade and other payables	(7,272)	(6,600)	(8,948)
Lease liabilities	(800)	(978)	(1,059)
Convertible bond – debt	6 (15,774)	(18,165)	(13,362)
Convertible bond – derivative	6 (3,288)	(273)	(2,788)
	(27,134)	(26,016)	(26,157)
Liabilities directly associated with the assets held for sale	-	(1,882)	-
Current liabilities	(27,134)	(27,898)	(26,157)
Total liabilities	(27,172)	(29,093)	(26,941)
Net assets	3,769	144	2,476
Equity attributable to equity holders of the Company			
Share capital	7 47,240	39,446	44,119
Share premium	154,063	120,297	137,371
Reserves	(3,760)	(1,506)	(3,727)
Retained earnings	(193,774)	(158,093)	(175,287)
Total equity	3,769	144	2,476

Total equity is wholly attributable to equity holders of the parent Company.

Approved by the Board and authorized for issue on 29 September 2026.

**Condensed Consolidated Statement of Changes in Equity
for the 6 months ended 30 June 2026**

	Unaudited Share Capital £000	Unaudited Share premium £000	Unaudited Other reserve £000	Unaudited Translation reserve £000	Unaudited Reserve for own shares £000	Unaudited Retained earnings £000	Unaudited Total Equity £000
At 1 January 2025	37,018	115,585	(1,729)	(391)	(2,373)	(138,829)	9,281
Loss for the period	-	-	-	-	-	(17,728)	(17,728)
Other comprehensive income for the period	-	-	-	711	-	-	711
Total comprehensive loss for the period	-	-	-	711	-	(17,728)	(17,017)
<i>Transactions with owners of the company:</i>							
Exercise of options	823	120	-	-	-	-	943
Transfer of own shares	-	-	-	-	2,276	(2,276)	-
Convertible bond – issue of shares	1,605	4,592	-	-	-	-	6,197
Equity-settled share based payment	-	-	-	-	-	740	740
At 30 June 2025	39,446	120,297	(1,729)	320	(97)	(158,093)	144
Loss for the period	-	-	-	-	-	(20,734)	(20,734)
Other comprehensive income for the period	-	-	-	(132)	-	-	(132)
Total comprehensive loss for the period	-	-	-	(132)	-	(20,734)	(20,866)
<i>Transactions with owners of the company:</i>							
Issue of shares	4,273	16,993	-	-	-	-	21,266
Exercise of options	400	81	-	-	-	-	481
Transfer of own shares	-	-	-	-	(2,089)	2,089	-
Equity-settled share based payment	-	-	-	-	-	1,451	1,451
At 31 December 2025	44,119	137,371	(1,729)	188	(2,186)	(175,287)	2,476
Loss for the period	-	-	-	-	-	(19,023)	(19,023)
Other comprehensive income for the period	-	-	-	(33)	-	-	(33)
Total comprehensive loss for the period	-	-	-	(33)	-	(19,023)	(19,056)
<i>Transactions with owners of the company:</i>							
Issue of shares	2,865	15,154	-	-	-	-	18,019
Exercise of options	96	130	-	-	-	-	226
Transfer of own shares	-	-	-	-	-	-	-
Convertible bond – issue of shares	160	1,408	-	-	-	-	1,568
Equity-settled share based payment	-	-	-	-	-	536	536
At 30 June 2026	47,240	154,063	(1,729)	155	(2,186)	(193,774)	3,769

**Condensed Consolidated Statement of Cash Flows
for the 6 months ended 30 June 2026**

	Note	Unaudited 6 months ended 30 June 2026	Unaudited 6 months ended 30 June 2025	Audited Year ended 31 December 2025
		£000	£000	£000
Operating cash outflow from continuing operations	8	(15,689)	(12,331)	(24,927)
Interest (paid)/received		(428)	204	370
Interest elements of lease payments		(28)	(54)	(103)
Income tax received		1,861	784	784
Net cash used in continuing operating activities		(14,284)	(11,397)	(23,876)
Net cash from/(used in) discontinued operating activities		-	(2,189)	(2,906)
Net cash used in operating activities		(14,284)	(13,586)	(26,782)
Cash flows from investing activities				
Purchase of plant and equipment		(16)	(43)	(53)
Sale of subsidiary, net of cash disposed of		-	9,517	9,984
Purchase of intangible assets		(7)	-	-
Net cash used in continuing investing activities		(23)	9,474	9,931
Net cash from/(used in) discontinued investing activities		-	(701)	(31)
Net cash used in investing activities		(23)	8,773	9,900
Cash flows from financing activities				
Proceeds from exercise of share options		226	944	1,424
Cash repayment of convertible bonds		-	-	(5,100)
Principal elements of lease payments		(489)	(472)	(1,001)
Proceeds from issue of share capital		18,950	-	22,500
Transaction costs relating to the issue of share capital		(931)	-	(1,234)
Net cash used in continuing financing activities		17,756	472	16,589
Net cash from/(used in) discontinued financing activities		-	194	(946)
Net cash flow from financing activities		17,756	666	15,643
Net increase/(decrease) in cash and cash equivalents		3,449	(4,147)	(1,239)
Cash and cash equivalents at the beginning of the period		16,855	17,778	17,778
Effect of movements in exchange rates on cash held		(33)	78	316
Cash and cash equivalents at the end of period, including held in disposal group		20,271	13,709	16,855
Cash held by disposal group		-	(1,064)	-
Cash and cash equivalents at end of year		20,271	12,645	16,855

**Notes to the unaudited condensed consolidated financial statements
for the 6 months ended 30 June 2026**

1) Basis of preparation

Avacta Group plc ('the Company') is a company incorporated in England and Wales under the Companies Act 2006. These condensed consolidated interim financial statements as at and for the 6 months ended 30 June 2026 ("interim financial statements") comprise the Company and its subsidiaries (together referred to as 'the Group').

The interim financial statements for the 6 months ended 30 June 2026 are unaudited. This information does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial figures for the year ended 31 December 2025, as set out in this report, do not constitute statutory accounts but are derived from the statutory accounts for that financial year. The statutory accounts for the year ended 31 December 2025 were prepared under IFRS and have been delivered to the Registrar of Companies. The auditors reported on those accounts. Their report was unqualified, did not draw attention to any matters by way of emphasis and did not include a statement under Section 498 of the Companies Act 2006.

The Board confirms that, to the best of its knowledge, these condensed financial statements have been prepared in accordance with IAS34 *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ('last annual financial statements'). They do not include all of the financial information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Group's operations and results are not impacted by seasonal fluctuations.

The Board approved these interim financial statements for issue on 29 September 2026.

Going concern

The Financial Statements have been prepared on a going concern basis. The Company's going concern assessment has been performed as part of the Group's going concern assessment.

During the six months ended 30 June 2026, the Group reported a loss from continuing operations of £19.0 million and incurred net cash used in operating activities of £15.7 million.

As at 30 June 2026, cash and cash equivalents were £20.3 million. The Group has external borrowings in the form of a convertible bond, with a principal amount outstanding of £19.2 million as at 30 June 2026.

During the six months ended 30 June 2026, the Group completed equity placings and subscriptions raising gross proceeds of £19.0 million. During the period, the Group also made an interest-only cash repayment of £0.7 million in respect of the convertible bond and a partial conversion resulted in the derecognition of £1.2 million of the host debt liability.

The Group continues to advance its clinical trials and generate successful data and expects to report further findings in late 2026 and early 2027. Following the data, the Group will evaluate partnering and out-licensing opportunities.

The Group faces significant risks associated with successful execution of its strategy. These risks include, but are not limited to technology and product development, introduction and market acceptance of new products and services, changes in the marketplace, liquidity, competition from existing and new competitors which may enter the marketplace and retention of key personnel. As a clinical stage oncology business, the Directors anticipate operating losses to continue for the foreseeable future due to, among other things, costs related to research funding, growth plans and further development of our technology.

The Directors have considered detailed cash flow forecasts that extended to 31 December 2027, which is at least twelve months from the date of approval of these financial statements ("the going concern period"). The forecasts indicate that we currently have enough cash to fund our planned operations into early first quarter of

2027. The forecasts consider current and future economic conditions that are expected to prevail over the period. These forecasts include assumptions regarding the timing and quantum of investment in the therapeutic development programs together with various scenarios which reflect growth plans, opportunities, risks and mitigating actions. The Board is focused on both the short-term and long-term financing strategy to achieve the company goals including obtaining additional funding through the capital markets.

The forecast therefore shows the Group and the Parent Company are dependent on raising funds to advance their key projects and investments to remain cash positive during the going concern period. There are currently no agreements in place and there is no certainty that funds will be raised within the appropriate timeframe. This indicates that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern, and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business.

However, the directors have a reasonable expectation that the required funding will be forthcoming. As a result, the directors believe that the Group and the Company will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2) Use of judgements and estimates and significant accounting policies

The preparation of the interim financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those disclosed in the Group's annual financial statements for the year ended 31 December 2025.

The accounting policies applied in these interim financial statements are consistent with those applied in the Group's consolidated financial statements for the year ended 31 December 2025. A number of new standards and amendments became effective from 1 January 2026 but have not had a material impact on the Group's financial statements.

3) Segmental reporting

Operating segments – continuing operations

In the view of the Board of Directors, the Group has one (2025: one) reportable segment in continuing operations: Therapeutics. Segment reporting has been presented on this basis for continuing operations. The Directors recognise that the operations of the Group are dynamic and therefore this position will be monitored as the

Group develops.

The principal activity of Therapeutics is the development of novel cancer therapies harnessing proprietary technology.

The previous second reportable segment as the diagnostics division which is currently under a divestment strategy and being held for sale. All reporting for this segment will be presented as discontinuing operations.

Segment revenue represents revenue from external customers arising from sale of goods and services, plus inter-segment revenues. Inter-segment transactions are priced on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's revenue to destinations outside the UK amounted to 100% (2024: 100%) of total revenue. The revenue analysis below is based on the country of registration of the customer:

	6 months ended 30 June 2026	6 months ended 30 June 2025	Year ended 31 December 2025
£000			
South Korea	56	56	113
	56	56	113

During the six month period ended 30 June 2026, there were no transactions with a single external customer that exceeded 10% of the Group's revenue, being £56,000.

During the six month period ended 30 June 2025, there were no transactions with a single external customer that exceeded 10% of the Group's revenue, being £56,000.

During the year 31 December 2025, transactions with one external customer in the Therapeutics segment amounted individually to 10% or more of the Group's revenues from continuing operations, being £113,000.

Operating segment analysis for the six months ended 30 June 2026

	Therapeutics	Central overheads ¹	Total (continuing)	Diagnostics (discontinued)
	£000	£000	£000	£000
Revenue	56	-	56	-
Cost of goods sold	-	-	-	-
Gross profit	56	-	56	-
Research costs	(9,686)	-	(9,686)	-
R&D expenditure credit (RDEC)	926	-	926	-
Selling, general and administrative expenses	(1,932)	(1,941)	(3,873)	-
Adjusted EBITDA	(10,636)	(1,941)	(12,577)	-
Exceptional expenses	-	23	23	-
Depreciation expense	(543)	(14)	(557)	-
Amortization expense	(2)	(3)	(5)	-
Share of loss of associate	(259)	-	(259)	-
Share-based payment expense	(321)	(215)	(536)	-
Segment operating loss	(11,761)	(2,150)	(13,911)	-

¹Central overheads, which relate to operations of the Group functions, are not allocated to the operating segments.

Operating profit/loss is the measure of profit or loss regularly reviewed by the Board. Other items comprising the Group's loss before tax are not monitored on a segmental basis.

The information reported to the Board does not include balance sheet information at the segment level.

Operating segment analysis for the six months ended 30 June 2025

	Therapeutics	Central overheads ¹	Total (continuing)	Diagnostics (discontinued)
	£000	£000	£000	£000
Revenue	56	-	56	6,102
Cost of goods sold	-	-	-	(3,285)
	-----	-----	-----	-----
Gross profit	56	-	56	2,817
Research costs	(7,200)	-	(7,200)	-
Selling, general and administrative expenses	(1,493)	(2,977)	(4,470)	(3,465)
	-----	-----	-----	-----
Adjusted EBITDA	(8,637)	(2,977)	(11,614)	(648)
Exceptional expenses	-	(899)	(899)	-
Depreciation expense	(609)	(119)	(728)	(233)
Amortization expense	(3)	(7)	(10)	(31)
Share of loss of associate	(189)	-	(189)	-
Share-based payment expense	(365)	(375)	(740)	-
	-----	-----	-----	-----
Segment operating loss	(9,803)	(4,377)	(14,180)	(912)
	-----	-----	-----	-----

¹Central overheads, which relate to operations of the Group functions, are not allocated to the operating segments.

Operating profit/loss is the measure of profit or loss regularly reviewed by the Board. Other items comprising the Group's loss before tax are not monitored on a segmental basis.

The information reported to the Board does not include balance sheet information at the segment level.

Operating segment analysis for the year ended 31 December 2025

	Therapeutics	Central overheads ¹	Total (continuing)	Diagnostics (discontinued)
	£000	£000	£000	£000
Revenue	113	-	113	6,199
Cost of goods sold	-	-	-	(3,272)
Gross profit	113	-	113	2,927
Research costs	(18,761)	-	(18,761)	-
R&D expenditure credit (RDEC)	1,852	-	1,852	-
Selling, general and administrative expenses	(4,378)	(4,106)	(8,485)	(4,804)
Adjusted EBITDA	(21,174)	(4,106)	(25,281)	(1,877)
Exceptional expenses	-	(754)	(754)	-
Depreciation expense	(1,121)	(147)	(1,268)	-
Amortization expense	(6)	(5)	(11)	-
Share of loss of associate	(454)	-	(454)	-
Share-based payment expense	(827)	(1,299)	(2,126)	(65)
Segment operating loss	(23,582)	(6,312)	(29,894)	(1,942)

¹Central overheads, which relate to operations of the Group functions, are not allocated to the operating segments.

Operating profit/loss is the measure of profit or loss regularly reviewed by the Board. Other items comprising the Group's loss before tax are not monitored on a segmental basis.

The information reported to the Board does not include balance sheet information at the segment level.

4) Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is all derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by its nature. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 3).

Six months ended 30 June 2026

£'000	Therapeutics	Continuing operations	Diagnostics (discontinued)	Total
Nature of revenue				
Sale of goods	-	-	-	-
Provision of services	-	-	-	-
Licence-related income	56	56	-	56
	56	56	-	56

Six months ended 30 June 2025

£'000	Therapeutics	Continuing operations	Diagnostics (discontinued)	Total
Nature of revenue				
Sale of goods	-	-	5,807	5,807
Provision of services	-	-	294	294
Licence-related income	56	56	-	56
	56	56	6,102	6,158

Year ended 31 December 2025

£'000	Therapeutics	Continuing operations	Diagnostics (discontinued)	Total
Nature of revenue				
Sale of goods	-	-	5,922	5,922
Provision of services	-	-	277	277
License-related income	113	113	-	113
	113	113	6,199	6,312

5) Earnings per share

Total Earnings Per Shares £'000	Unaudited 6 months ended 30 June 2026	Unaudited 6 months ended 30 June 2025	Audited Year ended 31 December 2025
Loss for the period	(19,023)	(17,728)	(38,612)
Weighted average number of shares (number)	449,438,000	381,243,598	399,784,000
Basic and diluted loss per ordinary share	(4.23)	(4.65)	(9.66)

Continuing Earnings Per Share £'000	Unaudited 6 months ended 30 June 2026	Unaudited 6 months ended 30 June 2025	Audited Year ended 31 December 2025
Loss for the period	(19,023)	(16,134)	(36,264)
Basic and diluted loss per ordinary share	(4.23)	(4.23)	(9.07)

Discontinued Earnings Per Share £'000	Unaudited 6 months ended 30 June 2026	Unaudited 6 months ended 30 June 2025	Audited Year ended 31 December 2025
Loss for the period	-	(1,594)	(2,348)
Basic and diluted loss per ordinary share	-	(3.82)	(0.59)

6) Convertible bond

In October 2022, the Group issued senior unsecured convertible bonds (the “Bonds”) with a principal value of £55.0 million to a fund advised by Heights Capital Ireland LLC. The Bonds were issued at 95% of par, generating net proceeds of £52.25 million after placement fees, and bear interest at a fixed coupon of 6.5% per annum, payable quarterly in arrears.

The Bonds have a maturity of five years and include conversion and settlement features that allow repayment in either cash or ordinary shares of Avacta Group plc, at the Group's option, subject to the contractual terms of the instrument. The Bonds also contain conversion rights permitting the bondholder to convert all or part of the outstanding balance at specified times during the term.

The convertible bond is accounted for as a hybrid financial instrument comprising a host debt liability and an embedded derivative representing the equity-linked conversion and settlement features. The host debt liability is measured at amortised cost while the embedded derivative is measured at fair value through profit or loss. The embedded derivative is valued using a Monte Carlo option pricing model and is classified as a Level 3 fair value measurement under the IFRS fair value hierarchy.

On 20 October 2025, amendments to the terms of the Bonds became effective. The amendments were assessed under IFRS 9 and determined to represent a substantial modification of the liability. Accordingly, the original host debt liability was derecognised and a new host debt liability was recognised at fair value. The embedded derivative remained bifurcated from the host debt liability and continues to be measured separately at fair value through profit or loss.

During the six months ended 30 June 2026, the Group made an interest-only repayment of £0.66 million in cash. In addition, a partial conversion of the Bonds resulted in the derecognition of £1.20 million of host debt liability and £0.37 million of derivative liability, with the corresponding amounts recognised within share capital and share premium. During the period, the carrying amount of the host debt liability was adjusted to reflect revisions to expected future cash flows arising from changes to the repayment profile, including the acceleration of a previously deferred repayment into July 2026. This resulted in a charge of £0.82 million, which has been recognised within Gain/(loss) on modification of financial liabilities in the Consolidated Statement of Profit or Loss.

At 30 June 2026, the carrying amount of the host debt liability was £15.77 million (30 June 2025: £18.17 million; 31 December 2025: £13.36 million) and the carrying amount of the derivative liability was £3.29 million (30 June 2025: £0.27 million; 31 December 2025: £2.79 million). Interest expense recognised in respect of the host debt liability during the period amounted to £3.46 million (H1 2025: £3.87 million; FY 2025: £6.98 million). The remeasurement of the derivative liability resulted in a £0.87 million loss recognised in profit or loss during the period (H1 2025: £1.01 million gain; FY 2025: £1.51 million loss).

Events during the six months ended 30 June 2026

- On 13 May 2026, a partial conversion of the Bonds resulted in the settlement of £1.20 million of the host debt liability through the issue of ordinary shares. The associated derivative liability of £0.37 million was also derecognised and recognised within equity.

Events following the six months ended 30 June 2026

- In July 2026 the Company received an accelerated payment notice from the convertible bond holder in respect of the January 2026 quarterly deferred convertible bond repayment, as referenced most recently in the financing announced on 5 June 2026, which the Company has elected to settle in cash. Accordingly, the Company has settled the accelerated quarterly amortization payment of £3.67 million representing principal of £2.4 million together with the associated interest and fees payable in the deferment.
- In September 2026 the Company received an accelerated payment notice from the convertible bond holder in respect of the April 2026 quarterly deferred convertible bond repayment, which the Company has elected to settle in cash. Accordingly, the Company has settled the accelerated quarterly amortization payment of £2.613 million, representing principal of £2.4 million together with the associated interest and fees payable in the deferment. Following the cash settlement of the April 2026 quarterly deferred convertible bond repayment, both deferred payments have now been satisfied.

	Convertible bond - derivative	Convertible bond - debt
	£000	£000
At 1 January 2025	1,281	20,497
Repayments (equity settled)	-	(6,197)
Interest expense	-	3,865
Revaluation of derivative	(1,008)	-
At 30 June 2025	273	18,165
Derecognition of old financial liability	-	(17,289)
Recognition of new modified liability	-	15,258
Repayments (cash settled)	-	(5,887)
Interest expense	-	3,115
Revaluation of derivative	2,515	-
At 31 December 2025	2,788	13,362
Repayments interest only (cash settled)	-	(663)
Early conversion (equity settled)	(369)	(1,200)
Revision to expected cash flows	-	816
Interest expense	-	3,460
Revaluation of derivative	869	-
At 30 June 2026	3,288	15,774

7) Share capital

	Unaudited Six months ended 30 June 2026	Unaudited Six months ended 30 June 2025	Audited Year ended 31 December 2025
	£000	£000	£000
Allotted, called up and fully paid:			
- 471,626,143 (H1 2025: 393,690,542, 2025: 440,415,495 ordinary shares of 10p each	47,163	39,369	44,042
- 19,327,344 deferred shares of 0.4p each	77	77	77

47,240 39,446 44,119

During the period, the following ordinary share issues occurred:

- On 7 April 2026, 15,873,016 ordinary shares of 10p each were allotted and issued at 63p per share pursuant to a placing and subscription.
- On 6 May 2026, 580,791 ordinary shares of 10p each were allotted and issued following the exercise of options held by Bach Biosciences LLP.
- On 18 May 2026, 1,604,063 ordinary shares of 10p each were issued on conversion of a portion of the unsecured convertible bond.
- On 2 June 2026, 793,651 ordinary shares of 10p each were allotted and issued at 63p per share pursuant to a subscription.
- On 11 June 2026, 12,792,859 ordinary shares of 10p each were allotted and issued at 70p per share pursuant to a placing.
- On 11 June 2026, 64,284 ordinary shares of 10p each were allotted and issued at 70p per share pursuant to subscriptions.

Additionally, during the period a total of 375,000 ordinary shares of 10p each were allotted and issued following the exercise of vested employee share options. Options were exercised at prices ranging from 10p to 25p per share.

The April and June 2026 placings, together with the associated subscriptions, raised gross proceeds of approximately £18.95 million before expenses.

8) Operating cash outflow from operations

	Unaudited 6 months ended 30 June 2026 £000	Unaudited 6 months ended 30 June 2025 £000	Audited Year ended 31 December 2025 £000
Cash flow from operating activities			
Loss for the period	(19,023)	(17,017)	(38,612)
Adjustments for:			
Loss from discontinued operations	-	889	2,112
Amortization	5	10	11
Impairment losses	-	-	-
Depreciation	557	728	1,268
Net (gain) / loss on disposal of property, plant and equipment	(54)	-	284
Net (gain) / loss on disposal of Subsidiary	-	705	236
Share of loss of associate	259	189	454
Equity-settled share-based payment charges	536	740	2,126
Loss / (gain) on fair value of convertible bond	869	(1,009)	1,506
Increase in investment in associate	(56)	(56)	(113)
Net finance costs	4,067	3,754	6,782
Taxation	(750)	(737)	(1,635)
Operating cash outflow before changes in working capital	(13,590)	(11,804)	(26,997)
(Increase) / decrease in trade and other receivables	(173)	(1,250)	(1,020)
Increase / (decrease) in trade and other payables	(1,926)	723	3,090
Operating cash outflow from operations	(15,689)	(12,331)	(24,927)

9) Events after the reporting period

In July 2026 the Company received an accelerated payment notice from the convertible bond holder in respect of the January 2026 quarterly deferred convertible bond repayment, as referenced most recently in the financing [announced](#) on 5 June 2026, which the Company has elected to settle in cash. Accordingly, the Company has settled the accelerated quarterly amortization payment of £3.67 million representing principal of £2.4 million

together with the associated interest and fees payable in the deferment.

In September 2026 the Company received an accelerated payment notice from the convertible bond holder in respect of the April 2026 quarterly deferred convertible bond repayment, which the Company has elected to settle in cash. Accordingly, the Company has settled the accelerated quarterly amortization payment of £2.613 million, representing principal of £2.4 million together with the associated interest and fees payable in the deferment. Following the cash settlement of the April 2026 quarterly deferred convertible bond repayment, both deferred payments have now been satisfied.

As announced on 1 September 2026, the Board of Directors granted share options under the Company's Equity Share Option Scheme incentive plan ("ESOS") to all members of the Management Team (the "Options"). The Options are exercisable at an exercise price of 69 pence per share, being the mid-market closing price of the Company's Ordinary Shares on 27 August 2026, the last trading date before the Options were granted.

As announced on 14 September 2026, Mats Blom, an experienced biotechnology finance executive and Board member with a strong track record as Chief Financial Officer in several life sciences companies, was appointed as a member of its Board of Directors and Chair of the Audit Committee.