

16 August 2018

The Directors  
Abzena plc  
Babraham Research Campus,  
Babraham,  
Cambridge,  
CB22 3AT

(the “**Borrower**”)

Dear Sirs,

**Re: Term Loan Facility**

We are pleased to offer you, the Borrower, a Term Loan Facility (as defined below), on the terms set out in this letter.

Subject to the terms of this letter, this offer is irrevocably open for acceptance by the Borrower until 17 August 2018 when it will lapse. If accepted, this letter and its schedules will form the agreement between the Borrower and Astro Bidco Limited as Lender (as defined below) for the Term Loan Facility.

The definitions which shall apply to this letter are set out or referred to in Schedule 4 (*Definitions and Interpretation*) below.

1. **CONDITIONS PRECEDENT**

The Borrower may not deliver the Utilisation Request unless the Lender has received all of the documents and other evidence listed in Schedule 1 (*Conditions Precedent*) in form and substance satisfactory to the Lender. The Lender shall notify the Borrower promptly upon being so satisfied.

2. **UTILISATION**

2.1 **Delivery of a Utilisation Request**

The Borrower may utilise the Term Loan Facility by delivery to the Lender of a duly completed Utilisation Request not later than the Specified Time.

2.2 **Completion of a Utilisation Request**

- (a) The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Utilisation;
  - (ii) the currency and amount of the Utilisation comply with paragraph 2.3 (*Currency and Amount*); and
  - (iii) a copy of the Group's 13 week rolling short term cash flow forecast is appended to the Utilisation Request prepared in respect of the week prior to the date of the Utilisation Request which has been submitted.

### 2.3 **Currency and Amount**

- (a) The currency specified in a Utilisation Request must be Sterling.
- (b) The amount of the proposed Term Loan Facility must be an amount which is not more than the Term Loan Facility.
- (c) There shall only be one Loan.

### 2.4 **Lender's Participation**

If the conditions set out in this letter have been met, the Lender shall make each Loan available by the Utilisation Date.

### 2.5 **Cancellation of Term Loan Facility**

The Term Loan Facility which, at that time, is unutilised shall be immediately cancelled at the end of the Availability Period.

## 3. **TERM LOAN**

### 3.1 **Purpose**

The Borrower shall apply the £2,000,000 Term Loan Facility towards the financing of its working capital requirements and its general corporate purposes.

### 3.2 **Borrowing Limits**

- (a) The Lender shall refuse the Utilisation if it would cause the Term Loan Facility to be exceeded. All other provisions of this letter relating to the level of drawing or Utilisation shall be subject to this paragraph 3.2(a).
- (b) Unless otherwise agreed with the Lender, where the Term Loan Facility has ceased to be available (whether on the Early Repayment Date or by earlier demand in accordance with the terms of this letter), the amount outstanding under or in

connection with the Term Loan Facility will attract interest at the Default Rate until it is paid.

### 3.3 Availability and Repayment

- (a) The Term Loan Facility shall be available to be drawn by the Borrower by way of a Utilisation at any time during the Availability Period.
- (b) The Borrower shall repay the Loan in full together with all accrued interest and any other outstanding amounts under or in connection with the Term Loan Facility under this letter on the earlier to occur of:
  - (i) the Termination Date; and
  - (ii) the Early Repayment Date.

## 4. INTEREST

- 4.1 The rate of interest applicable to the Term Loan Facility shall be the annual rate which is the sum of eight per cent (8%) plus BoE Bank Rate as that rate fluctuates. Interest will accrue and be calculated by the Lender on a day to day basis on the cleared daily debit balance of the amount drawn down.
- 4.2 The period for which a Loan is outstanding shall be divided into successive Interest Periods each of which will start on the expiry of the previous period or, in the case of the first Interest Period, on the Utilisation Date.
- 4.3 Interest shall, at the sole discretion of the Lender, either:
  - (a) be paid in cash in arrears on each Interest Payment Date (“**Cash Interest**”); or
  - (b) be compounded on each Interest Payment Date (“**PIK Interest**”) so that the principal amount of the Loan outstanding shall be increased by an amount equal to the interest payable on that Interest Payment Date,provided that the Lender shall notify the Borrower no later than five (5) Business Days prior to the end of each Interest Period as to whether it has elected to receive interest for that Interest Period as Cash Interest or as PIK Interest.
- 4.4 Each Interest Period shall be one Month (unless otherwise agreed by the Lender).
- 4.5 No Interest Period may extend beyond any Early Repayment Date or the Termination Date.
- 4.6 Save in circumstances where the Lender has elected to receive interest as PIK Interest in accordance with paragraph 4.3(b) above, if the Borrower fails to pay any sum under or in relation to any Loan on its due date then the Borrower will pay interest on it at the Default Rate until it is paid.

4.7 Default interest payable must be paid monthly in arrears and if not paid will itself bear interest at the Default Rate.

## 5. **SECURITY**

All indebtedness outstanding under the Term Loan Facility will be secured by the Security Document.

## 6. **REPRESENTATIONS AND WARRANTIES**

The Borrower, by signing this letter, makes the representations and warranties set out in Schedule 2 (*Representations and Warranties*) on the date of this letter and on the date of the Utilisation Request and repeats each of them on each Interest Payment Date.

## 7. **DEFAULT AND INDEMNITY**

If an Event of Default occurs and has not been waived by the Lender in writing, the Lender may by notice in writing to the Borrower:

- (a) declare that all or part of the Loan is due and payable together with accrued interest and all other amounts outstanding under the Finance Documents; and/or
- (b) cancel any part of the Term Loan Facility; and/or
- (c) require repayment (immediately or otherwise as the Lender may require) of the Loan together with accrued interest and all other amounts outstanding under the Finance Documents; and/or
- (d) take any steps to enforce any Security Right or exercise any rights of the Lender under any of the Finance Documents; and/or
- (e) require that interest is payable on the Loan at the Default Rate.

7.2 The Borrower will indemnify (and keep indemnified) the Lender on written demand against any loss or expense, including legal fees, which the Lender sustains or incurs:

- (a) because of a default by any Obligor of any obligation assumed by it under any Finance Document; or
- (b) as a consequence of any Event of Default.

## 8. **UNDERTAKINGS**

8.1 The Borrower shall not, and shall procure that each other Group Company shall not, save with the prior written consent of the Lender:

- (a) grant or permit to subsist any Security Right, other than a Permitted Security Right;

- (b) incur or contract to incur or permit to subsist the Borrowings, other than Permitted Borrowings;
- (c) dispose of or part with control of (whether by a single transaction or a series of transactions) any asset or undertaking, other than a Permitted Disposal;
- (d) lend or give credit to or indemnify or guarantee any other person(s) unless it is (1) to or on account of the obligations of another member of the Group or (2) the granting of credit or the provision of an indemnity or guarantee in the ordinary course of trade;
- (e) declare or make any Distribution, other than a Permitted Distribution; and
- (f) undertake or permit to occur any substantial change to the general nature of the business of the Borrower, the Obligors or the Group taken as a whole from that carried on at the date of this letter.

8.2 The Borrower undertakes:

- (a) to deliver to the Lender its most recent consolidated audited or final accounts within 5 Business Days of the Lender's request;
- (b) within 30 days of the last day of each calendar month, to deliver to the Lender its most recent consolidated monthly management accounts;
- (c) to maintain an up-to-date record of the Group's latest 13 week rolling short term cash flow forecast (the "**Cashflow Forecast**");
- (d) to supply to the Lender a copy of the Cashflow Forecast every two weeks; and
- (e) to supply to the Lender details of any Borrowings the Borrower has (or any Group Company has) with any third party from time to time (where such information is available) within 5 Business Days of the Lender's request.

8.3 As soon as practicable (but in any event no later than within 60 days of the Signing Date) the Borrower shall ensure that, subject to having obtained all necessary consents (and provided that the Borrower shall use reasonable endeavours to obtain such consents) each of the US Guarantors has entered into an accession deed to the Deed of Guarantee to guarantee the performance of the Borrower's obligations under this letter and that each US Guarantor has delivered to the Lender signed copies of all related corporate authorisations in respect of its accession to the Deed of Guarantee.

## 9. FINANCIAL COVENANT

The Borrower shall ensure that at the end of each calendar month following the signing date of this letter (each such date, a "**Test Date**"), the Group Companies own and maintain Cash of at least £750,000 (the "**Minimum Liquidity Test**") and shall provide to the

Lender evidence of its compliance with the Minimum Liquidity Test in the form of a Compliance Certificate: (i) on each Test Date and (ii) upon request of the Lender.

## 10. **PAYMENTS**

- 10.1 All payments by the Borrower to the Lender under this letter shall be free and without deduction of Tax unless the Borrower is required by law to make a payment subject to deduction or withholding of Tax, in which case the amount payable by the Borrower will be sufficiently increased to ensure that the Lender receives and retains a net sum equal to that which it would have received and retained had no deduction or withholding been made. If the Lender subsequently receives a Tax credit which is referable to the increased payment and which enhances its position, then it will reimburse the Borrower sufficiently to redress the position up to the amount received so long as by so doing it does not prejudice receipt or retention of the Tax credit.
- 10.2 All payments of principal, interest or commission will be paid to the Lender's account details previously provided unless the Lender otherwise directs and shall be in cleared funds in the relevant currency. If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable under the Finance Documents. The Lender shall apply that payment towards the obligations of the Group Companies under the Finance Documents in such order as the Lender considers appropriate and any such appropriation shall override any instructions by any Group Company.
- 10.3 All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- 10.4 All sums of interest or commission will accrue on a daily basis and be calculated on the basis of a year of 365 days and for the actual number of days elapsed. Interest shall continue to accrue on sums due following a decree or judgement as well as before it, and at the same rate.
- 10.5 Any determination by the Lender of any amount of principal, interest, commission or charges or an applicable interest rate shall, in the absence of manifest error, be conclusive and binding on the Borrower.
- 10.6 Where the due date for payment of any amount under any Finance Document is not a Business Day then (without affecting subsequent payment dates) actual payment will be required on the next Business Day.
- 10.7 If a Borrower fails to pay any amount due to the Lender in Sterling but makes such payment in another currency, the Borrower shall indemnify the Lender against the full cost incurred by the Lender (including all costs, charges and expenses) of converting that payment into Sterling.

## 11. **VOLUNTARY PREPAYMENT**

- 11.1 The Borrower may prepay and cancel the Term Loan Facility at any time on three (3) Business Days' notice to the Lender.

11.2 At the Borrower's request, the Lender shall co-operate with the Borrower to procure the orderly prepayment of the Loans in accordance with the terms of this letter and the release of the guarantees and Security Rights created by the Security Document simultaneously with any prepayment under this letter, including the execution of any releases or other documents to effect such release that the Borrower may reasonably require.

## 12. MANDATORY PREPAYMENT

### 12.1 Mandatory Prepayment – Disposals and Capital Raise

(a) For the purpose of this paragraph 12.1:

“**Capital Raise**” means either:

- (i) any offering of equity, equity-backed instruments, share options, warrants or any other form of equity finance which the Group seeks to raise from any person other than the Lender (excluding any exercise of warrants and/or options in existence as at the date of this letter);
- (ii) any offering of debt securities (including, without limitation, the issuance of high yield securities in one or more registered public offerings or offerings in reliance on Rule 144A under the U.S. Securities Act (as amended) or any private placement of debt securities) or any other loan or other debt financing which the Group seeks to raise from any person other than the Lender; or
- (iii) the incurrence by any Group Company of any other Borrowings Indebtedness which is not Permitted Borrowings.

“**Capital Raise Proceeds**” means the proceeds received by any Group Company (including any amount received in repayment of intercompany debt) for any Capital Raise made by any Group Company.

“**Disposal**” means a sale, lease, licence, transfer, loan or other disposal by a person of any asset (including future royalty payments receivable by any Group Company), undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions) other than Excluded Disposals.

“**Disposal Proceeds**” means the consideration received by any Group Company (including any amount received in repayment of intercompany debt) for any Disposal made by any Group Company except for Excluded Disposal Proceeds.

“**Excluded Disposal**” means the sale, lease, licence, transfer, loan or other disposal by a person of cash, stock or obsolete assets, in each case, in the ordinary course of trading.

**“Excluded Disposal Proceeds”** means any proceeds of an Excluded Disposal.

- (b) The Borrower shall prepay the Loan in the following amounts at the times and in the order of application contemplated by paragraph 12.3 (*Application of Mandatory Prepayments*):
  - (i) the amount of the Disposal Proceeds; and
  - (ii) the amount of the Capital Raise Proceeds.

## 12.2 **Application of Mandatory Prepayments**

A prepayment of the Loan in accordance with paragraph 12.1 (*Mandatory Prepayment – Disposals and Capital Raise*) shall be applied to prepay the Loans in the full amount of the Disposal Proceeds or Capital Raise Proceeds (as applicable) promptly upon receipt of such proceeds (and in any event within one Business Day of receipt).

## 13. **INDEMNITY**

- 13.1 The Borrower will at all times on demand indemnify the Lender against all Indemnified Events and the Borrower will pay to the Lender the amount of all payments made (whether directly or by way of set-off, counterclaim or otherwise) and all losses, costs or expenses suffered or incurred from time to time by the Lender arising in respect of such Indemnified Events.
- 13.2 The liability of the Borrower under paragraph 13.1 above shall not be affected by any time being given or by anything being done or not done by the Lender.

## 14. **ASSIGNMENT AND TRANSFER**

- 14.1 This letter is for the benefit of the Borrower and the Lender and their successors and assignees and transferees.
- 14.2 The Borrower may not assign, transfer or otherwise dispose of all or any of its rights, obligations or benefits under this letter.
- 14.3 Subject to paragraph 14.4 the Lender will be entitled to (1) assign any of its rights and/or (2) transfer or otherwise dispose of any of its rights, benefits or obligations under the Finance Documents to any other person in any manner that it sees fit.
- 14.4 The consent of the Borrower is required for an assignment or transfer in accordance with paragraph 14.3. The consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent five (5) Business Days after the Lender has requested it unless consent is expressly refused by the Borrower within that time.



14.5 The Borrower and the Lender undertake to execute and to procure that each Group Company will execute all documents that any of them may reasonably require to give effect to an assignment, novation, transfer or other disposal pursuant to this paragraph.

15. **NOTICES**

15.1 Any communication to be made under or in connection with this letter shall be made in writing and, unless otherwise stated, may be made by email communication or letter.

15.2 The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of the Lender for any communication or document to be made or delivered under or in connection with this letter is 3<sup>rd</sup> Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, United Kingdom for the attention of Jon Rather [REDACTED] and Nick O'Leary [REDACTED] or any substitute address, email address or department or officer as the Lender may notify to the other parties by not less than five Business Days' notice.

15.3 The address of the Borrower for any communication or document to be made or delivered under or in connection with this letter is Babraham Research Campus, Babraham, Cambridge, CB22 3AT for the attention of John Burt and Michelle Neaves. The email addresses of the Borrower for any such communication or document to be made or delivered under or in connection with this letter is [REDACTED] and [REDACTED]

15.4 Subject to paragraph 15.5 below, any communication made or document made or delivered by one person to another under or in connection with this letter will only be effective:

- (a) if by way of email communication, when actually received (or made available) in readable form and if such communication becomes effective after 5.00 p.m. in the place in which the party to whom the relevant communication is sent or made available has its address for the purpose of this letter shall be deemed only to become effective on the following day; or
- (b) if by way of letter, when it has been delivered to the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of the address details set out in paragraph 15.2 above, if addressed to that department or officer.

15.5 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with its name above (or any substitute department or officer as the Lender shall specify for this purpose). Any communication or document made or delivered to the Borrower in accordance with this paragraph will be deemed to have been made or delivered to each Group Company.

15.6 The Lender may rely upon any communication by telephone or email purporting to be on behalf of the Borrower by anyone notified to the Lender as being authorised to do so, without enquiry by the Lender as to authority or identity. The Borrower agrees to indemnify the Lender against any liability incurred or sustained by the Lender as a result.

## 16. MISCELLANEOUS

16.1 The Parties agree that if the Borrower becomes a wholly owned subsidiary of the Lender, the terms applicable to any outstanding amount of the Term Loan Facility will be deemed amended to such terms as the Lender considers appropriate to be included in an intra-group loan agreement.

16.2 No failure or delay by the Lender in exercising any right or remedy under any Finance Document shall operate as a waiver, and no single or parallel exercise shall prevent further exercise, of any right or remedy.

16.3 If at any time any provision of this letter is or becomes illegal, invalid or unenforceable in any respect under any law of any Jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provisions under the law of any other Jurisdiction shall in any way be affected or impaired.

16.4 Notwithstanding any other provision of this letter, if the Takeover Panel determines that any provision of this letter or an Event of Default contravenes Rule 21.2 of the Takeover Code, such provision shall be deemed to be invalid and unenforceable. The terms of paragraph 16.3 shall apply in respect of the remaining provision.

16.5 The schedules referred to in this letter shall form part of this letter.

16.6 Save to the extent expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

## 17. FEES AND EXPENSES

Each party is responsible for its own fees, costs and expenses in connection with the preparation of the Finance Documents.

## 18. GOVERNING LAW AND JURISDICTION

18.1 This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

18.2 Each party submits to the jurisdiction of the English Courts.

18.3 In the case of a claim brought by the Lender, such courts shall have exclusive jurisdiction.

18.4 The Borrower waives any objection on the ground of venue or inconvenient forum or similar ground.

**IN WITNESS** whereof this agreement has been executed on the date first above written.

Yours faithfully



...  
for and on behalf of  
**ASTRO BIDCO LIMITED**

We hereby confirm our agreement to the terms of this letter:



.....  
for and on behalf of  
**ABZENA PLC**

## **SCHEDULE 1**

### **Conditions Precedent**

#### **1. OFFER**

The Lender having made a firm recommended offer pursuant to Rule 2.7 of the Takeover Code for the whole of the issued and to be issued ordinary share capital of the Borrower.

#### **2. GUARANTEES AND SECURITY**

2.1 A fully executed copy of the Security Document.

2.2 A composite deed of guarantee (the “**Deed of Guarantee**”) executed by each of the UK Guarantors under which the UK Guarantors shall guarantee the performance by the Borrower and each Obligor of their obligations under the Finance Documents in favour of the Lender.

#### **3. FINANCIAL INFORMATION**

The latest audited annual financial statements for the Borrower.

#### **4. OTHER DOCUMENTS AND EVIDENCE**

4.1 Confirmation in a form satisfactory to the Lender from the Borrower’s Rule 3 adviser that the Takeover Panel has no objection to the terms of this offer of the Term Loan Facility (including for the purposes of Rule 21 of the Takeover Code that neither this offer, nor its acceptance nor draw down of funds hereunder would constitute frustrating action).

#### **5. ADMINISTRATIVE/SECRETARIAL**

5.1 Signed copies of corporate authorisations and an Officer’s certificate to be delivered by the Borrower and each of the UK Guarantors approving the entry by such entity into the transactions contemplated by this letter, the Deed of Guarantee and the Security Document (as applicable).

5.2 A Certified Copy of the board minutes of the Borrower evidencing that the directors of the Borrower have considered the issues of commercial benefit, solvency and unlawful distributions in the context of the Security Document, have considered the financial position of each such company and of the Group in the context of the transactions referred to in this letter and have concluded that each such company is solvent at and immediately after the granting of the Security Document.

## SCHEDULE 2

### Representations and Warranties

The Borrower represents and warrants that:

1. It is a public limited corporation, duly incorporated and validly existing under the laws of England and Wales and it has the power to own its assets and carry on its business in all material respects as it is now being conducted.
2. each Obligor has power to enter into and comply with its obligations in terms of the Finance Documents;
3. (subject to registration of the Security Document under the Companies Act 2006) everything has been done (including obtaining any necessary consents) in order (1) for each Obligor to comply with its obligations under the Finance Documents and (2) to ensure that those obligations are legally binding;
4. The entry into and performance by it of, and the transactions contemplated by, the Finance Documents, and the granting of the Security do not and will not conflict with (i) any law or regulation applicable to it; (ii) its constitutional documents, (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.
5. It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents and no limit on its powers will be exceeded as a result of the borrowing, grant of Security or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.
6. The financial statements delivered to the Lender in accordance with paragraph 8.2 (*Undertakings*) fairly present the financial condition and results of operations of the Group during the relevant period in respect of which they are delivered.
7. The Security has or will have the ranking in priority which it is expressed to have in the Security Document and it is not subject to any prior ranking or pari passu ranking security interest.
8. Each of Denceptor Therapeutics Limited (incorporated in England and Wales with company number 9661368), Warwick Effect Polymers Limited (incorporated in England and Wales with company number 04182449), Abzena Property Inc. (incorporated in Delaware, USA) and Abzena Manufacturing Property Inc. (incorporated in Delaware, USA) are either dormant subsidiaries of the Borrower or do not trade or carry on any business of any kind.

## SCHEDULE 3

### Events of Default

1. The Borrower fails to pay any sum due under a Finance Document on its due date, other than as a result of the failure of the appropriate payment transmission system, provided that such payment is made to the Lender within three Business Days of the due date;
2. any representation or warranty made or repeated by or on behalf of any Group Company under this letter is incorrect, inaccurate, incomplete or, in the opinion of the Lender, misleading in any respect and, if the relevant circumstances are capable of remedy, those circumstances are not remedied within seven days of notice by the Lender calling for its remedy;
3. any Group Company fails to comply with the terms of any of paragraphs 8.1, 8.2 (*Undertakings*) or paragraph 9 (*Financial Covenant*) of this letter;
4. any Group Company or any other person fails to comply with any other covenant, undertaking or obligation given or owed by it under any Finance Document which is not remedied to the satisfaction of the Lender within 14 days after the first of (1) a Group Company being aware of the failure or (2) notice by the Lender calling for its remedy (should the Lender reasonably consider it to be remediable);
5. any Group Company which on the date of this letter is a trading company ceases or threatens to cease to carry on its business or a significant part of it (except as part of a solvent reconstruction approved by the Lender) or suspends or threatens to suspend payment of its debts or is unable to pay its debts as they fall due;
6. a proposal is made or a nominee or supervisor is appointed for any Group Company for a composition in satisfaction of its debt or for a scheme of arrangement of its affairs or other arrangement or any proceedings for the benefit of its creditors are commenced under any law, regulation or procedure relating to the reconstruction or readjustment of debt;
7. any step is taken (including, without limitation, the making of an application or the giving of any notice) by an Group Company or by any other person to appoint an administrator in respect of any Group Company (other than any winding up petition which is frivolous or vexatious and is disclosed within 21 days of commencement);
8. any steps are taken (including, without limitation, the making of an application or the giving of any notice) by a Group Company (without the prior written consent of the Lender) or any other person to wind up or dissolve any Group Company (other than the solvent winding-up of a dormant Group Company which is not a Guarantor) or to appoint a liquidator, trustee, receiver, administrative receiver or similar officer to any Group Company or any part of its undertaking or assets (other



than any winding up petition which is frivolous or vexatious and is disclosed within 21 days of commencement);

9. any attachment, distress, diligence, arrestment, execution or other legal process (not being reasonably considered by the Lender, acting in good faith, to be defensible or vexatious) is levied, enforced or sued against a Group Company or its assets (other than (i) by the Lender or an Affiliate of the Lender or (ii) any legal process where the threat of such legal process has been specifically identified and disclosed in the Data Room as at the date of this letter) or any person validly takes possession of any of the property or assets of a Group Company or steps are taken by any person to enforce any Security Right against any of the property or assets of a Group Company, in each case, which have, or has, or are, or is, reasonably likely to have a Material Adverse Effect;
10. any part of a Finance Document ceases to be legal or effective (or a Group Company so alleges) or any consent required to enable a Group Company to perform its obligations under a Finance Document ceases to have effect;
11. any Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or the Security Document or evidences an intention to rescind or repudiate a Finance Document or the Security Document; or
12. it becomes unlawful for any Obligor to perform its obligations under the Finance Document or the Security Document created or expressed to be created or evidenced by the Finance Document or the Security Document or any obligation or obligations of any Obligor under any Finance Documents or the Security Document are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lender under the Finance Documents.

## SCHEDULE 4

### Definitions and Interpretation

#### 1. DEFINITIONS

“**Acceptable Bank**” means:

- (a) Barclays Bank PLC, Barclays Bank UK PLC, Silicon Valley Bank, Union Bank and TD Bank;
- (b) a bank or financial institution which has a rating for its long-term unsecured and non-credit enhanced debt obligations of BBB or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Ba1 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (c) any other bank or financial institution approved by the Lender;

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“**Availability Period**” means the period from the Signing Date to the date which is 45 days from the Signing Date;

“**BoE Bank Rate**” means the rate equal to the variable interest rate from time to time quoted by the Bank of England to banks for secured overnight lending (or, if this service ceases to be available, such other appropriate reference rate as the Lender may specify after consultation with the Borrower);

“**Borrower**” means Abzena plc a company incorporated in England and Wales with its registered office at Babraham Research Campus, Babraham, Cambridge, CB22 3AT;

“**Borrowings**” means (without double counting):

- (a) money borrowed or raised and includes capitalised interest;
- (b) any liability under any bond, note, debenture, loan stock, redeemable preference share capital or other instrument or security;
- (c) any liability for acceptance or documentary credits or discounted instruments;
- (d) any liability for the acquisition cost of assets or services payable on deferred payment terms where the period of deferment is more than 90 days;
- (e) any liability under debt purchase, factoring and similar agreements and capital amounts owing under finance leases, hire purchase or conditional sale agreements or arrangements;

- (f) the net liability under any derivative transaction protecting against or benefiting from fluctuations in any rate or price;
- (g) any other arrangements having the commercial effect of borrowing; and
- (h) any liability under any guarantee or indemnity in respect of any obligation falling within (a) to (g) (inclusive) above;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and the Cayman Islands;

“**Cash**” means, at any time, cash in hand (excluding cash in transit) or at bank and (in the latter case) credited to an account in the name of a Group Company with an Acceptable Bank and to which a Group Company is alone (or together with other Group companies) beneficially entitled and for so long as:

- (a) that cash is repayable on demand after the relevant date of calculation;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of Group Company or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash except for Senior Transaction Security or any Permitted Security constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements; and
- (d) the cash is freely and immediately available to be applied in repayment or prepayment of the Loan;

“**Certified Copy**” means a copy certified as true, complete and up to date by the specified person or, if no-one is specified, by either a director or secretary of the relevant Obligor or the Borrower's solicitors;

“**Compliance Certificate**” means a certificate in the form set out in Schedule 7 (*Form of Compliance Certificate*);

“**Data Room**” means the data room established by the Borrower for the purposes of the proposed acquisition by the Lender of the entire issued and to be issued share capital of the Borrower in accordance with the Takeover Code;

“**Deed of Guarantee**” has the meaning given to such term at Schedule 1 (*Conditions Precedent*) of this letter;

“**Default Rate**” means a rate of twelve per cent (12%) per annum over the BoE Bank Rate as that rate fluctuates;

“**Distribution**” means any dividend, redemption or distribution of assets by a company to its members whether in cash or otherwise on account of capital or income;

**“Early Repayment Date”** means the later of:

- (a) the date falling 90 days after the date on which the Lender's offer for all of the ordinary share capital of the Borrower in accordance with Rule 2.7 of the Takeover Code becomes or is declared unconditional in all respects or effective; and
- (b) the date falling 90 days after the date on which a party's offer (other than the offer by the Lender) for all of the ordinary share capital of the Borrower in accordance with Rule 2.7 of the Takeover Code becomes or is declared unconditional in all respects or effective;

**“Event of Default”** means an event set out in Schedule 3 (*Events of Default*);

**“Finance Documents”** includes this letter, the Deed of Guarantee and the Security Document;

**“Group”** means the Borrower and each of its Subsidiaries;

**“Group Company”** means any company which is a member of the Group;

**“Guarantors”** means each of the UK Guarantors and, from the date of their accession to the Deed of Guarantee as is required pursuant to the terms of this letter each of the US Guarantors;

**“Holding Company”** means, in relation to a person, any other person in respect of which it is a Subsidiary;

**“Indemnified Events”** means all actions, suits, proceedings, claims, demands, liabilities, costs, expenses, losses, damages and charges whatsoever (except those arising as a result of the gross negligence or wilful misconduct of the Lender) which may occur in relation to or arising out of any utilisations of the Term Loan Facility made available under this letter;

**“Indebtedness”** includes any obligation for the payment or repayment of money in any currency, whether present or future, joint or several, whether incurred as principal or surety (or guarantor) or in any other way whatever, and including principal, interest, commission, fees and other charges;

**“Interest Payment Date”** means the last Business Day of each Interest Period;

**“Interest Period”** means each period referred to in paragraph 4 (*Interest*) and to which a rate of interest calculated by reference to that paragraph applies;

**“ITA”** means the Income Tax Act 2007;

**“Lender”** means Astro Bidco Limited, a company incorporated in England and Wales whose registered office is at 3<sup>rd</sup> Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT;

**“Loan”** means the loan made or to be made under the Term Loan Facility or the principal amount outstanding for the time being of that loan;

**“Material Adverse Effect”** means any effect which, in the reasonable opinion of the Lender, is likely to:

- (a) adversely affect the ability of any Group Company to comply with its obligations under a Finance Document;
- (b) adversely affect the business, assets or financial condition of the Group as a whole; or
- (c) (where the context so admits) result in any of the Finance Documents not being legal, valid and binding on, and enforceable substantially in accordance with its terms against any party to that Finance Document or, in the case of any of the Security Documents, not providing the Lender with enforceable security over the assets to be covered by it;

**“Month”** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end;

**“Obligor”** means a Borrower or a Guarantor;

**“Officer's Certificate”** means, in respect of a company, a certificate in the form set out in Schedule 5 (*Specimen Officer's Certificate*) executed by a director or secretary of that company;

**“Permitted Borrowings”** means:

- (a) Borrowings between Group Companies which are or will be party to the Deed of Guarantee;
- (b) the following existing Borrowings:
  - (i) £189,619 under a finance lease agreement between Antitope Limited and De Lage Landen Leasing Limited dated 21 September 2016;

- (ii) £70,053 under a finance lease agreement between Polytherics Limited and De Lage Landen Leasing Limited dated on or around 29 July 2016;
  - (iii) £50,542 under a finance lease agreement between Antitope Limited and De Lage Landen Leasing Limited dated 23 September 2016;
  - (iv) £149,149 under a finance lease agreement between Antitope Limited and De Lage Landen Leasing Limited dated 13 October 2017;
  - (v) £15,048 under a hire agreement between Antitope Limited and Macquarie Equipment Finance (UK) Limited dated 28 September 2016;
  - (vi) £120,221 under a finance lease agreement between Antitope Limited and CHG MERIDIAN Computer Leasing UK Limited dated 22 November 2016; and
  - (vii) US \$5,100,000 under a supply and services equipment finance agreement between the US Guarantors and Sartorius Stedim North America Inc. dated 20 December 2017.
- (c) to the extent not permitted under paragraphs (a) or (b) above, commitments of members of the Group under finance lease, hire purchase or conditional sale agreements or equivalent arrangements, the principal amount of which does not at any time exceed £100,000 (or its equivalent in other currencies) in aggregate;

**“Permitted Disposals”** means:

- (a) disposals in connection with the solvent winding-up of a dormant Group Company which is not a Guarantor;
- (b) the disposal of stock or cash on an arm's length basis in the ordinary course of trading;
- (c) disposals of obsolete or redundant assets (other than assets subject to a fixed charge or security in favour of the Lender and any heritable or leased property in Scotland) which are no longer required for the business of any Obligor; and
- (d) disposals of assets (other than assets subject to a fixed charge or security in favour of the Lender and any heritable or leased property in Scotland) in exchange for replacement assets comparable or superior as to type, value and quality;

**“Permitted Distribution”** means any Distribution which:

- (a) the payment of a dividend to the Borrower or any of its wholly-owned Subsidiaries; or
- (b) in the case of a Distribution by the Borrower, is a Distribution made with the prior written consent of the Lender;

**“Permitted Security Rights”** means:

- (a) liens and rights of set-off securing obligations which are not overdue beyond their standard payment dates, arising by operation of law in the ordinary and usual course of trading;
- (b) Security Rights arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired in the ordinary and usual course of trading; or
- (c) Security Rights granted in terms of the Finance Documents or with the prior written approval of the Lender;

**“Security”** means Security Rights granted by the Borrower pursuant to the terms of the Security Document;

**“Security Document”** means the debenture governed by English law and entered into by the Borrower creating Security Rights in favour of the Lender as security for the obligations and liabilities of the Borrower under this letter;

**“Security Right”** means any mortgage, charge, standard security, right in security, security, pledge, lien, right of set-off, right to retention of title or other encumbrance, whether fixed or floating, over any present or future property, assets or undertaking;

**“Signing Date”** means the date on which this letter is signed by all the parties hereto;

**“Specified Time”** means 9.30 a.m. (U.K. time) three Business Days prior to the proposed Utilisation Date;

**“Sterling”** and the figure “**£**” shall mean the lawful currency of the United Kingdom;

**“Subsidiary”** means in respect of any company, person or entity, any company, person or entity directly or indirectly controlled by such company, person or entity (including any subsidiary acquired after the date of this letter) and “Subsidiaries” shall mean all or any of them, as appropriate;

**“Takeover Code”** means The City Code on Takeovers and Mergers;

**“Takeover Panel”** means The Panel Code on Takeovers and Mergers;

**“Tax”** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or delay in paying the same);

**“Term Loan Facility”** means a term loan facility in the aggregate amount of £2,000,000;

**“Termination Date”** means the date which is 364 days from the Signing Date;

**“UK Guarantor”** means each of:

- (a) Abzena plc with registered number 08957107 having its registered office at Babraham Research Campus, Babraham, Cambridge, CB22 3AT;
- (b) Abzena Holdings Limited with registered number 09660188 having its registered office at Babraham Research Campus, Babraham, Cambridge, CB22 3AT;
- (c) Polytherics Limited with registered number 04295642 having its registered office at Babraham Research Campus, Babraham, Cambridge, CB22 3AT; and
- (d) Antitope Limited with registered number 05318448 having its registered office at Babraham Research Campus, Babraham, Cambridge, CB22 3AT;

“**US Guarantors**” means each of:

- (a) Abzena Holdings Inc., incorporated in Delaware, USA;
- (b) Abzena Manufacturing Inc., incorporated in Delaware, USA;
- (c) Abzena Property Inc. , incorporated in Delaware, USA;
- (d) PacificGMP. Incorporated in California, USA;
- (e) Abzena Pennsylvania Inc., incorporated in Delaware, USA;
- (f) The Chemistry Research Solution LLC, incorporated in Pennsylvania, USA.

“**Utilisation**” means the utilisation of the Term Loan Facility;

“**Utilisation Date**” means the date of the Utilisation, being the date on which the Loan is to be made; and

“**Utilisation Request**” means a notice substantially in the form set out in Schedule 6 (*Utilisation Request*).

## 2. INTERPRETATION

Any reference in this letter to:

- (a) statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation;
- (b) “including” shall not be construed as limiting the generality of the words preceding it;
- (c) any paragraph or schedule shall be construed as a reference to the paragraphs in this letter, the schedules to this letter and the paragraphs in such schedules;



- (d) any term or phrase defined in the Companies Act 2006 (as amended from time to time) shall bear the same meaning in this letter;
- (e) words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- (f) this letter and to any provisions of it or to any other document referred to in this letter shall be construed as references to it in force for the time being and as amended, varied, supplemented, restated, substituted or novated from time to time;
- (g) a person is to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or any agency of a state, whether or not a separate legal entity;
- (h) any person is to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect;
- (i) any word or phrase includes all derivations thereof;
- (j) any “associated person” means, in relation to a person, a person who is either acting in concert (as defined in the Takeover Code) with that person or is a connected person (as defined in section 993 (as supplemented by section 994) of the ITA) of that person;
- (k) the “exposure” of the Lender means, in relation to any guarantee, bond, forward foreign exchange contract or other utilisation, the amount determined by the Lender to be its liability (actual or contingent) in respect thereof.

Paragraph headings are for ease of reference only and are not to affect the interpretation of this letter.

**SCHEDULE 5**

**Specimen Officer's Certificate**

TO BE TYPED ON EACH COMPANY HEADED PAPER

To: Astro Bidco Limited

Company (“**Company**”) \_\_\_\_\_

Registered Office \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Registered Number Document Facility letter (the “**Facility Letter**”) under which Astro Bidco Limited (the “**Lender**”) offers to provide a Term Loan Facility.

I, [insert name], a director or company secretary of the Company do hereby certify that:

1. the Company has the necessary power to execute, deliver and perform the Facility Letter;
2. the Board of Directors of the Company has approved the terms of the Facility Letter and has resolved that the terms of the Facility Letter are most likely to promote the success of the Company for the benefit of its members as a whole and are made for the purposes of its business;
3. the Board of Directors of the Company has duly authorised that the Facility Letter be executed and delivered on behalf of the Company by the individuals referred to in (4) below who were then, and remain, duly appointed Directors of the Company;
4. the Resolutions giving the authorisations referred to above were validly passed at a properly convened meeting of the Board of Directors of the Company and are in

full force and effect and the following officers of the Company were authorised to execute the Facility Letter on behalf of the Company;

Authorised Signatories	Specimen Signatures

To be completed for any Director of the Company who is also a Director of another Group Company which is a party to the Facility Letter

[insert Directors names] declared [his/her/their] interest in any contracts, arrangements or dealings between the Company and [list those Companies which are also parties to the Facility Letter to the Board of Directors, as required under the Companies Act 2006];

I was, on the date of execution of the Facility Letter and remain, [a director]/[the duly appointed company secretary] of the Company.

This certificate is authorised by the board of directors of the Company:

.....  
Date

.....  
Director/Secretary

**SCHEDULE 6**

**Utilisation Request**

From: Abzena plc

To: Astro Bidco Limited

Dated:

Dear Sirs

**Abzena plc - £2,000,000 Facility Letter dated [●] 2018 (the “Agreement”)**

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

Proposed Utilisation Date: [●] or, if that is not a Business Day, the next Business Day

Amount: £[●]

2. We wish to borrow the Loan on the following terms:
3. We attach a copy of the Group's latest 13 week rolling short term cash flow forecast
4. We confirm that each condition specified in Schedule 1 (*Conditions Precedent*) is satisfied on the date of this Utilisation Request.
5. This Utilisation Request is irrevocable.

Yours faithfully

.....

Authorised signatory for  
**[Abzena plc]**

**SCHEDULE 7**

**Form of Compliance Certificate**

To: The Lender

From: The Borrower

Dated: [] (the “**Test Date**”)

Dear Sirs

**Abzena plc - £2,000,000 Facility Letter dated [●] 2018 (the “Facility Letter”)**

1. We refer to the Facility Letter. This is a Compliance Certificate. Terms defined in the Facility Letter have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that for the purpose of the Minimum Liquidity Test, Cash held by the Borrower exceeds £750,000 as at the Test Date.

Signed

.....  
Director of the Borrower