

Dear shareholder,

It gives me pleasure to introduce this year's Annual Report which, following the change in the accounting period, sets out the continued financial and strategic progress made over the past 18 months, as well as our plans and priorities for the future.

I am pleased to report that Abcam has made good progress, both financially and strategically, over the period. We have continued to successfully implement our growth strategy as we strengthen the organisation's capabilities to deliver further growth in the future.

Importantly, whilst our strategy is focused on driving long-term growth and value creation, it is already beginning to deliver results, with total revenue growth of 22% delivered in the 12 months ended 31 December 2021 (at constant exchange rates), adjusted operating profits up 19% to £60.4m (CY2020: £50.6m) and reported operating profits of £7.1m (CY2020: £1.0m). I am confident that as the world continues to recover from the effects of the pandemic, Abcam is increasingly well placed to take full advantage of the significant opportunities that exist in our markets, sustain its profitable growth trajectory, and deliver on our 2024 plans.

Continued strategic execution

In November 2019, the board approved a new five-year strategy (the "Five-Year Growth Plan") to increase investment in a number of areas of the business in order to enhance the Group's growth potential and generate attractive returns. Despite the disruption caused by COVID-19 in the more than two years since the launch of the plan, under the excellent leadership of our CEO, Alan Hirzel, the team's focus on execution has delivered significant progress.

Our capacity for innovation and new product development continues to increase and the Group is making good progress on its major upgrade programmes spanning IT infrastructure, global supply chain and customer facing websites. These improvements are helping us meet the demands of a growing, global business and improve our customers' experience. A growing number of strategic partnerships together with selected acquisitions are helping to accelerate this trend, exemplified by the acquisition of BioVision in the period, the Group's largest supplier.

Overall, the Board remains confident in the Group's ability to deliver on its strategic and financial goals, including the delivery of £450m-£525m of annual revenue (increased by £25m following the the BioVision acquisition) and an adjusted operating margin of over 30% in CY2024.

Strong capital position and disciplined capital allocation

Supporting delivery of the Group's strategy is our strong balance sheet and cash generation. Following our equity placing on Nasdaq in October 2020 and the acquisition of BioVision in October 2021, the Group ended the period with a modest net debt position of £24m. The strong cash generation qualities of the Group continue to support our internal needs and our capital allocation priorities remain unchanged. The board remains confident that the potential for the business to generate profitable growth and attractive returns through organic and inorganic investment is significant.

Enhanced board and management team

Since the last annual report there have been a number of changes at board level. It has been a long-term goal to strengthen the board's experience in strategically important areas including biopharma, the US, and Asia and I was therefore delighted that Mark Capone, Bessie Lee and Sally Crawford agreed to join the board during the period as non-executive directors. Mark, Bessie, and Sally bring extensive Asia, US, digital and life science industry experience to the board and have already made a valuable contribution to our discussions.

On 5 October 2020, Jonathan Milner, the co-founder and Non-Executive Deputy Chairman of Abcam, stepped down from the board in order to focus on his portfolio of early-stage company investments. I would like to take this opportunity to pay tribute once again to Jonathan for his extraordinary vision in creating Abcam in 1998, his exceptional dedication, and for his significant contribution to the board during my tenure as Chairman.

Also, on 5 May 2021, after seven years with the Group, Lady Louise Patten stepped down from the board as a Non-Executive Director. The board would like to thank Louise for her commitment and contributions to Abcam's board over her tenure.

Giles Kerr, Mara Aspinall, Alan Hirzel and Michael Baldock, together with myself, provide continuity and long-term experience of the Abcam business and strategy.

Sustainable foundations

Since its founding, Abcam has always been driven by a powerful purpose and committed to responsible practices. Whilst interest in ESG has grown in awareness and importance in recent years, the 'Social' aspect of ESG – and in particular, Abcam's culture and people – has always been a critical part of our success. I am proud of the culture the company has nurtured and delighted that Abcam was recognised as a top five employer in the UK in the annual Glassdoor survey for the second year running. This was also reflected in Britain's Most Admired Company awards, in which Abcam was recognised by peers as having the highest commitment to diversity, equity and inclusion within the healthcare industry.

Our commitment to building a sustainable business spans several key areas including the quality and impact of our products, the attractiveness of our workplace, upholding ethical standard across our supply chain, and reducing our environmental footprint. Under Alan Hirzel's stewardship we continue to improve in each of these areas, and I am pleased that alongside this Annual Report we will soon be publishing the Group's second Impact Report, which provides further detail on our progress toward our sustainability commitments and goals.

As I mentioned at the outset, all this progress is set against the backdrop of another period in which the pandemic impacted the lives of us all. Many employees at Abcam have had to work from home for long periods, whilst others continued to work in our laboratories and logistics centres, ensuring the continued supply of our products to scientists around the world. I am grateful to them, and all those who worked so hard to ensure the continued service to our customers, the safety of our places of work and the wellbeing of employees.

Well placed with strong outlook

Overall, we are very satisfied with progress since announcing our five-year strategy. As we look to the 2022 financial year, Abcam will continue to focus on delivering for its customers and delivering shareholder returns over the long-term. Our growth-oriented strategy, focus on innovation and capital-allocation priorities remain unchanged, with sustainable growth in revenue set to continue and operational leverage to increase as we pass the peak investment years of the plan. Abcam is well set on continuing its global expansion and we look forward to updating shareholders on further progress.



Peter Allen
Chairman