

This Announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation No. 596/2014 as retained as part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended ("EUWA") and as it may be modified from time to time by or under domestic law including, but not limited to, by the Market Abuse (Amendment) (EU Exit) Regulations 2019/310). Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

29 July 2024

4basebio PLC Announces £40.0 million Equity Issuance and £29.4 million Secondary Sale

July 29, 2024 - 4basebio PLC (AIM: 4BB) ("4basebio" or the "Company"), which develops and commercialises the large scale manufacture of synthetic DNA as well as nanoparticle delivery solutions, today announces that it has agreed to binding terms with (i) Elevage Medical Technologies ("Elevage"), a Patient Square Capital platform and (ii) Prudential Assurance Company Limited acting by its investment manager M&G Investment Management Limited ("M&G"), for a combined investment of £40.0 million through an issuance (the "Issuance") of ordinary shares of €1 each at an issue price of 1,500 pence per Ordinary Share (the "Issue Price").

Net proceeds from the Issuance will be used to support and expand the Company's operations; including building out business development and commercial functions, enhancing the Company's infrastructure, driving continued innovation in new DNA modalities and supporting geographical expansion, in addition to working capital.

The shares to be issued pursuant to the Issuance (the "Issuance Shares") will represent approximately 20.8 per cent. of the existing issued ordinary share capital of the Company and 17.2 per cent. of the enlarged issued ordinary share capital of the Company following completion of the Issuance (on the basis of the Company's issued share capital as at the date of this announcement). The Issue Price represents a premium of approximately 3.4 per cent. to the closing price of 1,450 pence per share on 26 July 2024, being the latest practicable date prior to the publication of this announcement (the "Announcement").

In addition, Elevage and M&G have between them agreed to purchase 1,959,424 ordinary shares from entities belonging to the Deutsche Balaton Group and certain management and directors of the Company, at a purchase price equal to the Issue Price for an aggregate purchase price of £29.4 million (the "Secondary Sale"). As a result of the Issuance and the Secondary Sale, at completion Elevage and M&G will together hold 29.9% of the Company's issued ordinary shares. Pursuant to the terms of the Issuance, it is intended that John Marotta, Executive in Residence of Patient Square Capital, will be joining the Company's Board of Directors as Executive Chairman and Elevage will have the right to appoint a proportional number of directors to the Company's board as represents the combined holdings of Elevage and M&G in the Company's share capital. A further update on this, which includes the relevant information required by the AIM Rules for Companies, will be made in due course following completion of customary due diligence.

The Issuance, which is interconditional with the Secondary Sale, is conditional upon any necessary clearance under the National Security and Investment Act 2021 and merger control approval and completion of final documentation. Subject to these conditions, the Issuance and Secondary Sale are expected to become unconditional following receipt of regulatory approvals, later in 2024. A further update on this will be made in due course. The New Shares, when issued, will be fully paid and will rank pari passu in all respects with the existing ordinary shares.

RBC Capital Markets ("RBC") is acting as sole Placement Agent to 4basebio.

As a result of certain directors (being Heikki Lanckriet, David Roth and Joseph Fernandez) and 2Invest AG, a significant shareholder, being party to the binding term sheet in respect of the fundraise by virtue of their involvement in the Secondary Sale, signing of the term sheet (the "Transaction") constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. With the exception of Heikki Lanckriet, David Roth and Joseph Fernandez, the directors of the Company, having consulted with the Company's Nominated Adviser, Cairn Financial Advisers LLP, consider the terms of the Transaction to be fair and reasonable insofar as the Company's shareholders are concerned.

Dr Heikki Lanckriet, CEO and CSO, 4basebio, said: "The evolution of the Group since its spin out at the end of 2020 has been profound. Our client base and pipeline has grown significantly as a result of strong interest in our synthetic DNA products, and we expect client acquisition and revenue generation to continue accelerating.

"The capital raise announced today will further drive the momentum of the Company, and I am pleased to see Elevage and M&G join our shareholder register."

John Marotta, Executive in Residence, Patient Square Capital, said: "This investment reflects strong conviction in synthetic DNA's potential to advance novel healthcare treatments, and its place as a significant part of the cell and gene therapy market. We are well aligned with the team at 4basebio and are eager to help them reach their next phase of growth with this investment."

M&G Portfolio Manager, Jeremy Punnett, said: "The UK has a wealth of innovative deep tech firms that are breaking the mould, but it is vital they get the long-term investment they need to become the next global champions. M&G's Crossover strategy is playing a leading role in helping businesses to scale and thrive by providing expertise and patient capital."

"We are delighted to partner with Elevage in supporting 4basebio's pioneering work in synthetic DNA, which underpins the development of cell and gene therapies and offers the potential to transform healthcare and save millions of lives. We look forward to being part of their exciting journey and contributing to the advancement of cutting-edge therapies."

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Notes to Editors

About 4basebio

4basebio (AIM: 4BB) is an innovation driven life biotechnology company focused on accelerating the development of advanced therapy medicinal products (ATMPs) through its high-performance synthetic DNA products and non-viral, cell targeting nucleic acid delivery platform. The Company's objective is to become a market leader in the manufacture and supply of high-quality synthetic DNA products for research, therapeutic and pharmacological use as well as development of target specific non-viral vectors for the efficient delivery of payloads in patients.

About Elevage Medical Technologies

Elevage Medical Technologies is a platform established by Patient Square Capital and is dedicated to supporting medical technology companies that can meaningfully improve health outcomes and quality of life for patients. Elevage provides capital along with deep technical, regulatory, and operational expertise to companies ranging from advanced clinical development to commercial acceleration stage. Elevage supports rapidly growing, highly differentiated companies with paradigm shifting technologies and strives to help build industry leading medical technologies. To learn more about Elevage, please visit www.elevagemedical.com.

About M&G Investments

The capital for this deal has been provided by M&G's Crossover strategy (Crossover) on behalf of the £129 billion Prudential With Profits Fund. Crossover is a global strategy led by M&G's public equity investment division which provides patient growth equity to high-quality, fast-growing companies.

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £343.5 billion of assets under management (as at 31 December 2023). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members. For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme. M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030. For more information, please visit: <https://global.mandg.com/>.

Forward-looking statements

This Announcement may contain certain statements about the future outlook for 4basebio. Although the directors believe their expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

Additional information

RBC is acting as sole placement agent to the Company in connection with the Transaction and will not regard any other person as a client in relation to the Transaction. RBC will not be responsible to any other person for providing the protections afforded to its clients or for advising any person in relation to the Transaction or any arrangement referred to in this document.

This Announcement is made for information purposes only and does not constitute an offer to sell or issue or solicitation to buy, subscribe for or otherwise acquire shares in 4basebio PLC in any jurisdiction in which any such offer or solicitation would be unlawful.

The securities discussed herein are not and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States, unless registered under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, registration under the Securities Act. No public offering of the securities discussed herein is being made in the United States and the information contained herein does not constitute an offering of securities for sale in the United States and the Company does not currently intend to register any securities under the Securities Act.

