

News article

24 November 2015

Placing to raise £20 million and acquisition

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Cambridge, UK, 24 November 2015 - Abzena plc (AIM:ABZA, 'Abzena' or the 'Group'), a life sciences group providing services and technologies enabling the development and manufacture of biopharmaceutical products, has conditionally raised £20 million (net of expenses) by way of a placing of 35,004,972 new Ordinary Shares at 60 pence each with certain existing and new shareholders, and has agreed to acquire The Chemistry Research Solution LLC ("TCRS"), subject to certain closing conditions including completion of the placing. The Placing Price represents a 7.7 per cent discount to the closing mid-market price of an existing ordinary share on 23 November 2015, being the last business day prior to this announcement.

TCRS is a specialist contract chemistry and bioconjugation company based near Philadelphia, Pennsylvania, USA, with expertise in producing and analysing antibody drug conjugates (ADCs). Abzena will pay \$15 million (£10 million) to acquire the entire ownership interests in TCRS. The consideration will be paid as \$8.8 million in cash (subject to adjustment for net current assets and retained indebtedness of TCRS at completion of the Acquisition), the issue of 3,609,978 Ordinary Shares and \$0.9 million in restricted stock units over 901,697 Ordinary Shares and assumed long term debt of \$1.5 million.

Rationale for acquisition of TCRS and use of proceeds

- Will broaden Abzena's service capability and, with further investment, provide GMP manufacturing capability for ADCs
- Enables 'Abzena inside' ADC partner projects to be progressed further through the R&D process by the Group
- Creates new cross-selling opportunities for Abzena's antibody engineering and biopharmaceutical manufacturing services
- Well established and profitable company; expected to make immediate positive contribution to the Group's EBITDA
- Establishes another operating presence in the USA, in a key East coast life sciences hub, complementing the West coast location of Abzena company, PacificGMP
- Placing proceeds to be used for:
 - Acquisition of TCRS & biomanufacturing capital expenditure
 - Further research and development in existing Abzena technologies & investment in 'Abzena inside' product development
 - Additional working capital

Abzena has also today reported its half year results for the six months to 30 September 2015 (please see separate announcement).

Dr John Burt, CEO of Abzena said:

"The acquisition of TCRS is an important strategic step in our ambition to build Abzena into a self-sustaining business and 'partner of choice' for R&D organisations developing biopharmaceutical drugs."

"TCRS is an established, profitable company providing chemistry and conjugation services that complement our own. Bringing TCRS into the Abzena Group will enable wider access to Abzena's proprietary ADC technologies and, in time, TCRS will be able to provide our partners with larger scale and GMP manufacture."

"By broadening our service and technology offering with the addition of TCRS to the Group, we are better placed to help our partners develop the next generation of cancer therapies, a fast growing market requiring specialist innovation and differentiation."

Dr Naresh Jain, Managing Director of TCRS added:

"Joining forces with Abzena has been an easy decision to make. The two companies are very complementary in customer base and the services we offer."

"Adding TCRS and its ADC capabilities to Abzena's already established offering, puts the enlarged Group in a strong position to meet partners' needs and, through them, the needs of patients seeking innovative medicines."

Following the completion of the planned acquisition of TCRS, Dr Naresh Jain will become Senior Vice President (ADC

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Biomanufacturing) & Global Head of Chemistry for Abzena, reporting to John Burt, Abzena's CEO.

Shareholder Approval and General Meeting

The Placing and the Acquisition are subject to the passing of Resolutions at a General Meeting to be held at the offices of Pinsent Masons LLP, 30 Crown Place, London EC2A 4ES at 10.00 a.m. on 10 December 2015. A notice convening the General Meeting is set out at the end of a Circular dated 24 November 2015 and available on the Company's website at www.abzena.com and expected to be posted to Shareholders later today along with a form of proxy.

Application will be made to the London Stock Exchange for the admission of the Placing Shares and the Consideration Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 am on 11 December 2015.

Defined terms used in this announcement not otherwise defined shall have the same meanings as those terms defined and used in the Circular.

The text of the Chairman's letter to shareholders contained within the Circular is reproduced in full below, without material adjustment.

Secondary sale of existing shares

On or shortly after Admission, certain secondary trades of, in aggregate, 7,412,359 Ordinary Shares will also complete, reflecting additional institutional demand generated for Ordinary Shares and the wishes of certain existing Shareholders to realise value from some or all of their holdings of Ordinary Shares through the market. In total, 7,412,359 Existing Ordinary Shares (representing approximately 7.6 per cent. of the current issued share capital) will be sold at the Placing Price. Subsequent announcements will be made in accordance with the AIM Rules where the sale of Ordinary Shares in the secondary market by the Selling Shareholders, or the issue of the New Ordinary Shares to Placees, as applicable, has given rise to a change in a Shareholder's notifiable interest in the Company's share capital.

All Selling Shareholders have agreed to enter into extended lock-in and orderly market arrangements with each of the Company, Cenkos and N+1 Singer for the balance of their shareholdings in the Company for a total period of 24 months. Orderly market arrangements implemented at the time of the IPO continue to apply to certain other shareholders not selling shares at this time.

The circular is available [here](#).

An analyst briefing will be held at 9:30am on 24 November 2015 at the offices of Instinctif Partners. To attend, please email abzena@instinctif.com.

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About Abzena

Abzena provides proprietary technologies and complementary services in the UK and USA to enable the development and manufacture of biopharmaceutical products. The development of biopharmaceuticals is a growing area and requires specialist technology.

The Group comprises Antitope, PacificGMP and PolyTherics, which between them have built a global customer base including the majority of the top 20 biopharmaceutical companies as well as large and small biotech companies and academic groups.

Antitope provides immunogenicity assessment, protein engineering to create humanized antibodies and deimmunised therapeutic proteins, and cell line development for manufacture.

PacificGMP provides contract process development and manufacture of biopharmaceuticals, including monoclonal antibodies, recombinant proteins, vaccines, and gene therapy and cell therapy products, for preclinical and clinical studies.

PolyTherics specializes in proprietary site-specific conjugation technologies for antibody drug conjugate development and solutions for optimizing the therapeutic properties of biopharmaceuticals.

Abzena (AIM: ABZA) has its main operations in Cambridge, UK and in San Diego, CA, USA. For more information, please see www.abzena.com.

Note: The term "Abzena inside" is applied to cover products that have been created using or incorporate Abzena's proprietary technologies, and include Composite Human Antibodies™ and ThioBridge™ antibody drug conjugates. These products are being developed by Abzena's partners and Abzena has the potential to earn future licence fees, milestone

payments and/or royalties.

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