



2215 Yukon St.
Vancouver, BC
Canada, V5Y 0A1
T 1.604.559.9005
abcellera.com

EARNINGS CALL SUMMARY

ABCL Business Results **FY 2023**

NOTE: This document contains a condensed summary of AbCellera's 2024-02-20 earnings call. It should be read in conjunction with and in the context of the contents of the call itself.

AbCellera's 2023 investments were focussed in three key areas.

- AbCellera expanded the **capabilities of its engine**, including forward integration with manufacturing, regulatory, and clinical capabilities.
 - HQ and GMP facility (base building) are in final stages of construction.
 - HQ move to start this spring, GMP facility to come online in late 2025.
 - Downstream development teams are largely in place.
- AbCellera continued technology-development efforts to **unlock new target classes and modalities**, including, T-cell engagers (TCE), GPCRs, and ion channels.
 - TCE platform has broad potential in development of TCEs for oncology, with published data demonstrating the following:
 - ability to achieve high tumor-cell killing with low cytokine release to address dose-limiting toxicity; and
 - ability to discover antibodies against MHC-peptide antigens to help open new target spaces, such as solid tumors.
 - Strategy for GPCR and Ion Channel Platform is to use it to develop first-in-class antibody medicines for well-validated complex transmembrane protein targets that have been intractable using traditional approaches.
- AbCellera announced **first two pipeline programs**, with pipeline a potential key driver of future value and investment.
 - Delivered on expectations to (a) elect a candidate from the GPCR and Ion Channel Platform into IND-enabling studies (ABCL635) in 2023, and (b) move a co-development program into IND-enabling studies (ABCL575); both programs with targeted IND-submission in 2025.

- ABCL635 is a potential first-in-class antibody against an undisclosed target with an indication in metabolic and endocrine conditions in a \$2 billion addressable market; has multiple favorable attributes.
- ABCL575 targets OX40 ligand and is being developed as a potential best-in-class therapy with initial indication in atopic dermatitis and broader potential in a range of autoimmune and inflammatory conditions; has potential for differentiation with less frequent dosing.
- AbCellera will evaluate each program to determine if it will advance each internally (more likely for 635), co-develop with a partner, or out-license (more likely for 575).
- AbCellera advanced **high-quality programs and partnerships** to build the portfolio and remains focused on strategic partnerships: an example in 2023 is a AbCellera's collaboration with Prelude to develop precision antibody-drug conjugates.
- AbCellera secured **\$220M in non-dilutive funding** from the governments of Canada and British Columbia. As a result, AbCellera again ended the year with approximately \$1 billion in available liquidity to execute on its strategy.

In 2024, AbCellera investments are shifting from completing the engine towards putting it to use in pursuing strategic partnerships and advancing its emerging internal pipeline.

- AbCellera intends to **advance its internal programs and pipeline** with a view to bring forward at least one, and perhaps two, programs into IND-enabling studies in the second half of the year. The company will also continue to move ABCL635 and 575 toward INDs in 2025.
- AbCellera will seek to **complete its engine** by investing in the final stages of the build, including the manufacturing facility.
- AbCellera's **focus on the partnering front** will be:
 - Expanding relationships with large pharma and biotech partners;
 - Executing TCE deals to advance drugs for oncology;
 - Co-developments with partners to access new targets and technology; and
 - Working with top-tier VC groups on company creation.

AbCellera's financial position continues to strongly support execution of strategy, including investments in downstream capabilities and in pre-clinical- and early-clinical development of pipeline assets.

- **Business Metrics** – AbCellera reported three new partner-initiated program starts with downstreams in Q4 2023, for a cumulative total of 87; three molecule advanced into the clinic, bringing the cumulative total that have reached the clinic to 13.
- **Partner-initiated Programs Portfolio** –
 - Overall positive progression, showing 64 completed programs, of which 38 are understood to be progressing in partners' hands
 - Portfolio shows significant diversification across therapeutic indications, reflecting broad applicability of engine and ability to strategically partner on a broad range of valuable programs.
- **Royalty Rates** – Royalty rates for more recent deals (141 programs contracted between 2020 and 2023) show strengthening trend, with a mean royalty rate of 4.3% and a quarter of programs having potential to reach rates above 5%.
- **Revenue** – Approximately \$38 million in total revenue, driven by research fees generated by the partnership business.
- **Operating Expenses** –
 - Approximately \$176 million in R&D expenses, reflecting growth in program execution, continuing platform development, and investment in internal programs.
 - Approximately \$14 million in S&M expenses.
 - Approximately \$61 million in G&A expenses, reflecting good operating leverage.
- **Earnings** – Net loss of approximately \$146 million, reflective of continued investment in the business in the absence of royalty revenues.
- **Cash Flows** – With over \$780 million in total cash, cash equivalents, and marketable securities as well as unused portion of previously-secured government funding, AbCellera continues to have around \$1 billion in total available liquidity to execute on our strategy.

AbCellera Forward-Looking Statements

This document contains forward-looking statements, including statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on management's current beliefs and assumptions and on information currently available to management. All statements contained in this document other than statements of historical fact are forward-looking statements, including statements regarding our ability to develop, commercialize and achieve market acceptance of our current and planned products and services, our research and development efforts, and other matters regarding our business strategies, use of capital, results of operations and financial position, and plans and objectives for future operations.

In some cases, you can identify forward-looking statements by the words "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance, or achievements to be materially different from the information expressed or implied by these forward-looking statements. These risks, uncertainties and other factors are described under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the documents we file with the Securities and Exchange Commission from time to time. We caution you that forward-looking statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. As a result, the forward-looking statements may not prove to be accurate. The forward-looking statements in this document represent our views as of the date hereof. We undertake no obligation to update any forward-looking statements for any reason, except as required by law.

Source: AbCellera Biologics Inc.

Investor Relations Inquiries: Melanie Solomon | ir@abcellera.com | +1(778)729-9116