IRREVOCABLE UNDERTAKING – SHAREHOLDER

From: Imperial Innovations Limited (the "**Shareholder**")

To: Astro Bidco Limited

Abzena plc

13th August 2018

Dear Sirs

Proposed offer for Abzena (the "Company") by Astro Bidco Limited ("BidCo" or the "Offeror"), a wholly owned subsidiary of WCAS XII-Astro, L.P. to be effected by way of scheme of arrangement pursuant to Part 26 of the Companies Act 2006 (the "Scheme")

We understand that Bidco intends to make a recommended cash offer ("**Offer**") to acquire all of the issued and to be issued ordinary shares ("**Shares**") in the capital of the Company at an offer price of 16 pence in cash per ordinary share, substantially on the terms and conditions set out or referred to in the draft announcement (the "**Announcement**") attached to this undertaking, together with such additional terms and conditions as may be agreed between BidCo and the Company provided that such terms do not result in a diminution of value of the consideration being offered.

The Offer is intended to be effected by way of a Court-sanctioned scheme of arrangement of the Company under Part 26 of the Act (the "**Scheme**") to acquire the entire issued and to be issued share capital of the Company or, if the Offeror elects, by means of a takeover offer under section 974 of the Act (the "**Offer**") by the Offeror.

I irrevocably and (save as expressly set out below) unconditionally undertake and agree with you that:

Irrevocable Undertakings

1. I am the legal and/or beneficial owner of (or am otherwise able to control the exercise of all rights, including voting rights and the ability to procure transfers, attaching to) the number of ordinary shares of 0.2 pence each in the capital of the Company ("**Ordinary Shares**") set opposite my name in the Schedule to this letter, being all the Ordinary Shares of which I am the sole legal and/or beneficial owner or which are otherwise controlled by me and being all the Ordinary Shares in which I have an interest ("**Interest**") having the same meaning in this letter as it does for the purposes of part 22 of the Companies Act 2006).

2. I have all necessary power and authority to give this undertaking and will cast (or procure that there are cast) all votes as the holder of:

   (a) all the issued Ordinary Shares set opposite my name in the Schedule to this letter; and

   (b) any other Ordinary Shares in which I become legally and/or beneficially interested or which I may control after the date of this undertaking,

   (in each case to which the Offer relates) (together the "**Shares**") at the general meeting of the Company or any other general meeting of the Company to be held in connection with the approval of the Scheme (the "**General Meeting**") and at the meeting ordered or to be ordered by the court (the "**Court Meeting**") to be held in connection with the approval of the Scheme:

   (a) first, in favour of all resolution(s) to approve the Scheme and all other matters connected with the Scheme (whether or not amended) contained in the the formal document containing the notices of the Court Meeting and the General Meeting (the "**Scheme Document**"); and

(b) second (unless the Offeror directs otherwise in writing), against any adjournment of the Court Meeting or the General Meeting or any amendment to the resolution(s) set out in the notice of the General Meeting or the Court Meeting contained in the Scheme Document.

3. Without prejudice to paragraph 2 above, I shall (and without prejudice to my right to attend and vote in person at the Court Meeting and the General Meeting):

(a) execute and return (or procure the execution and return of) the forms of proxy enclosed with the Scheme Document in respect of the Court Meeting and the General Meeting (completed so as to appoint the chairman of the Court Meeting and the General Meeting as my proxy in respect of the Shares, voting in favour of the Scheme and the resolutions proposed in the notices of meeting set out in the Scheme Document) in accordance with the instructions printed thereon as soon as possible and in any event not later than the deadline for receipt of proxies by the registrars for the relevant meeting; and

(b) not revoke or withdraw the forms of proxy once they have been returned in accordance with paragraph 3(a).

4. Should the Offeror elect, with the consent of the Panel, to implement the Offer by way of a takeover offer, I shall, after the dispatch by the Offeror of the formal offer document containing the Offer (the "**Offer Document**");

(a) complete or procure the completion and delivery to the Offeror to its agent of such form(s) of acceptance of the Offer in respect to the Shares in accordance with the instructions printed thereon as soon as possible and in any event not later than ten (10) Business Days after the date of dispatch to the Company's shareholders of the Offer Document (or, in respect to any Shares in which I become legally and/or beneficially interested or which I may control after the posting of the Offer Document, as soon as possible and in any event within five (5) Business Days of such interest being acquired);

(b) not revoke or withdraw my acceptance during the period that the Offer remains open for acceptance; and

(c) take such other steps as may be set out in the Offer Document to effect acceptance of the Offer in respect of the Shares (in each case in accordance with the terms set out in the Offer Document).

During the period the Offer remains open for acceptance, I will continue to have all necessary power and authority to give this undertaking, to accept or procure acceptance of the Offer in respect of the Shares and to transfer or procure the transfer to the Offeror of the full legal ownership of all the Shares pursuant to the Offer.

Dealing with Shares

5. From the time the Announcement is released containing details of the Offer to the time that this undertaking lapses, I further hereby irrevocably and unconditionally agree with you that I:

(a) shall not vote in favour of any other scheme or accept any other offer (including any transaction subject to the Code as referred to in section 3(b) of the introduction to the Code) in respect of all or any of the Shares, whether conditionally or unconditionally (irrespective of the means by which it is to be implemented);

(b) shall not, except pursuant to the Offer (irrespective of the means by which it is to be implemented), sell, transfer or otherwise dispose of or permit any disposal of, charge, encumber or grant any option or other right over all of any of the Shares or any interest in the Shares or enter into any agreement or arrangement which could result in their sale or disposal or would restrict their disposal pursuant to the Offer (irrespective of the means by which it is to be implemented) ;

(c) save for my voting in favour of the Scheme, I shall not charge, encumber or grant any option or other right over all or any of the Shares or any interest in the Shares;

(d) shall not exercise the voting rights attaching to the Shares in any manner which is or is reasonably likely to be prejudicial to the success of the Offer (irrespective of the means by which it is to be implemented);

(e) shall not acquire any interest in any share capital of the Company without the prior written consent of the Offeror; and

(f) shall not procure or enter into any agreement or arrangement with any person(s), whether conditionally or unconditionally, or solicit any person to do any of the acts prohibited by this paragraph 5.

6. The provisions set out in this undertaking apply equally to the registered holder of the Shares (to the extent that I am not such person) in respect of whom I hereby irrevocably and unconditionally agree to use all reasonable endeavours to procure compliance with the terms of this undertaking as if they were specifically a party to this undertaking.

Warranties

7. I warrant that this undertaking constitutes a binding obligation on the Shareholder, that I have all relevant rights, powers and authorities to enter into and perform this undertaking and that compliance with the terms of this undertaking does not and will not conflict with or constitute a default under any provision of:

(a) any agreement or instrument to which the Shareholder is party; or

(b) any lien, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which the Shareholder is bound.

Disclosure

8. I understand and agree that, in accordance with the Code, particulars of this irrevocable undertaking will be contained in the Announcement, the Scheme Document and/or Offer Document and also that this undertaking will be published on a website during the offer period following the release of the Announcement and I hereby consent thereto.

Revised Scheme

9. The undertakings in this letter extend to any revised Scheme by or on behalf of the Offeror or any revised Offer which in the opinion of the Company's Adviser is/are no less favourable for a holder of the Ordinary Shares than the Scheme or Offer in its original or last previously revised form and all references to the "**Scheme**" or "**Offer**" (as applicable) in this letter shall be construed accordingly. References to the Scheme Document or the Offer Document shall include any document which amends any of the terms and conditions of the Scheme or Offer respectively.

Specific Performance

10. I understand and agree that if I should fail to vote in favour of the Scheme or accept the Offer in accordance with my obligations in this undertaking, or should in some way be in breach of any other obligations in this undertaking, damages in the form of a liquidated sum may be an inadequate remedy and that an order for specific performance may be the only adequate remedy for such failure or breach.

No Customer Relationship

11. I confirm that in relation to the execution of this undertaking I am not a customer or deemed customer of the Offeror's Adviser and that the Offeror's Adviser is not responsible to us for providing protections afforded to its customers or advising us in relation to this undertaking, the Scheme or the Offer.

Lapse of Undertaking

12. All undertakings, warranties and representations set out in this letter will automatically lapse and be of no further force and effect upon the earliest to occur of the following:

(a) where the Offer is implemented by way of a Scheme, the Scheme lapses or is withdrawn or the Scheme has not become effective by 5:00pm on the Long Stop Date (as defined in the Scheme Document) or such later time or date as is agreed between the Offeror and the Company and no public announcement has been made by the Offeror in relation to electing (having received the Panel's consent) to implement the Offer by way of a takeover offer;

(b) where the Offer is implemented by way of takeover offer, the takeover offer lapses or is withdrawn without becoming unconditional in all respects and no public announcement has been made by the Offeror in relation to electing (having received the Panel's consent) to implement the Offer by way of a Scheme; or

(c) the Offer does not become effective, lapses, is withdrawn or otherwise becomes incapable of ever becoming effective, as the case may be,

provided that the lapsing of the undertakings, warranties and representations in this letter shall not affect any rights or liabilities in respect of any prior breaches of any undertakings contained in this letter.

Assignment

13. The Offeror may assign any of its rights under this letter to any subsidiary undertaking or associated undertaking of the Offeror.

Time of the Essence

14. Time is of the essence as regards any time, date or period mentioned in this letter or as extended in accordance with the terms of this letter.

Governing Law

15. This letter and any non-contractual obligations arising in connection with it (and, unless provided otherwise, any document entered into in connection with it) shall be governed by and construed in accordance with English law.

16. The English courts have exclusive jurisdiction to determine any dispute arising in connection with this letter (and, unless provided otherwise, any document entered into in connection with it), including disputes relating to any non-contractual obligations.

Third Party Rights

17. A person who is not party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this letter but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

EXECUTION PAGE

IN WITNESS of which this document has been executed as a deed on the date which first appears on page 1 above.

Signed as a **DEED** by DAVID BAYNES)
for and on behalf of **Imperial Innovations Limited**)
in the presence of:)

Name of witness:

Signature of witness:

Address:

Occupation

SCHEDULE

Name	Number of Shares
Imperial Innovations Limited	118,405

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014

16 August 2018

RECOMMENDED CASH OFFER

for

ABZENA PLC

by

Astro Bidco Limited, a company wholly-owned by WCAS XII-Astro, L.P.

Summary

- The board of directors of Abzena plc ("**Abzena**" or the "**Company**") and the board of directors of Astro Bidco Limited ("**BidCo**") are pleased to announce that they have reached agreement on the terms of a recommended all cash offer to be made by BidCo for all of the issued and to be issued share capital of Abzena (the "**Acquisition**"). It is intended that the Acquisition will be effected by means of Court-sanctioned scheme of arrangement between Abzena and the Abzena Shareholders under Part 26 of the Companies Act 2006.

- Under the terms of the Acquisition, Abzena Shareholders will be entitled to receive:

  16 pence in cash for each Abzena Share

- The Acquisition values the entire issued share capital of Abzena at approximately £34.4 million on a fully diluted basis.

- The Acquisition represents a premium of approximately:

  - 167 per cent. to the Closing Price per Abzena Share of 6.0 pence on 15 August 2018 (being the latest practicable date before the date of this Announcement);
  - 36 per cent. to the average Closing Price per Abzena Share of 11.8 pence in the three months to 15 August 2018 (being the latest practicable date before the date of this Announcement).

- BidCo is a newly incorporated company which is wholly-owned by the WCAS Fund and which has been established for the purpose of making and implementing the Acquisition. Further information in relation to BidCo, the WCAS Fund and Welsh, Carson, Anderson & Stowe ("**WCAS**") is set out in paragraphs 8 and 9 of this Announcement.

- The Abzena Directors, who have been so advised by N+1 Singer as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. N+1 Singer is providing independent financial advice to the Abzena Directors for the purposes of Rule 3 of the

City Code on Takeovers and Mergers (the "**Code**"). In providing its financial advice to the Abzena Directors, N+1 Singer has taken into account the commercial assessment of the Abzena Directors.

- Accordingly, the Abzena Directors intend to recommend unanimously that Abzena Shareholders vote in favour of the Scheme at the Court Meeting and the resolution relating to the Acquisition to be proposed at the Abzena General Meeting, as the Abzena Directors who hold Abzena Shares have irrevocably undertaken to do in respect of their own beneficial holdings, amounting in aggregate to 3,730,038 Abzena Shares and representing approximately 1.7 per cent. of the existing issued share capital of Abzena as at 15 August 2018 (being the latest practicable date prior to publication of this announcement). Further details are set out in Appendix III of this announcement.

- In addition to the irrevocable undertakings from the Abzena Directors, BidCo has received irrevocable undertakings from certain other Abzena Shareholders holding, in aggregate, 163,393,837 Abzena Shares representing approximately 76.3 per cent. of the existing issued share capital of Abzena to vote in favour of the Scheme at the Court Meeting and the resolution relating to the Acquisition to be proposed at the Abzena General Meeting. Further details are set out in Appendix III of this announcement.

- Consequently, BidCo has received irrevocable undertakings with respect to, in aggregate, 167,123,875 Abzena Shares representing approximately 78.0 per cent. of the existing issued share capital of Abzena.

- The Company has 214,220,399 ordinary shares in issue as at 15 August 2018 (being the latest practicable date prior to the publication of this announcement).

- Abzena has confirmed to the counterparty with whom it had been in discussions in relation to the monetisation of potential royalties from certain of the ABZENA *Inside* products, that it no longer wishes to proceed with that transaction. Negotiations with that counterparty have been terminated and will not now be consummated.

The Scheme will also be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.

The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the Abzena General Meeting, including an indicative timetable for the implementation of the Scheme, will be set out in the Scheme Document, which, together with the Forms of Proxy is expected to be dispatched to Abzena Shareholders as soon as reasonably practicable and, in any event, within 28 days of the date of this announcement.

Peel Hunt LLP is acting as financial adviser to BidCo, the WCAS Fund and WCAS. Ropes & Gray International LLP is providing legal advice to BidCo, the WCAS Fund and WCAS.

N+1 Singer is acting as financial adviser and broker to Abzena in respect of the Acquisition. Pinsent Masons LLP is acting as legal adviser to Abzena.

Commenting on the Acquisition, Jonathan Goldman, Operating Partner of WCAS, said:

"*Abzena is a highly respected company with a world class team of employees that offers differentiated and integrated solutions to customers. WCAS is excited to partner with the Abzena team to grow the company and maintain the standards of excellence and quality expected by customers and regulators.*"

Brian Regan, General Partner, of WCAS, added:

"WCAS has a long history of investing in market leading companies in life sciences. Abzena has grown significantly in recent years and has an excellent reputation as a pharmaceutical services organization.

We look forward to partnering with the Abzena team and investing to add further capabilities and scale in order to allow Abzena to realize its potential as a WCAS portfolio company."

Commenting on the Acquisition, Ken Cunningham, Chairman of Abzena, said:

"The Board recognises the expertise and successful track record of WCAS in backing businesses in the life sciences services space, including contract research, development and manufacturing organisations like Abzena. We considered several options for future financing including remaining on the public markets. However we believe the Acquisition by WCAS will better meet the needs of Abzena's shareholders, customers and staff alike, and provide a platform for further growth in the coming years."

John Burt, Chief Executive Officer of Abzena, added:

"We are pleased to have attracted the long-term support of a specialist investor of the calibre of WCAS. WCAS will provide us with immediate working capital for the business, followed by additional investment, post completion that will enable us to scale up the business and fund further development. We look forward to working with the WCAS team to continue to capitalise on the growing market opportunity for Abzena."

Enquiries:

BidCo and WCAS Jonathan M. Rather	Tel: +1 (212) 893 9500
Abzena plc Ken Cunningham (*Chairman*) John Burt (*Chief Executive Officer*) Julian Smith (*Chief Financial Officer*)	Tel: +44 (0)1223 903 498
Peel Hunt LLP (financial adviser to BidCo) Christopher Golden Michael Nicholson James Steel Oliver Jackson	Tel: +44 (0) 20 7418 8900
Nplus1 Singer Advisory LLP (Rule 3 adviser and joint broker to Abzena) Aubrey Powell Liz Yong	Tel: +44 (0) 20 7496 3000
Numis Securities Limited (NOMAD and joint broker to Abzena) Paul Gillam James Black Duncan Monteith	Tel: +44 (0) 20 7260 1000

This Summary should be read in conjunction with, and is subject to, the full text of this Announcement. The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the sources and bases of certain information contained in this Announcement, Appendix III contains a summary of the irrevocable undertakings received in relation to the Acquisition and Appendix IV contains definitions of certain expressions used in this summary and in this Announcement.

Market Soundings

Market soundings, as defined in the Market Abuse Regulation, were taken in respect of the Acquisition with the result that certain persons became aware of inside information relating to the Acquisition, as permitted by the Market Abuse Regulation. This inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to Abzena and their securities upon the publication of this announcement via a Regulatory Information Service.

IMPORTANT NOTICES RELATING TO FINANCIAL ADVISERS

Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for WCAS, the WCAS Fund and BidCo and for no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than WCAS, the WCAS Fund and BidCo for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or any other matter or arrangement referred to in this announcement.

N+1 Singer, which is authorised and regulated in the United Kingdom by the FCA, is acting solely for Abzena as financial adviser and broker in relation to the matters referred to in this announcement and for no one else. N+1 Singer will not be responsible to anyone other than Abzena for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any arrangement referred to herein.

Further information

This announcement is not intended to and does not constitute, or form any part of, an offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if applicable, a Takeover Offer) and the accompanying Forms of Proxy, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any approval, decision or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if applicable, a Takeover Offer). Scheme Shareholders are strongly advised to read the formal documentation carefully in relation to the Acquisition once it has been dispatched.

This announcement does not constitute a prospectus or prospectus equivalent document.

This announcement has been prepared for the purpose of complying with English law, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and service of this announcement shall not give rise to any implication that there has been no change in the facts set out in this announcement since such date.

Overseas jurisdictions

The release, publication or distribution of this Announcement in, and the availability of the Acquisition to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility and liability for the violation of such restrictions by any person.

In particular, the ability of persons who are not resident in the United Kingdom to vote their Abzena Shares at the Court Meeting and/or the Abzena General Meeting, or to execute and deliver Forms of Proxy appointing another to vote their Abzena Shares in respect of the Court Meeting and/or the Abzena General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Copies of this Announcement, the Scheme Document, the accompanying Forms of Proxy and any other formal documentation relating to the Acquisition and the Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction.

Unless otherwise permitted by applicable law and regulation, the Acquisition may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Acquisition may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Acquisition relates to the shares of a UK company and it is proposed to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme will relate to the shares of a UK company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Securities Exchange Act of 1934, as amended (the "Exchange Act"). A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies. However, if BidCo were to elect to implement the Acquisition by means of a Takeover Offer, such Takeover Offer shall be made in compliance with all applicable laws and regulations, including Section 14(e) of the Exchange Act and Regulation 14E thereunder. Such Takeover Offer would be made in the United States by BidCo and no one else. In addition to any such Takeover Offer, BidCo, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Abzena outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase are made they would be made outside the United States in compliance with applicable law, including the Exchange Act.

Forward-looking statements

This announcement contains certain statements about BidCo, WCAS, the WCAS Fund and Abzena which are, or may be deemed to be, forward-looking statements. The forward-looking statements contained herein include statements about BidCo, WCAS, the WCAS Fund, Abzena, the Abzena Group, the expected effects of the Acquisition on the Abzena Group, the expected timing of the Acquisition, and all other statements in this announcement other than those containing historical facts may be forward-looking statements. These statements are based on the current expectations and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "budget", "schedule", "forecast", "project", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "subject to", or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future. Forward-looking statements may include statements relating to the following: future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects. There are a number of factors that could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces,

industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Abzena Group, refer to the annual report and accounts for Abzena Group for the financial year ended 31 March 2018. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, neither WCAS nor Abzena give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement. Neither WCAS nor Abzena assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

Except as expressly provided in this announcement, no forward-looking or other statements have been reviewed by the auditors of the Abzena Group.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Abzena for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Abzena.

Right to switch to a Takeover Offer

BidCo reserves the right to elect, with the consent of the Takeover Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued ordinary share capital of Abzena as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if BidCo so decides (with the consent of the Takeover Panel), on such other terms being no less favourable, so far as applicable, as those which would apply to the Scheme and subject to appropriate amendments. If the Acquisition is implemented by way of Takeover Offer, it will be implemented solely pursuant to the terms of the Offer Document.

Publication on website and availability of hard copies

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) at www.abzena.com and www.wcas.com by no later than 12 noon (London time) on 17 August 2018.

Neither the contents of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.

In accordance with Rule 30.3 of the Code, a person so entitled may request a hard copy of this Announcement, free of charge, by contacting Peel Hunt LLP on +44 (0) 20 7418 8900 or Nplus1 Singer Advisory LLP on +44 (0) 20 7496 3000. *For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. In accordance with Rule 30.3 of the Code, a person so entitled may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

Information relating to Abzena Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Abzena Shareholders, persons with information rights and other relevant persons for the receipt of communications from Abzena may be provided to BidCo during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Relevant securities in issue

In accordance with Rule 2.9 of the Code, Abzena confirms that as at the close of business on 15 August 2018, being the last practicable date before the date of this announcement, its issued share capital consisted of 214,220,399 ordinary shares of £0.002 each. The International Securities Identification Number for the Abzena Shares is GB00BN65QN46.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014

16 August 2018

RECOMMENDED CASH OFFER

for

ABZENA PLC

by

Astro Bidco Limited, a company wholly-owned by WCAS XII-Astro, L.P.

1. Introduction

The board of directors of Abzena plc ("**Abzena**" or the "**Company**") and the board of directors of Astro Bidco Limited ("**BidCo**") are pleased to announce that they have reached agreement on the terms of a recommended all cash offer to be made by BidCo for all of the issued and to be issued share capital of Abzena (the "**Acquisition**"). It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Abzena and the Abzena Shareholders under Part 26 of the Companies Act (or, if BidCo elects, with the consent of the Panel, a takeover offer under Part 28 of the Companies Act).

BidCo is a newly incorporated company which is wholly-owned by the WCAS Fund and which has been established for the purpose of making and implementing the Acquisition. Further information in relation to BidCo and WCAS is set out in paragraphs 8 and 9 of this Announcement.

2. The Acquisition

Under the terms of the Acquisition, which will be subject to Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Abzena Shareholders will be entitled to receive:

16 pence in cash for each Abzena Share

The Acquisition values the entire issued and to be issued ordinary share capital of Abzena at approximately £34.4 million on a fully diluted basis, and represents a premium of approximately:

- 167 per cent. to the Closing Price per Abzena Share of 6.0 pence on 15 August 2018 (being the latest practicable date before the date of this Announcement);
- 36 per cent. to the average Closing Price per Abzena Share of 11.8 pence in the three months to 15 August 2018 (being the latest practicable date before the date of this Announcement).

The Scheme Document containing further information about the Acquisition and notices of the Court Meeting and the Abzena General Meeting will be published as soon as practicable and in any event, within 28 days of this Announcement.

3. Background to and reasons for the Acquisition

WCAS is a strong believer in Abzena's capabilities and the important role it plays in the biopharmaceutical contract research, development and manufacturing sector. It believes that Abzena provides an attractive opportunity to invest in a business which has high-growth potential and which, through its scientific expertise and differentiated capabilities, supports a range of biopharmaceutical sponsors ultimately seeking to develop treatments for patients.

WCAS believes that with its backing, Abzena will be better placed to maximise its future growth and prospects, while continuing to be a value-added partner to Abzena's continuing stakeholders, including biopharmaceutical companies, employees, suppliers and, ultimately, patients globally. Post Acquisition, Abzena is expected to benefit from the additional investment required for future growth and the enhanced scope for Abzena's management to build the Abzena Group into a market-leading contract research, development and manufacturing organisation that is constrained neither by a lack of access to growth capital nor the management distractions and ongoing compliance costs resulting from being a small publicly quoted company.

4. Background to and reasons for the Recommendation

Abzena was floated on AIM in July 2014, and since that time, the Abzena Group has diversified and grown its service offering both organically and by acquisition. Abzena invested in its operations in the UK and United States to create a broad-based contracts research, development and manufacturing business focused on supporting the development of better biopharmaceutical products. In April 2017, the Company raised £23.9 million (net of expenses) by a placing to fund an investment programme intended to increase capacity and enhance capabilities across the Abzena Group's three sites.

The financial year ended 31 March 2018 ("**FY18**") was a year of transition, with significant investment and progress having been made to broaden and integrate the Abzena Group's offering across the biopharmaceutical development pathway. However, ambitious growth targets set at the start of FY18 were not met and this had become apparent by 14 September 2017, when a disappointing trading update was announced ahead of the Company's annual general meeting. The Abzena Group's slower than expected start for FY18 was attributed to lower volumes in certain areas of the business, a small number of large projects that were taking longer to complete than expected, and certain other projects being delayed until the second half of the year.

The long-term nature of some of the Abzena Group's research and biomanufacturing service agreements means that revenue recognised by the Company under these contracts is based on management estimates of the stage of their completion. The performance of the services under these agreements is subject to scientific uncertainty as well as being dependent on the performance of inter-related activities by the customer and/or third parties. The uncertainties relating to these estimates and the performance of the contracts can lead to material uncertainty in the revenue to be recognised for any service project prior to completion of the relevant contract.

On 16 April 2018, Abzena issued a trading update. The announcement anticipated that the results for FY18 would report revenue of £22.0m, an increase of 18% over the prior year. The Abzena Group further announced that it would be targeting revenue growth in the financial year ending 31 March 2019 ("**FY19**") at a slightly higher rate to that seen in FY18 and that growth in FY19 was expected to be second half weighted. Abzena announced that it was taking actions to reduce capital expenditure and implementing a cost reduction programme to reduce operating costs significantly. Abzena also announced that it would require additional working capital to support the Abzena Group within the coming twelve months.

On 4 June 2018, Abzena announced its results for the year to 31 March 2018, confirming that revenues had increased by 18% to £22.0 million (financial year ended 31 March 2017 ("**FY17**") : £18.7 million), reflecting the growth in customer demand for Abzena's integrated services, particularly in its manufacturing and chemistry reporting segments, which increased revenues by 60% and 15% respectively. The adjusted EBITDA loss for FY18 increased by 61% to £12.0 million (FY17 : £7.5 million) of which £7.0 million was incurred in the first half of the financial year and £5.0 million was incurred in the second half of the financial year. The increased losses reflected continuing investment in the business in the context of the slower than originally anticipated revenue growth.

Abzena reported that the value of contracts secured in the second half of FY18 was £15.4 million, up 42% from the first half's total of £10.8 million, resulting in the Abzena Group starting the current financial year with committed forward contracts of £11.4 million.

On 14 June 2018, Abzena announced that it had been in market sounding discussions with institutional investors regarding a potential equity fundraising and, in consultation with the Company's major shareholders, the Board had decided to prioritise the potential partial monetisation of its interests in certain ABZENA *Inside* products. Since that announcement, Abzena has conducted negotiations, on an exclusive basis, with a single counterparty for the sale of an interest in the potential future royalties arising on a number of products in the Abzena *Inside* licence portfolio. These negotiations have now been terminated as a result of the Acquisition.

The term 'ABZENA *Inside*' is used by Abzena to describe products that have been created using its proprietary technologies and are being developed by its partners, and include Composite Human Antibodies™ and ThioBridge™ Antibody Drug Conjugates (ADCs). Abzena has the potential to earn future licence fees, milestone payments and/or royalties on ABZENA *Inside* products.

On 7 July 2018, Abzena received an indicative offer from WCAS for an all-cash acquisition of Abzena. WCAS stated that, were the Acquisition to complete, WCAS expected to fund operating losses as well as provide additional growth capital to build out the manufacturing operations at the Lusk facility. WCAS also agreed to provide an interim working capital financing solution to the extent required by Abzena's liquidity position.

Following due diligence conducted by WCAS and its advisers, WCAS provided Abzena's Board with a revised offer on 7 August 2018. In addition to the improved price, WCAS confirmed its willingness to provide a working capital facility to ensure that the Abzena Group has sufficient funding available through the contemplated period for completion of the Acquisition. The agreed form of facility is described more fully in section 12 below.

Following a more encouraging second half of FY18, with all reporting lines showing positive growth compared to the first half of (manufacturing + 66 per cent., chemistry + 16 per cent., biology + 14 per cent.), Abzena is currently trading in line with Board expectations with forecast revenue for FY19 expected to have grown at a slightly higher rate than last year. As at 31 July 2018, committed forward contracts have increased to £14.6 million from £11.4 million at the start of the current financial year, reflecting good progress that has been made since October 2018 in the level of Abzena Group's contracted orders. Notwithstanding this welcome growth, there remains uncertainty as to the timing at which projects under contract will be undertaken, and hence the level of revenue to be invoiced and cash collected remains difficult to predict accurately.

The Board believes that, while significant growth opportunities remain within the markets in which Abzena operates, significant additional financial and other resources would be required in order to pursue these sufficiently adequately to drive a better return for Abzena Shareholders. The Board is of the opinion that, while continuing turnover growth can be envisaged in the coming years, the need to finance the ongoing operating losses, planned further capital expenditure and increases in capacity mean that significant growth in cashflow will only be achieved over the medium term and beyond.

Set against the backdrop of a declining cash balance in the short term, the Abzena Board has considered the options for securing the necessary working capital to fund the Abzena Group's operations, and to

secure the funding for the capital expenditure to complete the build-out of manufacturing operations in San Diego. The Board has considered the funding that would become available if a royalty monetisation transaction was concluded on the terms negotiated for the sale of an interest in the ABZENA *Inside* portfolio. Whilst such funds would meet short-term working capital needs for the Abzena Group, the Board determined that they would not be sufficient to provide the additional growth capital required to build out the manufacturing operations at the Lusk facility or provide sufficient contingency within the Group's working capital needs. There would remain a need for a potential equity fund raising within the next 12 months, and, after market sounding discussions with institutional investors, the Board has concluded that such a fundraising could not be assured.

The Board has, therefore, concluded that the offer from WCAS, its provision of the Term Loan Facility and its stated intention to provide further funding to the Abzena Group provides the best solution to address the Abzena Group's capital requirements and place the Abzena Group's business on a more secure basis. The offer in terms of value, form of consideration offered and execution certainty also provides the best available solution for Abzena Shareholders, allowing them to realise their investments in Abzena.

Accordingly, the Abzena Board unanimously recommends the Acquisition to Abzena Shareholders as set out in paragraph 5.

Abzena has confirmed to the counterparty with whom it had been in discussions in relation to the monetisation of potential royalties from certain of the ABZENA *Inside* products, that it no longer wishes to proceed with that transaction. Negotiations with that counterparty have been terminated will not now be consummated.

In considering whether to recommend the Acquisition, the Directors have taken into account a number of factors, including:

- that the Acquisition price represents a premium, in cash, of 167 per cent. to the Closing Price of 6.0 per Share on 15 August 2018, being the last practicable day before the publication of this Announcement and a premium of 111 per cent. to the average mid market closing price over the past 30 trading days to the same date;
- that the Acquisition provides Abzena Shareholders with an opportunity to realise their entire investment in Abzena for cash within a relatively short timescale;
- that the Acquisition enjoys the support of Substantial Shareholders holding in aggregate over 76.3 per cent. of the existing share capital of the Company;
- that no higher cash offers have been received despite interest having been expressed in acquiring the Company from more than one other party;
- WCAS has made available the Term Loan Facility and has stated that following completion of the Acquisition, additional investment will be provided to scale the Abzena Group's business and fund the capital expenditure requirements to develop it further.

Abzena has also explored opportunities for further fundraising, including debt and equity. Neither Abzena nor its advisers have received any proposal which was sufficiently certain to proceed within the timeframe required to either elect to pursue the royalty monetisation transaction or consider the Acquisition, both of which were discussed with the Substantial Shareholders, against the near-term requirements of the business to secure funding for its present and future growth.

5. Recommendation

The Abzena Directors, who have been so advised by N+1 Singer as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. N+1 Singer is providing independent financial advice to the Abzena Directors for the purposes of Rule 3 of the Code. In providing its financial advice to the Abzena Directors, N+1 Singer has taken into account the commercial assessments of the Abzena Directors.

Accordingly, the Abzena Directors intend to recommend unanimously that Abzena Shareholders vote in favour of the Scheme at the Court Meeting and the resolution relating to the Acquisition to be proposed at the Abzena General Meeting (or, in the event that the Transaction is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer). The Abzena Directors who hold Abzena Shares have irrevocably undertaken to do in respect of their own beneficial holdings, amounting in aggregate to 3,730,038 Abzena Shares and representing approximately 1.7 per cent. of the existing issued share capital of Abzena as at 15 August 2018 (being the latest practicable date prior to publication of this Announcement). Further details are set out in Appendix III of this Announcement.

N+1 Singer has given and not withdrawn its consent to the inclusion in this Announcement of references to its advice to the Abzena Directors in the form and context in which it appears.

6. Interests in Abzena Shares and irrevocable undertakings

BidCo has received irrevocable undertakings from each of the Abzena Directors who hold Abzena Shares to vote in favour of the Scheme at the Court Meeting and the resolution relating to the Acquisition to be proposed at the Abzena General Meeting, in respect of a total of 3,730,038 Abzena Shares, representing approximately 1.7 per cent. of the issued share capital of Abzena in issue on 15 August 2018 (being the latest practicable date prior to publication of this Announcement). The irrevocable undertakings from the Abzena Directors remain binding in the event of a competing offer.

BidCo has received irrevocable undertakings from certain other Abzena Shareholders holding, in aggregate, 163,393,837 Abzena Shares representing approximately 76.3 per cent. of the existing issued share capital of Abzena, to vote in favour of the Scheme at the Court Meeting and the resolution relating to the Acquisition at the Abzena General Meeting (or in the event that the Transaction is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer).

Therefore, BidCo has received irrevocable undertakings with respect to, in aggregate, 167,123,875 Abzena Shares representing approximately 78.0 per cent. of the existing issued share capital of Abzena.

Certain of the irrevocable undertakings will cease to be binding in certain circumstances as set out in Appendix III to this Announcement. Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

7. Information relating to Abzena

Abzena provides specialist services and proprietary technologies to enable the selection, development and manufacturing of better biopharmaceuticals.

Abzena offers the following services and technologies across its principal sites in Cambridge (UK), San Diego, California (USA) and Bristol, Pennsylvania (USA):

- Biology research studies, including immunogenicity assessment of candidate biopharmaceutical products and bioassay development;
- Protein engineering to create humanized antibodies and deimmunised therapeutic proteins;
- Cell line development for the manufacture of recombinant proteins and antibodies;
- Contract process development and GMP manufacture of biopharmaceuticals, including monoclonal antibodies and recombinant proteins for preclinical and clinical studies;
- Contract synthetic chemistry and bioconjugation research services, focused on antibody-drug conjugates (ADCs);
- Proprietary site-specific conjugation technologies and novel payloads for ADC development;
- GMP manufacturing of ADC linkers, payloads & combined linker-payloads; and
- GMP analytical services for biopharmaceutical manufacturing projects.

In addition, Abzena can benefit from milestone and royalty income from Abzena *Inside* products developed by its customers using its proprietary technologies, as described above. This income becomes payable when such a product or product candidate passes through certain development milestones or achieves marketing authorisation and subsequent sales for the Abzena customer.

In the year ended 31 March 2018, Abzena generated revenue of £22.0 million, which was an increase of 18% over the prior year. Manufacturing revenue increased 60% to £8.5 million, chemistry revenue increased 15% to £8.0 million and biology revenue decreased to £4.9 million. In addition, Abzena received £0.5 million of licence revenue. Operating losses for the period were £14.9 million. Net cash of £6.8 million was reported at year-end. As at 14 August 2018, the Abzena Group had net cash of approximately £4.5 million.

Julian Smith and the non-executive directors of Abzena intend to resign as directors of Abzena with effect from cancellation of the admission to trading of the Abzena Shares on AIM. As previously disclosed on 4 June 2018, Julian Smith has previously indicated his intention to step down as Chief Financial Officer. Julian is remaining in that role to 21 September 2018.

8. Information relating to BidCo

BidCo is a private limited company which was incorporated in England on 13 August 2018 under the Companies Act with registered number 11514538. It has its registered office at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, United Kingdom.

The directors of BidCo are Brian Regan, Nicholas O'Leary and Jonathan Goldman.

BidCo is a newly incorporated company formed at the direction of WCAS for the purpose of implementing the Acquisition.

BidCo is currently owned 100 per cent. by the WCAS Fund, a fund managed by WCAS.

The principal activity of BidCo, in the event of completion of the Acquisition, will be to act as a holding company for Abzena and to provide certain management and strategic services to the Abzena Group. BidCo's principal investment will be the Abzena Shares acquired pursuant to the Acquisition or otherwise.

Save for activities in connection with the making, implementation and financing of the Acquisition, BidCo has not carried on any business prior to the date of this Announcement, nor has it entered into any obligations. BidCo has not paid any dividends or prepared any historical financial accounts. In the event that the Acquisition becomes Effective, Abzena will be the only direct subsidiary of BidCo and the Abzena Group will therefore represent all or substantially all of the earnings, assets and liabilities of BidCo, save for the liabilities incurred in connection with the Acquisition.

9. Information relating to WCAS

WCAS was founded in 1979, making it one of the oldest private equity firms in the world, and is the largest private equity investor focused exclusively on the healthcare and technology industries. Since its founding, WCAS has raised more than $22 billion across 16 partnerships and has invested approximately $9 billion in approximately 90 healthcare companies and funded hundreds of follow-on acquisitions. WCAS is currently investing out of WCAS XII, L.P., a $3.3 billion equity fund.

WCAS invests in growth-oriented companies in its two focus industries, healthcare and technology. The firm's strategy is to buy growth businesses, partner with outstanding management teams, and build value through a combination of operational improvements, internal growth initiatives and strategic acquisitions.

As a prospective new shareholder and financial sponsor for Abzena, WCAS would look forward to working with Abzena to create the foundation for a long-lasting, productive relationship that will maximize the future growth and prospects of Abzena. WCAS believes these relationships are extremely important, and over its nearly 40-year history, WCAS has worked closely with the founders and management teams of portfolio companies to tackle significant strategic and financial issues while building industry-leading companies.

Additionally, WCAS has partnered with management teams to build and grow a number of companies in related sectors to Abzena. Through WCAS' ownership of Aptuit, a small molecule-focused contract research and development organization, WCAS built a deep understanding of the pharmaceutical research and development market and in particular, integrated pharmaceutical contract development and manufacturing. Aptuit focuses on providing drug substance, formulation and drug product services from discovery to investigational new drug filing to niche commercial scale, both non-GMP and GMP. WCAS and management founded Aptuit in 2006 to pursue a "buy-and-build" strategy in the outsourced drug development services space. Over the period of WCAS' investment, Aptuit evolved into a world-class Partner Research Organization, differentiated from competitors by its scientific expertise, state-of-the-art facilities, quality compliance and informatics capabilities. In July 2017, WCAS exited its investment through a sale to Evotec A.G. In addition to WCAS' experience with Aptuit, members of the BidCo board have spent extensive time working in leadership roles with companies relevant to Abzena such as Patheon, a leading provider of contract development and manufacturing services for small and large molecules drugs, and ICON plc, one of the largest clinical research organizations globally.

10. Management, employees, research and development, and locations of business

Prior to this announcement, consistent with market practice, BidCo has been granted access to Abzena's senior management team for the purposes of confirmatory due diligence. As a result of this process, BidCo has formulated its strategic plan to work closely with Abzena's management team and employees to build a market-leading contract development and manufacturing organisation that is not constrained by a lack of access to growth capital or the management distractions and ongoing compliance costs resulting from being a publicly quoted company.

BidCo believes that its financial support for the Company, following the Scheme becoming Effective, will be expected to include investment in the Company's operating facilities, as well as providing near-term funding of Abzena's operating losses pending the successful execution of BidCo's growth strategy for the Company. Over the longer term, BidCo's sponsorship will provide financial stability to the Company and enhanced technical and operational capabilities for Abzena, allowing it to serve its current and future customers better.

WCAS has extensive relationships in the healthcare industry broadly and the biopharmaceutical sector specifically, which it believes can bring value to Abzena's operations through operational improvements and potential new customer relationships. Additionally, BidCo will seek opportunities to grow Abzena's

business by acquisition if it identifies potential opportunities that would be beneficial to Abzena and its customers.

Employees and management

BidCo is impressed by the skill set of the Abzena management team and expects them to be a part of the future leadership of the Company. BidCo has not entered into, and has not had discussion on proposals to enter into, any form of incentivisation arrangements with members of Abzena's management. It is BidCo's intention to put in place appropriate arrangements for the management team of Abzena following completion of the Acquisition. BidCo also holds the skills, knowledge and expertise of Abzena's employees in high regard and believes that BidCo's focus on driving growth in Abzena's business will provide long-term stability and opportunities to Abzena's most important assets – its employees and customers.

BidCo is focused on revenue growth with both existing and new customers, as well as the expansion of Abzena's operating capabilities, as the primary levers to achieve profitability in the future, rather than a reliance on cost reductions. However, Abzena has already initiated certain cost reduction initiatives which, as the Company stated on 4 June 2018, are expected to result in £2 million of annual savings. BidCo intends to complete these initiatives and to evaluate their impact and sufficiency on an ongoing basis in order to ensure the long-term financial stability and viability of the Company. BidCo anticipates that further cost reduction measures may become necessary to achieve this financial goal and any such measures would be expected to include headcount reductions, as well as eliminating those costs directly associated with Abzena's current status as a publicly quoted company. New hires in proposed areas of investment, such as manufacturing and quality, would be expected partially to offset any headcount reductions. Any individuals impacted will be treated in a manner consistent with Abzena's and WCAS's high standards, culture and practices. The extent and timing of any cost savings measures will be determined principally by the speed at which BidCo's growth strategy for the Abzena business can be implemented.

BidCo confirms that, following the Scheme becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Abzena management and employees will be fully safeguarded in accordance with applicable law. BidCo does not intend to make any material changes in either the conditions of employment or the balance of the skills and functions of the management and employees of Abzena.

Locations, headquarters, and research and development

BidCo believes that the previously-announced expansion plans for the Abzena's GMP manufacturing capabilities, including 2,000L and 500L bioreactors at the Lusk facility in San Diego, which Abzena has previously indicated will require approximately $10 million of additional investment, could create significant value for Abzena's customers and enhance the Abzena Group's offering to existing and new customers. BidCo expects to invest incremental capital to support the build out of the Lusk facility, subject to further assessment of the market opportunity and the investment plan. In addition, BidCo expects to evaluate other investment opportunities across Abzena's three sites to grow the business and enhance capabilities offered to its customers.

BidCo does not intend to make any changes to the locations of Abzena's places of business, including its headquarters in Cambridge UK and the functions of its headquarters. No changes are envisaged by BidCo with respect to the redeployment of Abzena's fixed asset base. BidCo does not intend to make changes to the research and development functions of Abzena, although it expects to assess whether time committed by certain employees to research and development could be re-focused on other activities to support more effectively the growth strategy for the business.

Trading facilities

Abzena Shares are currently admitted to trading on the AIM market operated by the London Stock Exchange. As set out in paragraph 16, shortly before the Effective Date an application will be made to the London Stock Exchange for the cancellation of the admission to trading of the Abzena Shares on AIM and trading in the Abzena Shares is expected to end at the close of business on the Business Day before the Effective Date, assuming the Scheme has been approved at Court and by Shareholders.

11. Financing

The Cash Consideration payable by BidCo under the Acquisition will be funded using equity to be invested in BidCo by the WCAS Fund.

Peel Hunt, financial adviser to BidCo, is satisfied that sufficient resources are available to BidCo to enable it to satisfy, in full, the Cash Consideration payable to Abzena Shareholders by BidCo under the terms of the Acquisition.

12. Option agreements and warrants

The Acquisition shall extend to any Abzena Shares which are unconditionally allotted or issued and fully paid pursuant to the exercise of (a) any options which are vested and exercisable under the Abzena Share Schemes (including as amended as referred to below) and any other share incentive schemes of Abzena prior to the Scheme Record Time and/or (b) the warrants to subscribe for Abzena Shares.

Following publication of the Scheme Document, participants in the Abzena Share Schemes and the holders of any warrants will be contacted separately regarding the effect of the Acquisition on their rights under such Abzena Share Schemes and/or warrants (as the case may be). In accordance with Rule 15 of the Takeover Code, BidCo will make appropriate proposals to plan participants in the Abzena Share Schemes and the holders of warrants in due course and details of these proposals will be set out in the Scheme Document.

13. Acquisition related arrangements

Abzena and WCAS XII, L.P. entered into the Confidentiality Agreement on 14 July 2018 pursuant to which each of the parties thereto undertakes to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation.

The Confidentiality Agreement also contains undertakings from WCAS that for a period of 12 months from the date of the Confidentiality Agreement, WCAS shall not, without the prior written consent of Abzena, acquire or offer to acquire any interest in securities in Abzena (which undertaking ceases as at the date of this Announcement) and that, for a period of 12 months from the date of the Confidentiality Agreement, WCAS shall not solicit certain employees of Abzena or certain consultants or independent contractors engaged by Abzena, subject to customary carve-outs. The Confidentiality Agreement's obligations will cease to have effect on completion of the Acquisition. If the Acquisition does not complete the confidentiality obligations shall remain in force for a period of two years from the date of the Confidentiality Agreement.

Abzena entered into a further confidentiality agreement with GMP Operations Consulting LLC on 10 August 2018, a consultancy service engaged by WCAS in connection with its due diligence prior to launch of the Acquisition. Pursuant to the GMP Confidentiality Agreement, Abzena agreed to share certain confidential information with GMP Operations Consulting LLC. GMP Operations Consulting LLC undertook to keep the confidential information secret and not disclose it to third parties (other than to

permitted disclosees) unless required by law or regulation. The confidentiality obligations contained within the GMP Confidentiality Agreement shall remain in force for a period of five years from 10 August 2018.

Abzena and WCAS entered into a facility letter (the "**Facility Letter**") on 16 August 2018 under which WCAS has agreed to provide to Abzena a £2,000,000 term loan facility (the "**Term Loan Facility**"). The Term Loan Facility is capable of being drawn to finance Abzena's working capital requirements and its general corporate purposes. The Term Loan Facility has a term of 364 days from the date on which the Facility Letter is signed and shall accrue interest at an annual rate which is the sum of an agreed rate plus the Bank of England's base rate. The Facility Letter contains certain representations and warranties, negative covenants and a financial covenant which Abzena has provided in favour of WCAS. The Facility Letter states that the Term Loan Facility is only capable of being drawn subject to satisfying certain conditions precedent which include the making of the Offer by WCAS. Once drawn by Abzena, the Term Loan Facility is repayable on the earlier to occur of 364 days from the date of the Facility Letter and an early repayment event, being the later of (i) the date falling 90 days after the date on which the Offer becomes or is declared unconditional in all respects and effective and (ii) the date falling 90 days after the date on which a party's offer (other than the Offer) for all of the ordinary share capital in Abzena in accordance with Rule 2.7 of the Code becomes or is declared unconditional in all respects or effective. The Term Loan Facility will be secured against all Abzena assets which are domiciled in England and Wales pursuant to a debenture (the "**Debenture**") entered into on 16 August 2018 and guaranteed by certain English members of the Abzena Group pursuant to a guarantee (the "**Guarantee**") entered into on 16 August 2018 with a requirement that certain US members of the Abzena Group provide guarantees within 60 days of the date of the Facility Letter.

Under the Debenture, Abzena has granted security to WCAS over all of its assets in England and Wales, on terms customary for general corporate lending transactions. Pursuant to the Guarantee, Abzena and certain of its English subsidiaries are also to guarantee Abzena's and these other companies' liabilities to WCAS under the Facility Letter, the Debenture and the Guarantee. The Guarantee is on terms customary for general corporate transactions.

The proposed Term Loan Facility constitutes an action falling within Rule 21.1(a) of the Code. Under Rule 21.1(c)(iii) of the Code, the Panel Executive has agreed to disapply Rule 21.1(a) of the Code in relation to the proposed entry by the Company in to the Term Loan Facility on the basis that Abzena Shareholders holding shares carrying more than 50% of the voting rights of the Company stated in writing that they approved the proposed action and would vote in favour of any resolution to that effect proposed at a general meeting.

Abzena has given an undertaking to procure that Chemistry Research Solution, LLC and PacificGMP will amend, respectively, The Chemistry Research Solution LLC 2016 Stock Option Plan and The PacificGMP 2016 Stock Option Plan to provide that options granted under those plans will lapse to the extent not exercised in connection with the Acquisition.

14. Further terms and conditions of the Acquisition

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Abzena and Abzena Shareholders under Part 26 of the Companies Act. The Scheme is an arrangement between Abzena and the Scheme Shareholders. The procedure involves, among other things, an application by Abzena to the Court to sanction the Scheme. BidCo reserves the right to elect to implement the Acquisition by way of a takeover offer (subject to Panel consent).

The purpose of the Scheme is to provide for BidCo to become the holder of the entire issued and to be issued share capital of Abzena.

Under the Scheme, the Abzena Shares will be transferred to BidCo in consideration for which the Abzena Shareholders will receive the Cash Consideration on the basis set out in paragraph 2 of this Announcement.

The Scheme is subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. To become effective, the Scheme requires the approval of Scheme Shareholders by the passing of a resolution at the Court Meeting. The resolution to approve the Scheme must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders.

In addition, a special resolution must be passed at the Abzena General Meeting to authorise the Abzena Directors to give effect to the Scheme and deal with certain ancillary matters, which requires the approval of Abzena Shareholders representing at least 75 per cent. of the votes cast at the Abzena General Meeting (either in person or by proxy). The Abzena General Meeting will be held immediately after the Court Meeting.

The Meetings are to be held no later than the 22nd day after the expected date of each of the Meetings to be set out in the Scheme Document in due course (or such later date as may be agreed between Abzena and BidCo).

Following the Meetings, the Scheme must be sanctioned by the Court (with or without modification but with any such modification being acceptable to Abzena and BidCo) no later than the 22nd day after the expected date of the Scheme Court Hearing. The Scheme will only become effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Abzena Shareholders, whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour of the resolutions proposed at such meetings) and the Cash Consideration will be despatched by BidCo to Scheme Shareholders no later than 14 days after the Effective Date. Subject to the satisfaction of the Conditions, the Scheme is expected to become effective in the fourth quarter of 2018.

The Acquisition will lapse if the Scheme does not become effective by the Long Stop Date, provided that the deadline for the Scheme to become Effective may be extended by agreement between Abzena and BidCo, with the consent of the Court or the Panel, if required.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document, which is expected to be dispatched to Abzena Shareholders as soon as reasonably practicable and, in any event, within 28 days of the date of this Announcement. The Forms of Proxy accompanying the Scheme Document will also be posted to Scheme Shareholders.

The Scheme will be governed by the laws of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the AIM Rules, the London Stock Exchange and the FCA.

15. Dividends

If any dividend is paid or becomes payable in respect of Abzena Shares on or after the date of this Announcement and prior to the Scheme becoming Effective, BidCo has the right to reduce the Offer Price by an amount up to the aggregate amount of such dividend or distribution (excluding any associated tax credit).

16. Cancellation of admission to trading on AIM and re-registration

Shortly before the Effective Date and in accordance with the AIM Rules, an application will be made to the London Stock Exchange for admission of the Abzena Shares to trading on AIM to be cancelled on the first Business Day following the Effective Date. The last day of dealings in, and for registration of transfers of,

Abzena Shares is therefore expected to be at the close of business on the Business Day before the Effective Date. No dealings in Abzena Shares will be registered after this date.

It is intended that the cancellation of admission of the Abzena Shares to AIM will take effect at the opening of business on the first Business Day following the Effective Date. In addition, at the opening of business on the first Business Day following the Effective Date, entitlements to Abzena Shares held within the CREST system will be cancelled and share certificates in respect of Scheme Shares will cease to be valid and should, if so requested by Abzena, be sent to Abzena for cancellation.

On the Effective Date, Abzena will become a wholly-owned subsidiary of BidCo. As soon as possible after the Effective Date, it is intended that Abzena will be re-registered as a private limited company under the relevant provisions of the Companies Act 2006.

17. Overseas Shareholders

The availability of the Acquisition to Abzena Shareholders who are not resident in the UK may be affected by the laws and/or regulations of their relevant jurisdiction. Therefore, any persons who are subject to the laws and/or regulations of any jurisdiction other than the UK should inform themselves about and observe any applicable legal or regulatory requirements in their jurisdiction. Further details in relation to overseas shareholders will be set out in the Scheme Document. If you are in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

18. Expected timetable

It is intended that the Scheme Document containing further details of the Acquisition will be despatched to each Abzena Shareholder (other than to persons in a Restricted Jurisdiction) as soon as reasonably practicable and, in any event, not later than 28 days after the date of this Announcement (unless agreed otherwise with the Panel).

19. Opening Position Disclosures and interests

In connection with the Acquisition, BidCo will be required to make a public Opening Position Disclosure setting out details of its interests or short positions in, or rights to subscribe for, any relevant securities of Abzena by no later than 12 noon (London time) on 31 August 2018. BidCo's Opening Position Disclosure will include details of its interests or short positions in, or rights to subscribe for, any relevant securities of Abzena held by all persons acting in concert with BidCo.

As at the close of business on 15 August 2018 (being the latest practicable date prior to the date of this Announcement) neither BidCo, nor its directors, nor, so far as BidCo is aware, any person acting in concert (within the meaning of the Code) with it had (i) any interest in or right to subscribe for any relevant securities of Abzena; nor (ii) any short positions in respect of relevant Abzena Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of Abzena Shares or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code; nor (iii) borrowed or lent any relevant Abzena Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

It has not been possible for BidCo to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, if BidCo becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in relevant securities of Abzena, all relevant details in respect of BidCo's concert parties will be included in BidCo's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

20. General

Your attention is drawn to the further information contained in the Appendices to this Announcement, which form part of, and should be read in conjunction with, this Announcement.

Please be aware that addresses, electronic addresses and certain other information provided by Abzena Shareholders, persons with information rights and other relevant persons for the receipt of communications from Abzena may be provided to BidCo and WCAS during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

21. Documents on display

In accordance with Rule 26.2 of the Code, copies of the following documents will, to the extent not already published there, by no later than 12 noon on the Business Day following the date of this Announcement, be published on BidCo's website at www.wcas.com and on Abzena's website at www.abzena.com during the Offer Period:

- the irrevocable undertakings referred to in paragraph 6 above;
- a letter to Abzena and certain other members of the Abzena Group from Sartorius Stedim North America Inc dated 15 August 2018;
- a letter from the Company to 6325 Lusk Investors LLC dated 15 August 2018;
- the written consents of N+1 Singer and Peel Hunt;
- the Facility Letter, the Debenture and the Guarantees;
- the Confidentiality Agreement referred to in paragraph 13 above;
- the GMP Confidentiality Agreement; and
- a copy of this Announcement.

Enquiries:

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APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

Part A: Conditions to the Scheme and the Acquisition

The Acquisition will be subject to the terms and conditions set out in this Appendix and in the Scheme Document.

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective no later than 31 December 2018, or such later date (if any) as BidCo and Abzena may, with the consent of the Panel, agree and (if required) the Court may allow.

2. The Scheme will be conditional upon:

2.1 its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) who are on the register of members of Abzena at the Voting Record Time and who are present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting, provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as BidCo and Abzena may agree and the Court may allow); and

2.2 all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the Abzena General Meeting or at any adjournment of that meeting, provided that the Abzena General Meeting may not be adjourned beyond the 22nd day after the expected date of the Abzena General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as BidCo and Abzena may agree and the Court may allow); and

2.3 the sanction of the Scheme (with or without modification but subject to any such modification being acceptable to BidCo and Abzena) by the Court and such Scheme Court Hearing being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as BidCo and Abzena may agree and the Court may allow); and

2.4 the delivery of an office copy of the Scheme Court Order to the Registrar of Companies in England and Wales.

3. In addition, subject to the requirements of the Panel, BidCo and Abzena have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied (and continue to be satisfied pending the commencement of the Court Hearing to sanction the Scheme) or, where relevant, waived prior to the Scheme being sanctioned by the Court:

3.1 all necessary notifications, filings and applications having been made in connection with the Acquisition, all regulatory and statutory obligations in any relevant jurisdiction reasonably deemed necessary or appropriate by BidCo having been complied with in connection with the Acquisition, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulations of any relevant jurisdiction reasonably deemed necessary by BidCo having expired, lapsed or been terminated in each case in respect of the Acquisition and all necessary authorisations and consents having been obtained in terms and in a form reasonably satisfactory to BidCo from appropriate third parties in connection with the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Abzena or any other member of the Wider Abzena Group by any

member of the Wider BidCo Group or the carrying on by any member of the Wider Abzena Group of its business;

3.2 no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

(a) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider BidCo Group or by any member of the Wider Abzena Group of all or any material part of their respective businesses, assets or properties or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof, which, in any such case, is material in the context of the Wider BidCo Group or the Wider Abzena Group, in either case taken as a whole;

(b) require, prevent or materially delay the divestiture by the Wider BidCo Group of any shares, other securities or other interests in Abzena or any member of the Wider Abzena Group;

(c) require any member of the Wider BidCo Group or of the Wider Abzena Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) or interest in any member, or repay any indebtedness of any member of the Wider BidCo Group or the Wider Abzena Group owned by any third party (other than in implementation of the Acquisition);

(d) impose any limitation on, or result in a delay in, the ability of any member of the Wider BidCo Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Abzena Group or the Wider BidCo Group or to exercise management control over any such member;

(e) otherwise adversely affect the business, assets, liabilities, trading position, profits, operational performance, or prospects of any member of the Wider BidCo Group or of any member of the Wider Abzena Group in a manner which is material in the context of the Wider BidCo Group or the Wider Abzena Group, in either case, taken as a whole;

(f) make the Acquisition or its implementation or the acquisition or proposed acquisition by BidCo or any member of the Wider BidCo Group of any shares or other securities in, or control of Abzena void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, prevent, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;

(g) impose any limitation on, or result in any delay in, the ability of any member of the Wider BidCo Group or the Wider Abzena Group to conduct, integrate or co-ordinate its business, or any part of it, with the businesses of any other members of the Wider BidCo Group and/or the Wider Abzena Group which is material in the context of the Acquisition; or

(h) require any member of the Wider Abzena Group to relinquish, terminate or amend in any way any material contract to which any member of the Wider Abzena Group is a party; or

(i) result in any member of the Wider BidCo Group or the Wider Abzena Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Abzena Shares having expired, lapsed or been terminated;

3.3 other than in relation to the regulatory approvals referred to in paragraph 3.1 above, all material filings, applications and/or notifications which are necessary or reasonably considered appropriate by BidCo having been made and all relevant waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated and all applicable statutory or regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition, the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Abzena or any other member of the Wider Abzena Group by any member of the Wider BidCo Group or the carrying on by any member of the Wider Abzena Group of its business;

3.4 other than in relation to the regulatory approvals referred to in paragraph 3.1 above, all material authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals which are necessary or reasonably considered appropriate by BidCo in any jurisdiction for or in respect of the Acquisition and the acquisition of any shares or other securities in, or control or management of, Abzena or any other member of the Wider Abzena Group by any member of the Wider BidCo Group or the carrying on by any member of the Wider Abzena Group of its business being obtained on terms and in a form reasonably satisfactory to BidCo from appropriate Third Parties, or from any persons or bodies with whom any member of the Wider Abzena Group or the Wider BidCo Group has entered into contractual arrangements or other material business relationships, and such authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals, together with all authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals necessary or reasonably considered appropriate for any member of the Wider Abzena Group to carry on its business, remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and no intimation of any intention to revoke, suspend, restrict or modify or not to renew any of the same having been made;

3.5 except as Disclosed, there being no provision of any agreement, arrangement, lease, licence, permit or other instrument to which any member of the Wider Abzena Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which as a consequence of the Acquisition or the proposed acquisition of any shares or other securities in Abzena or because of a change in the control or management of Abzena or otherwise, would or might reasonably be expected to result in (in each case to an extent which is material in the context of the Wider Abzena Group taken as a whole):

(a) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(b) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being, or becoming capable of being, terminated or adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;

(c) any asset owned or used by any member of the Wider Abzena Group, or any assets or interests of any such member being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Abzena Group or any right arising under which any such asset or interest could be required to be disposed of or charged or cease to be available to any member of the Wider Abzena Group;

(d) the creation, save in the ordinary and usual course of trading, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member or any such mortgage, charge or other security (whenever created, arising or having arisen) becoming enforceable;

(e) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;

(f) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;

(g) any such member ceasing to be able to carry on business under any name under which it presently does so;

(h) the creation or acceleration of any liability, actual or contingent, by any such member;

(i) any liability of any member of the Wider Abzena Group to make any severance, termination, bonus or other payment to any of its directors or other officers; or

(j) any requirement on any member of the Wider Abzena Group to acquire, subscribe, pay up or repay any shares or other securities in another corporate entity (other than another member of the Wider Abzena Group),

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Abzena Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (a) to (j) of this Condition, in each case to the extent which is material in the context of the Wider Abzena Group taken as a whole);

3.6 except as Disclosed, no member of the Wider Abzena Group having, since 31 March 2017:

(a) save as between Abzena and wholly-owned subsidiaries of Abzena or for Abzena Shares issued pursuant to the exercise of options or warrants or vesting of awards granted under the Abzena Share Schemes , issued, agreed to issue, authorised or proposed the issue of additional shares of any class;

(b) save as between Abzena and wholly-owned subsidiaries of Abzena or for the grant of options or awards under the Abzena Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

(c) other than to another member of the Abzena Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;

(d) save for intra-Abzena Group transactions or transactions in the ordinary and usual course of trading, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any

right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in any such case to an extent which is material in the context of the Wider Abzena Group taken as a whole;

(e) save for intra-Abzena Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital, in each case to the extent to which is material in the context of the Wider Abzena Group taken as a whole;

(f) save for intra-Abzena Group transactions or transactions in the ordinary and usual course of trading, issued, authorised or proposed the issue of any debentures, incurred or increased any indebtedness or become subject to any guarantee or actual or contingent liability;

(g) save for intra-Abzena Group transactions, purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;

(h) save for intra-Abzena Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or in respect of the Acquisition;

(i) sold or transferred or agreed to sell or transfer any Abzena Shares held by Abzena as treasury shares except for the issue or transfer out of treasury of Abzena Shares on the exercise of employee share options or vesting of employee share awards;

(j) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement with any director or senior executive of any member of the Wider Abzena Group;

(k) except in the ordinary and usual course of trading, entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could reasonably be expected to be materially restrictive on the businesses of any member of the Wider Abzena Group which, taken together with any other such transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider Abzena Group taken as a whole;

(l) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Abzena Group taken as a whole otherwise than, in any such case, as a result of the Term Loan Facility becoming repayable prior to the Acquisition becoming Effective;

(m) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Abzena Group as a whole or in the context of the Acquisition;

(n) except in relation to changes made or agreed as a result of being required as a result of changes to legislation, having made or agreed or consented to any material change to:

(i) the terms of the trust deeds constituting the pension schemes established by any member of the Wider Abzena Group for its directors, employees or their dependents;

(ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;

(iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or

(iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;

(o) proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material person employed by the Wider Abzena Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Abzena Group;

(p) made any material alteration to its constitutional documents (in each case, other than an alteration in connection with the Scheme; or

(q) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition 3.6.

3.7 except as Disclosed, since 31 March 2017:

(a) no adverse change and no circumstance having arisen which would or might be expected to result in any adverse change in the business, assets, liabilities, financial or trading position or profits or prospects of any member of the Wider Abzena Group which is material in the context of the Wider Abzena Group taken as a whole;

(b) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Abzena Group is or may become a party (whether as a claimant, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Abzena Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider Abzena Group, which, in each case might reasonably be expected to have an adverse effect on such member to an extent which is material, in the context of the Wider Abzena Group taken as a whole;

(c) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened in writing, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Abzena Group, in each case which might reasonably be expected to adversely affect any member of the Wider Abzena Group;

(d) no contingent or other liability in respect of any member of the Wider Abzena Group having arisen or become apparent to Abzena (other than in the ordinary course of business) which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Abzena Group; in each case to an extent which is material in the context of the Wider Abzena Group taken as whole;

(e) no member of the Wider Abzena Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Abzena Group taken as a whole;

(f) no steps having been taken which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Abzena Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is reasonably likely to adversely effect in the context of the Wider Abzena Group taken as a whole; and

(g) no circumstance having arisen or event having occurred in relation to any intellectual property owned, used or licensed by the Wider Abzena Group including: (A) any member of the Wider Abzena Group losing its title to any intellectual property which is necessary for the carrying on of its business or any intellectual property owned by the Wider Abzena Group which is necessary for the carrying on of its business being revoked, cancelled or declared invalid, (B) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Abzena Group which is necessary for the carrying on of its business being terminated or varied, or (C) any claim being filed suggesting that any member of the Wider Abzena Group infringed the intellectual property rights of a third party or any member of the Wider Abzena Group being found to have infringed the intellectual property rights of a third party, in each case which is material in the context of the Wider Abzena Group taken as a whole or in the context of the Acquisition;

3.8 except as Disclosed, BidCo not having discovered:

(a) that any financial, business or other information concerning the Wider Abzena Group publicly disclosed prior to the date of this Announcement by or on behalf of any member of the Wider Abzena Group is materially misleading, contains a material misrepresentation of fact or omits to state a material fact necessary to make that information not misleading (and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to BidCo);

(b) that any member of the Wider Abzena Group is subject to any liability (contingent or otherwise) and which is material in the context of the Wider Abzena Group taken as a whole;

(c) any information which affects the import of any information disclosed at any time prior to this Announcement by or on behalf of any member of the Wider Abzena Group and which is material in the context of the Wider Abzena Group taken as a whole;

(d) any past or present member of the Wider Abzena Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a noncompliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Abzena Group which in any case is material in the context of the Wider Abzena Group taken as a whole or in the context of the Acquisition; and

(e) there is, or is likely to be, any liability on the part of any member of the Wider Abzena Group, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present

member of the Wider Abzena Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Wider Abzena Group taken as a whole or in the context of the Acquisition; and

3.9 except as Disclosed, BidCo not having discovered that:

(a) any past or present member, director, officer or employee of the Wider Abzena Group or any person that performs or has performed services for or on behalf of the Wider Abzena Group is or has at any time engaged in any or has paid or agreed to pay any bribe including any "inducement fee" given or agreed to give any similar gift or benefit or paid or agreed to pay to a concealed bank account or fund to or for the account of, any customer, supplier, governmental official or employee, representative of a political party, or other person for the purpose of obtaining or retaining business or otherwise engaged in any activity, done such things (or omitted to do such things) in contravention of the Bribery Act 2010, as amended, or the US Foreign Corrupt Practices Act 1977, as amended or any other anticorruption legislation applicable to the Wider Abzena Group;

(b) any asset of any member of the Wider Abzena Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);

(c) any past or present member, director, officer or employee of the Wider Abzena Group has engaged in any business with or made any investments in, or made any payments, funds or assets available, to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or (ii) any government, entity or individual named by any of the economic sanctions of the United Nations or the European Union or any of their respective member states; or

(d) a member of the Wider Abzena Group has engaged in any transaction which would cause the Wider BidCo Group to be in breach of any law or regulation upon its acquisition of Abzena, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

Part B: Certain further terms of the Acquisition

Waiver and invocation of the Conditions

1. Subject to the requirements of the Panel in accordance with the Code, BidCo reserves the right in its sole discretion to waive, in whole or in part:

   (a) any of the Conditions set out in the above Condition 2 of Part A relating to the timing of the Court Meeting, the General Meeting and the sanctioning of the Scheme. If any of the deadlines for those events are not met, BidCo shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Abzena to extend the deadline in relation to the relevant Condition; and

   (b) any of the Conditions set out in the above Condition 3 of Part A.

   If BidCo is required by the Panel to make a Takeover Offer for Abzena Shares under the provisions of Rule 9 of the Code, BidCo may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

2. The Conditions (excluding Conditions 2.1, 2.2, 2.3 or 2.4) must be fulfilled, or be determined by BidCo to be or remain satisfied or (if capable of waiver) be waived prior to the commencement of the Court Hearing, failing which the Acquisition will lapse and the Scheme will not proceed, or if the Acquisition is implemented by way of a Takeover Offer, no later than as permitted by the Panel. BidCo shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or treat as fulfilled any of the Conditions at any time prior to the Long Stop Date, notwithstanding that the other Conditions (or any of them) may at an earlier date have been waived (if capable of waiver), satisfied or fulfilled and that there are, at such earlier date, no circumstances indicating that any such Condition may not be capable of satisfaction or fulfilment. BidCo undertakes that it will, immediately before the Scheme Court Hearing, provide notice in writing to Abzena that either: (i) the Conditions (except Conditions 2.1, 2.2, 2.3 and 2.4) have each been satisfied or that BidCo has waived or treated as waived such Conditions; or (ii) it intends to invoke or treat as incapable of satisfaction each or any such Condition, which will always be subject to the Panel's consent.

3. Under Rule 13.5 of the Code, BidCo may not invoke a Condition so as to cause the Scheme not to proceed, or to lapse, or so as to cause any Acquisition to lapse or be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to BidCo in the context of the Acquisition. Conditions 1 and 2 of Part A (and, if applicable, any acceptance condition adopted on the basis specified in paragraph 5 below in relation to any Takeover Offer) and paragraph 4 below are not subject to this provision of the Code.

4. Unless the Panel otherwise consents, the Acquisition will not proceed and the Scheme will not become effective if, after the date of this Announcement and before the Abzena General Meeting, the Acquisition is referred to the Competition and Markets Authority.

5. BidCo reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer as it may determine in its absolute discretion. In such event, such Takeover Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition including (without limitation and subject to the consent of the Panel) an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as BidCo may decide): (i) in nominal value of the shares to which such Acquisition relates; (ii) of the voting rights attached to those shares; and (iii) of the voting rights normally exercisable at a general meeting of Abzena, including, for this purpose, any such voting rights attaching to Abzena Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding

subscription or conversion rights or otherwise. Further, if sufficient acceptances of such Takeover Offer are received, it is the intention of BidCo to apply the provisions of the Companies Act to acquire compulsorily any outstanding Abzena Shares to which such Takeover Offer relates.

Certain further terms of the Acquisition

6. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom or the United States should inform themselves about and observe any applicable requirements.

7. The Acquisition will be governed by English law and be subject to the jurisdiction of the English courts and to the conditions set out below and in the formal Scheme Document. The Acquisition will comply with the applicable rules and regulations of the FCA and the London Stock Exchange, the AIM Rules, the Takeover Panel and the Code.

8. The Scheme shall lapse and shall not become Effective if:

8.1 insofar as the Acquisition constitutes, or is deemed to constitute, a concentration with an EU dimension within the scope of the EUMR, the European Commission either initiating proceedings under Article 6(1)(c) of the EUMR or making a referral to the CMA under Article 4(4) or Article 9(1) of the EUMR and there is then a reference of the Acquisition or matter arising from or relating to it to the chair of the CMA for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013; or

8.2 in so far as the Acquisition does not constitute, or is not deemed to constitute, a concentration with an EU dimension within the scope of the EUMR, the Acquisition or any matter arising from or relating to it becoming subject to a reference to the chair of the CMA for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013,

in either case before the Court Meeting.

9. The Acquisition will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Acquisition will not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

10. Abzena Shares which will be acquired pursuant to the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including (without limitation) the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement and before the Effective Date.

11. If, on or after the date of this Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Abzena Shares, BidCo reserves the right (without prejudice to any right of BidCo to invoke Condition 3.5(c)), to reduce the offer consideration for the Abzena Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid, in which case any reference in this Announcement or in the Scheme Document to the offer consideration for the Abzena Shares will be deemed to be a reference to the offer consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is announced, declared or paid and it is: (i) transferred pursuant to the Acquisition on a basis which entitles BidCo to receive the dividend or distribution and to retain it; or (ii) cancelled, the offer consideration will not be subject to change in accordance with this paragraph. Any exercise

by BidCo of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition. For the further avoidance of doubt, any payments made in cash or by way of the delivery of shares on the vesting of awards calculated by reference to dividends accrued in respect of those underlying vested shares are not to be construed as a dividend, distribution or return of capital for these purposes.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

1. The value placed by the Offer on the existing issued share capital of Abzena is based on 214,220,399 Abzena Shares in issue on 15 August 2018, being the last dealing day prior to the date of this Announcement.

2. The value of the Offer on a fully diluted basis has been calculated on the basis of 214,220,399 Abzena Shares in issue on 15 August 2018, plus 672,980 Abzena Shares that may be issued pursuant to the Abzena Share Schemes. In total, an additional 11,902,150 Abzena Shares may be issued pursuant to the Abzena Share Schemes, of which 7,556,917 Shares under option are in-the-money at the offer price. However, the Remuneration Committee has resolved not to accelerate the vesting of certain options which remain subject to outstanding performance conditions with the result that 672,980 Abzena Shares are expected to be issued pursuant to the Abzena Share Schemes in the context of the Acquisition.

3. The Closing Prices on 15 August 2018 are taken from the Daily Official List.

4. Three-month average closing prices have been derived from Bloomberg and have been rounded to the nearest single decimal place.

Unless otherwise stated, the financial information relating to Abzena is extracted or derived (without material adjustment) from the audited financial statements for Abzena for the financial year end 31 March 2018.

APPENDIX III

IRREVOCABLE UNDERTAKINGS

BidCo has received irrevocable undertakings to vote (or procure the voting) in favour of the Scheme at the Court Meeting and all resolution(s) to approve the Scheme and all other matters connected with the Scheme to be proposed at the Abzena General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer) in respect of a total of 167,123,875 Abzena Shares (representing in aggregate, approximately 78.0 per cent. of Abzena Shares in issue on 15 August 2018 (being the last practicable date prior to this Announcement)).

Substantial Shareholders' irrevocable undertakings

Shareholder	**Number of Abzena Shares**	**Per cent. of Abzena Shares in issue**
Marlborough Fund Managers Limited	21,477,500	10.0
Imperial Innovations Limited	118,405	0.1
Touchstone Innovations Businesses LLP	35,901,697	16.8
Invesco Asset Management Limited	55,171,279	25.7
Woodford Investment Management Limited (with State Street Nominees Limited a/c 34ZG as registered holder)	7,933,009	3.7
Woodford Investment Management Limited (with Nortrust Nominees Limited a/c WIX01 as registered holder)	42,791,947	20.0
Total	**163,393,837**	**76.3**

The irrevocable undertakings from Invesco Asset Management Limited, Touchstone Innovations Businesses LLP, Imperial Innovations Limited and Marlborough Fund Managers Limited will cease to be binding if:

1. where the Acquisition is implemented by way of a Scheme, the Scheme lapses or is withdrawn or the Scheme has not become Effective by 5:00pm on the Long Stop Date or such later time or date as is agreed between BidCo and the Company and no public announcement has been made by BidCo in relation to electing (having received the Panel's consent) to implement the offer by way of a Takeover Offer;

2. where the Acquisition is implemented by way of Takeover Offer, the Takeover Offer lapses or is withdrawn without becoming unconditional in all respects and no public announcement has been made by BidCo in relation to electing (having received the Panel's consent) to implement the offer by way of a Scheme; or

3. the Acquisition does not become Effective, lapses, is withdrawn or otherwise becomes incapable of ever becoming Effective, as the case may be.

The irrevocable undertaking given by Marlborough Fund Managers Limited will also cease to be binding if a third party makes a competing cash only offer at a value which (in BidCo's reasonable opinion on the advice of N+1 Singer) exceeds the value of the consideration per Abzena Share under BidCo's offer by fifty (50) per cent. or more per Abzena Share (provided that, if no later than 5:00pm on the fifth business day after the day on which the third party's offer is made, the consideration per Abzena Share under BidCo's offer is increased such that its value (in BidCo's reasonable opinion on the advice of N+1 Singer) is equal to or exceeds the third party's offer, the irrevocable undertaking shall not lapse).

The irrevocable undertaking from Woodford Investment Management Limited will only cease to be binding if:

1. where the Acquisition is implemented by way of a Scheme, the Scheme lapses or is withdrawn or the Scheme has not become Effective by 5:00pm on 31 December 2018 or such later time or date as is agreed between Woodford Investment Management Limited, BidCo and the Company and no public announcement has been made by BidCo in relation to electing (having received the Panel's consent) to implement the offer by way of a Takeover Offer;

2. where the Acquisition is implemented by way of Takeover Offer, the Takeover Offer lapses or is withdrawn without becoming unconditional in all respects and no public announcement has been made by BidCo in relation to electing (having received the Panel's consent) to implement the offer by way of a Scheme;

3. the Acquisition does not become Effective, lapses, is withdrawn or otherwise becomes incapable of ever becoming Effective, as the case may be;

4. a third party makes a competing cash only offer at a value which (in the Company's reasonable opinion on the advice of N+1 Singer) exceeds the value of the consideration per Abzena Share under BidCo's offer by fifty (50) per cent. or more per Abzena Share (provided that, if no later than 5:00pm on the fifth Business Day after the day on which the third party's offer is made, the consideration per Abzena Share under BidCo's offer is increased such that its value (in the Company's reasonable opinion on the advice of N+1 Singer) is equal to or exceeds the third party's offer, the irrevocable undertaking shall not lapse);

5. the consideration price per Abzena Share offered by BidCo is less than 16 pence per Abzena Share; or

6. pursuant to the offer, the date of cash settlement of the consideration money payable to Woodford Investment Management Limited is later than 14 January 2019.

Woodford Investment Management is able to sell some or all of the Abzena Shares subject to its irrevocable undertaking in certain limited circumstances including:

1. if required by law;

2. to BidCo; or

3. to any person who has entered into a similar irrevocable undertaking in favour of BidCo to vote, or procure a vote, in favour of the Scheme at the Court Meeting and the resolutions relating to the offer at the Abzena General Meeting (or, in the event that the offer is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer).

Abzena Directors' irrevocable undertakings

Director	Number of Abzena Shares	Per cent. of Abzena Shares in issue
Anthony Brampton	211,138	0.1

John Burt	2,150,565	1.0
Kenneth Cunningham	787,613	0.4
Peter Grant	55,303	0.0
Julian Smith	525,419	0.2
Total	**3,730,038**	**1.7**

The irrevocable undertakings from the Abzena Directors shall lapse and cease to have effect if:

1. the Scheme Document is not posted within 28 days of the date of this Announcement, or within such longer period as BidCo and the Company may, with the consent of the Panel, determine;

2. where the Acquisition is implemented by way of a Scheme, the Scheme does not become Effective, is withdrawn or lapses in accordance with its terms (provided that this shall not apply where the Acquisition lapses or is withdrawn solely as a result of BidCo implementing the Acquisition by way of a Takeover Offer;

3. if the Scheme or Takeover Offer has not become effective by 5:00pm on the Long Stop Date;

4. any other offer is made which is declared wholly unconditional or otherwise becomes effective; or

5. where the Acquisition is implemented by way of Takeover Offer, the Takeover Offer lapses or is withdrawn without becoming unconditional in all respects and no public announcement has been made by BidCo within five (5) Business Days in relation to electing (having received the Panel's consent) to implement the Acquisition by way of a Scheme.

APPENDIX IV

DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

"£"	pounds sterling, the lawful currency for the time being of the UK and references to "pence" and "p" shall be construed accordingly;
"Acquisition"	the proposed acquisition by BidCo of the entire issued and to be issued ordinary share capital of Abzena, to be effected by the Scheme as described in this Announcement (or by a Takeover Offer under certain circumstances described in this Announcement), and, where the context permits, any subsequent revision, variation, extension or renewal thereof;
"Abzena" or the "Company"	Abzena plc;
"Abzena Directors"	the directors of Abzena as at the date of this Announcement or, where the context so requires, the directors of Abzena from time to time;
"Abzena General Meeting"	the general meeting of Abzena (including any adjournment, postponement or reconvention of it) to be convened for the purposes of considering, and if thought fit, approving the shareholder resolutions necessary for Abzena to implement the Acquisition, notice of which shall be contained in the Scheme Document;
"Abzena Group" or the "Group"	Abzena and its subsidiaries and subsidiary undertakings from time to time;
"Abzena Shareholders"	holders of Abzena Shares from time to time;
"Abzena Shares"	the ordinary shares of £0.002 each in the capital of Abzena;
"Abzena Share Schemes"	The PolyTherics Limited 2013 Share Option Plan, The Abzena plc 2014 Share Option Plan, The Abzena plc 2015 Share Option Plan, The Chemistry Research Solution LLC 2016 Stock Option Plan and The PacificGMP 2016 Stock Option Plan;
"AIM"	the AIM market of the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange from time to time;
"Announcement"	this announcement made pursuant to Rule 2.7 of the Code;
"Business Day"	any day (excluding any Saturday or Sunday or public or bank holiday) on which banks are open for business in London;
"Cash Consideration"	the consideration payable to Scheme Shareholders in connection with the Acquisition, being 16 pence per Abzena Share;
"Closing Price"	the closing middle market quotation for an Abzena Share as derived from the Daily Official List on that day;

"CMA"	the UK Competition and Markets Authority;
"Code"	the City Code on Takeovers and Mergers;
"Companies Act"	The Companies Act 2006;
"Conditions"	the conditions to the implementation of the Acquisition as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document;
"Confidentiality Agreement"	the confidentiality agreement between Abzena and WCAS dated 14 July 2018, further details of which are set out in paragraph 13 of this Announcement;
"Court"	the High Court of Justice of England and Wales;
"Court Meeting"	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention of such meeting;
"Daily Official List"	the daily official list of the London Stock Exchange;
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;
"Disclosed"	information which has been fairly disclosed in (i) the information made available to BidCo (or BidCo's advisers) in the data room established by Abzena for the purposes of the Acquisition prior to the date of this Announcement; (ii) in this Announcement; (iii) in the annual report and accounts of Abzena for the financial year ended 31 March 2018; (iv) in any other announcement to a Regulatory Information Service by or on behalf of, Abzena in accordance with the Market Abuse Regulation, the AIM Rules or the Disclosure Guidance and Transparency Rules before the date of this Announcement or (v) in writing before the date of this Announcement by or on behalf of Abzena to BidCo or WCAS (or its respective officers, employees, agents or advisers in their capacity as such), in each case in sufficient detail;
"Disclosure Guidance and Transparency Rules"	the Disclosure Guidance and Transparency Rules of the FCA in its capacity as the UK Listing Authority under FSMA and contained in the UK Listing Authority's publication of the same name (as amended from time to time);
"Effective Date"	the date upon which the Acquisition becomes Effective;
"Effective"	(i) if the Acquisition is implemented by way of the Scheme, means the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer, means the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code;
"EUMR"	the EU Merger Regulation (No 139/2004);
"FCA"	the Financial Conduct Authority;

"Forms of Proxy"	either or both (as the context demands) of the form of proxy in relation to the Court Meeting and the form of proxy in relation to the Abzena General Meeting;
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time);
"GMP Confidentiality Agreement"	the confidentiality agreement between Abzena and GMP Operations Consulting LLC dated 10 August 2018, further details of which are set out in paragraph 13 of this Announcement;
"London Stock Exchange"	the London Stock Exchange plc, together with any successor thereto;
"Long Stop Date"	31 December 2018 or such later date or time as BidCo and the Company (with the consent of the Panel) agree;
"Market Abuse Regulation"	the Market Abuse Regulation (2014/596/EU);
"Meetings"	the Abzena General Meeting and the Court Meeting;
"N+1 Singer"	Nplus1 Singer Advisory LLP;
"Offer Document"	should the Acquisition be implemented by means of a Takeover Offer, the document to be sent to Abzena Shareholders containing the full terms and conditions of such Takeover Offer;
"Offer Period"	the offer period (as defined in the Code) relating to Abzena, which commenced on 16 August 2018 and ending on the date on which the Acquisition becomes Effective, lapses or is withdrawn (or such other date as the Takeover Panel may decide);
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Code;
"Panel"	the Panel on Takeovers and Mergers;
"Registrar of Companies"	the Registrar of Companies in England and Wales;
"Regulatory Information Service"	a primary information provider which has been approved by the FCA to disseminate regulated information;
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the Acquisition is extended or made available in that jurisdiction or if information concerning the Acquisition is sent or made available to Abzena Shareholders in that jurisdiction;
"Scheme"	the proposed scheme of arrangement under Part 26 of the Companies Act between Abzena and the Abzena Shareholders to implement the Acquisition, with or subject to any modification thereof or addition thereto or condition approved or imposed by the Court and agreed by Abzena in each case with the approval of BidCo;

"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act;
"Scheme Court Order"	the order of the court sanctioning the Scheme under section 899 of the Companies Act;
"Scheme Document"	the document to be dispatched to (among others) Abzena Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme, containing the explanatory statement required by section 897 of the Companies Act and the notices convening the Court Meeting and the Abzena General Meeting;
"Scheme Record Time"	the date and time to be specified in the Scheme Document, expected to be 6:00pm on the Business Day immediately before the Effective Date;
"Scheme Shareholder"	a holder of Scheme Shares ;
"Scheme Shares"	1. the Abzena Shares in issue at the date of the Scheme Document (other than any Abzena Shares owned by BidCo); 2. any Abzena Shares issued after the date of the Scheme Document and before the Voting Record Time; and 3. any Abzena Shares issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or subsequent holder of such Abzena Shares is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme;
"Significant Interest"	means in relation to an undertaking, a direct or indirect interest in twenty per cent. or more of (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act 2006) of such undertaking or (ii) the relevant partnership interest.
"Substantial Shareholders"	Touchstone Innovations Businesses LLP, Imperial Innovations Limited, Invesco Asset Management Limited, Woodford Investment Management Limited and Marlborough Fund Managers Limited;
"Takeover Offer"	if (subject to the consent of the Panel and the terms of this Announcement) the Acquisition is effected by way of a takeover offer as defined in Part 28 of the Companies Act 2006, the offer to be made by or on behalf of WCAS to acquire the issued and to be issued ordinary share capital of Abzena on the terms and subject to the conditions to be set out in the related Offer Document;
"Term Loan Facility"	the £2,000,000 term loan facility made available to Abzena pursuant to a facility letter dated 16 August 2018
"Third Party"	has the meaning given in paragraph 3.2 of Part A of Appendix 1;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US" or "United States"	the United States of America its territories and possessions, any state of the United;

"Voting Record Time"	6.00pm on the day which is two days before the date of the Court Meeting or any adjournment of it (as the case may be), in each case excluding any day that is not a Business Day;
"WCAS"	Welsh, Carson, Anderson & Stowe;
"WCAS Fund"	WCAS XII-Astro, L.P.;
"Wider Abzena Group"	Abzena and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which Abzena and all such undertakings (aggregating their interests) have a Significant Interest; and
"Wider BidCo Group"	BidCo, the WCAS Fund, WCAS Management Corporation and any other funds managed and/or advised by WCAS and their respective and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which BidCo and/or such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**" and "**undertaking**" have the meanings given by the Companies Act 2006, "**associated undertaking**" has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose.

All references to time in this Announcement are to London time unless otherwise stated.