

Avacta

CB amendment creates funding solution optionality

1 September 2025

- Avacta is raising £3.25m gross through an oversubscribed conditional placing of 6.5m new ordinary shares at 50p to HNWI. Net proceeds of c £3.1m will be used to settle the next quarterly convertible bond (CB) repayment (principal and interest) due on 20 October 2025, after which the remaining CB principal will be £20.4m. New shares will be admitted to trading on 12 September 2025, increasing Avacta's issued share capital to 411,048,875. This follows a similar £3.25m gross equity raise in July (10.8m new shares at 30p) whereby proceeds settled the 21 July 2025 quarterly repayment.
- CB amendments have also been agreed, including: (1) the payment of the October 2025 quarterly repayment and interest in cash; (2) deferral of the January 2026 and April 2026 quarterly CB repayments and interest until October 2027; and (3) the bondholder having the right to accelerate payment (in cash or shares) of one or both deferred repayments on the earlier of (i) the release of Phase Ib FAP-Dox (AVA6000) data in triple negative breast cancer (TNBC) and (ii) 30 June 2026. In addition, the CB conversion price is reset at 75p (previously 88.72p). These amendments are subject to Avacta raising at least £13m in aggregate funding from any therapeutics partnership or other deal, strategic investment, and/or an equity fundraise by 15 January 2026.
- Multiple catalysts are anticipated over the next 12 months. Initial FAP-Dox data in salivary gland cancer (SGC) from patients treated in the completed Phase Ia dose escalation and the ongoing Phase Ib dose expansion cohorts is due late-2025, with similar data in TNBC expected in H126. IND submission of second pre|CISION asset, AVA6103 (FAP-EXd), is on track for late 2025. Subject to funding, Avacta is planning initiation of FAP-Dox Phase II trials both SGC and TNBC in H126, and the FAP-EXd Phase I study in Q126. Last reported cash at end-April 2025 stood at £17.3m, with the £2.15m proceeds from the Coris Bioconcept sale extending the cash runway further into Q126. H125 interim results are due to report in September/October.

Price	61.5p
Market Cap	£247.1m
Primary exchange	AIM
Sector	Healthcare
Company Code	AVCT
Corporate client	Yes

Company description:

Avacta is a clinical stage biotech focused on the novel pre|CISION platform to generate peptide drug conjugates to target delivery of toxic payloads into the tumour microenvironment, which has the potential to expand the reach and reduce the systemic toxicities of highly potent cancer therapeutics. Lead programme AVA6000 is in Phase Ib, with multiple next generation candidates in preclinical development.

Trinity Delta view: In our view, the amended CB terms indicate management confidence in their ability to secure funds to advance Avacta's pre|CISION assets through clinical development. This funding is likely to come from a variety of sources including partnerships, strategic investment, and/or an equity raise, and could be catalysed by key data readouts slated for the next 12 months: Phase I FAP-Dox SGC results in H225 (potentially at ESMO 2025) and TNBC data in H126. Appetite for Avacta equity has been demonstrated through the two recent oversubscribed equity placings; notably the proceeds being used to cash settle CB repayments has also resulted in less dilution than would have been the case with a direct equity settlement. CB amendments announced in tandem with this latest raise allow deferral of the next two quarterly repayments removing some pressure from near-term cash flow requirements. Subject to extending Avacta's cash runway beyond Q126, there are multiple opportunities to unlock value through generating and developing a pipeline of highly novel tumour targeting drug conjugates. Our last published Avacta valuation is £449m (\$561m).

Analysts

Lala Gregorek

lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Philippa Gardner

pgardner@trinitydelta.org
+44 (0) 20 3637 5042

Philippa Gardner

pgardner@trinitydelta.org

+44 (0) 20 3637 5042

Lala Gregorek

lgregorek@trinitydelta.org

+44 (0) 20 3637 5043

Franco Gregori

fgregori@trinitydelta.org

+44 (0) 20 3637 5041

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