

abcam

**Annual
Report and
Accounts
2020**

Abcam's purpose is to serve life scientists to achieve their mission, faster. As individuals, companies and governments around the world continue to respond to the impact of the COVID-19 pandemic, the importance of that purpose, and our contribution to society, has never been clearer. Never before has the general public understood so well the need for fast and efficient scientific discoveries and medical breakthroughs.



Dear shareholder,

Responding to COVID-19

The world has changed, and as it has, Abcam has met each new challenge with agility and dedication. I am not only pleased that Abcam has continued to deliver on its strategy and meet its stated mission to serve life scientists over the last year, but I am also proud of the way the company has behaved during these unprecedented times. Under the stewardship of Alan and the senior leadership team, our people have adapted quickly to a new way of working and continued to put our customers first. No one has been furloughed and we have continued to invest behind our growth strategy.

Strong foundations

Our ability to respond in this way, and to take a long-term view of our business and strategy, is underpinned by our business model and financial strength.

Last year, the Board approved an ambitious strategic plan to sustain long-term top-line growth of the business, whilst driving attractive margin and returns. Undoubtedly, COVID-19 has brought in a level of uncertainty with respect to the near-term outlook, however the Group's plans remain unchanged, reflecting our confidence in the long-term opportunity.

Certainly, the Board is confident that over time, the organic and inorganic investments made during the year will increase the Group's capacity for innovation and product development, support the creation of a more efficient global supply chain and improve its digital platform and customer experience, all of which are central to sustaining growth.

Investors

Capital allocation and dividend policy

Following the interim results in March, at which time the Board approved an interim dividend payment of 3.55 pence per share, the Group consulted with its major shareholders in respect of its future capital allocation priorities and dividend policy.

As stated at that time, the Board sees significant potential for further profitable growth and attractive returns on investment and believes that the best way to maximise value creation over the long term is to increase the Group's flexibility to invest in growth opportunities as they arise.

This view was shared by a significant majority of the Group's shareholders that were consulted and accordingly, the Board has decided not to declare a final dividend in order to prioritise investment in growth. Going forward, the Board will continue to review the Group's dividend policy, with future distributions reflecting the cash generation and capital needs of the Company.

Share issue

In April 2020, the Board approved the issue of 10 million new shares to Durable Capital, raising £110m. The share issue further strengthened our liquidity position, providing greater flexibility to invest in the long-term growth of our business to support our customers and capture additional market share through organic and inorganic initiatives.

Nasdaq listing

To support the Group's plans, in July 2020, the Board announced its intention to explore a secondary listing in the US. Further to subsequent discussions and analysis, the Board has concluded that now is the right time to pursue a secondary listing on NASDAQ, supplementing the Group's existing listing on AIM, and is working towards a listing in the final calendar quarter of 2020.

The US represents by far the largest market for Abcam, contributing approximately 40% of revenue, and will continue to increase in importance for the Group in the future. Many of Abcam's closest peers are listed in the US and a secondary listing will provide the Company with direct access to a significant incremental pool of capital, further supporting the Group's long-term growth strategy and liquidity. Further, a US listing will provide the Company with greater flexibility with respect to future investments. With approximately 40% of our shares already held by US investors, this is a timely move and one the Board has had under review for a considerable time.

Board composition

We have seen a number of changes to our Board during the year. First, Sue Harris stepped down from the Board after the AGM in November 2019. In July 2019, Gavin Wood, Group CFO, notified the Board of his intention to step down when a successor had been identified. Following an extensive search process, the Board announced the appointment of Michael Baldock on 14 January 2020. Michael, who has over 30 years of relevant business and leadership experience, joined Abcam on 3 February 2020. The Board would like to take this opportunity to thank Sue and Gavin for their significant contributions to Abcam during their times with the Company.

In June 2020, Jonathan Milner, co-founder and non-executive deputy Chairman, announced that he would not be standing for re-election at the Group's next Annual General Meeting, to allow him to focus on his growing portfolio of early stage company investments. It was Jonathan's vision and ambition that created Abcam in 1998 and on behalf of the Board and everyone at Abcam, I would like to convey our deepest gratitude to Jonathan for his commitment and leadership over the years.

The importance of sustainability

A resilient business is also a sustainable business, one that is part of a successful value chain that is able to adapt to meet changing external demands and creates value for all stakeholders. In this sense, Abcam has always acted in a sustainable and responsible way.

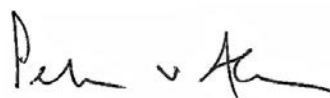
The onset of COVID-19, and our team's response to it, made it particularly timely for us to undertake a review to better understand the views of our major stakeholders and the impact we have on those stakeholders, the environment and society as a whole. Following this review, we have developed a framework to focus our efforts where they will have most impact. The framework builds on our strong social purpose serving scientists, which has long been central to our business. You can read more in the CEO review and on pages 27 to 38.

Looking ahead

Confidence in our outlook is reflected in our commitment to our long-term investment plans. As discussed above, despite the fact that trading conditions are likely to remain uncertain in 2021, the Board remains confident in the outlook and in the strategy for the Group.

Recognition and thanks

Finally, on behalf of the Board, I would like to thank our many stakeholders and in particular our 1,500 hardworking employees of Abcam for their continued support and commitment.



Peter Allen
Chairman

12 September 2020