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EARNINGS CALL SUMMARY

ABCL Business Results Q1 2025

> **NOTE:** This document contains a condensed summary of AbCellera's **May 8, 2025** earnings call. It should be read in conjunction with and in the context of the contents of the call itself.

AbCellera's priorities for 2025 are entering the clinic and initiating activities at the new clinical manufacturing facility.

- In the first quarter, AbCellera executed against its **four key priorities** for the year:
  - Initiating **Phase I clinical trials** for both ABCL635 and ABCL575;
  - Nominating **additional development candidate(s)** for CTA-enabling studies;
  - Completing **platform investments**; and
  - Starting to use its **clinical manufacturing capabilities**.
- AbCellera has **$810 million in available liquidity** to pursue its strategy.

AbCellera disclosed ABCL635 as a potential first-in-class antibody for the non-hormonal treatment of vasomotor symptoms (VMS), commonly known as hot flashes, associated with menopause. ABCL635 targets neurokinin 3 receptor (NK3R), which is a G protein-coupled receptor (GPCR).

- ABCL635 scores well **across all four categories** of AbCellera's assessment framework.
    - Science – The pathway has been **clinically validated with small molecules**, providing high confidence in the biology. The **main scientific risk for ABCL635 is the ability to achieve sufficient target engagement**. ABCL635 is the first program from AbCellera's GPCR and ion channel platform to advance into the internal pipeline.
    - Commercial Opportunity – VMS associated with menopause are a **large, unmet medical need, and a significant commercial opportunity**. Approximately 30% of women experience moderate-to-severe VMS in their lives, with more than half seeking treatment. The market for the NK3R class is estimated to reach over $2 billion in annual sales.
    - Differentiation – ABCL635 has the potential to be a **first-in-class antibody treatment** for VMS, with **dosing every four weeks and an improved safety profile** as compared to small molecules.
    - Development Path – The **development path is well-established** and has the potential for **early readouts on biomarkers and efficacy** in a Phase I study.
- VMS are **highly prevalent, significantly impact health and well-being**, and are the most common reason for seeking treatment for menopause – yet despite effective treatments, a **large unmet need remains for women suffering from VMS**.
    - VMS represent an **underserved, underappreciated, and serious unmet medical need** that impacts the well-being, productivity, career advancement, and income of millions of women in North America alone.
    - Approximately 40 million women are of menopausal age in the United States. VMS are the most common symptoms of menopause, and about **30% of women experience moderate-to-severe VMS** in their lifetimes. The median duration of VMS is 7.4 years, and approximately 12% of women will experience symptoms as long as 11 to 12 years. In some cases, VMS can last for decades.
    - **Non-hormonal treatments are an important addition to Menopause Hormone Therapy** (MHT) for VMS which represent the current standard of care. While recognized as an effective treatment, MHT is not for everyone:

    - ~12% of women are contraindicated for MHT;
    - ~8% of women who begin MHT discontinue within 12 months; and
    - A recent global study showed that 57% of women who were eligible for MHT were against using it.

- **NK3R antagonists have recently been proven as effective non-hormonal options** for the treatment of VMS.
    - **NK3R is a GPCR protein expressed by kisspeptin, neurokinin B, and dynorphin (KNDy) neurons** that are located in the infundibular nucleus of the hypothalamus. KNDy neurons play an important role in regulating endocrine reproductive function and also **impact thermoregulatory control** via an interdependent neuronal pathway.
    - Prior to menopause, KNDy neuronal activity is balanced by stimulatory neurokinin B (NKB)/ NK3R signaling and by the inhibitory effect of estrogen. In menopause, when estrogen levels decrease due to the natural process of reproductive aging, this neuronal activity becomes unbalanced. As a result, **NKB increasingly binds NK3R, causing KNDy neurons to over-activate and stimulate thermoregulatory neurons** in another region of the brain, the preoptic nucleus, leading to hot flashes.
    - ABCL635 is designed to bind NK3R to **prevent activation of KNDy neurons by NKB**. Blocking NKB/NK3R signalling with small molecules has been clinically shown to reduce both the frequency and severity of VMS associated with menopause.
    - Importantly, the infundibular nucleus responds to soluble factors in the blood and is therefore one of the few specialized areas of the brain that is not isolated behind the blood-brain barrier. Because of this, AbCellera believes ABCL635 should be able to engage NK3R on KNDy neurons, and its preclinical studies support this hypothesis. The **key scientific risk is translating preclinical result into humans, and confirming that target engagement is sufficient** to prevent VMS.
- ABCL635 is being developed as a **next generation NK3R antagonist** with both an **improved safety profile and a more convenient dosing regimen.** If successful, ABCL635 would be a **differentiated product in a large and established market.**
    - **Approved and soon-to-be-approved NK3R therapies will establish the market.** Two small molecule NK3R antagonists have been demonstrated clinically to be both generally safe and effective. Therefore, ABCL635 has **potential to enter the market at a time when the class is established and small molecules are approaching peak sales**.

        - **Fezolinetant**, a once daily oral treatment, was approved in May of 2023 and is the first available NK3R antagonist for the treatment of VMS.
        - **Elinzanetant**, also a once daily oral treatment, successfully completed Phase 3 trials and is expected to be approved within the year. Unlike fezolinetant, elinzanetant is a non-selective antagonist that blocks both NK3R and a related receptor, NK1R.
    - As an NK3R-specific antibody, ABCL635 can be expected to **avoid some side-effects** that have been observed with small molecules in the clinic.
        - Unlike small molecules that are metabolized in the liver, antibodies are **generally not associated with liver toxicity**.
        - Because ABCL635 is specific to NK3R, the molecule is **not expected to cause fatigue or somnolence** which are believed to be related to antagonism of NK1R.
    - ABCL635 can achieve **convenient dosing that would be preferred by a large fraction of women with VMS**. Internal market research of 75 women that have VMS showed more than 50% preferring the convenience of a once monthly injectable over a daily oral treatment – assuming equal efficacy and safety profiles – rising to 70% for autoinjector-experienced women surveyed.
- Designed to address the most important risk – target engagement – ABCL635's **Phase I trial is expected to start in Q3 2025** and to provide **key readouts of safety and early efficacy in mid 2026.**

With the initiation of Phase I clinical trials anticipated in Q3 2025, AbCellera is nearing completion of its transition to a clinical-stage biotech.

- AbCellera's OX40L-targeting antibody, **ABCL575, is also on track for Phase I initiation in Q3 2025 and an anticipated readout in 2026**. Later in the week, AbCellera will present **preclinical data** on ABCL575 at the annual meeting of the Society for Investigative Dermatology.
- ABCL635 is the first internal pipeline program from AbCellera's **GPCR and ion channel platform**, and the company expects to nominate an additional development candidate from this platform in the near future. The multi-year effort to address these challenging and high-value targets is the source of approximately half of AbCellera's **20+ internal and co-development preclinical programs**.
- AbCellera's T-cell-engager platform is a source of internal programs and also a basis for future partnership activities. In April, AbCellera **provided an update on its TCE platform, including *in vivo* data**, at the annual American Association for Cancer Research meeting.
- Finally, investments in building the company's **clinical manufacturing are nearing completion,** and AbCellera expects to start using these capabilities later this year.

AbCellera continues to be in a strong liquidity position that allows execution of strategy with excellent visibility and runway, focused on internal programs and completing CMC & GMP investment.

- **Business Metrics** – AbCellera reported one new partner-initiated program start with downstreams in Q1 2025, for a cumulative total of 97; The cumulative total of molecules that have reached the clinic remained 16. The company understands that development of the four Trianni-license molecules which NovaRock advanced into Phase I is currently paused.
- **Revenue** – Approximately $4 million in total revenue, driven by research fees generated by the partnership business.
- **Operating Expenses** –
    - Approximately $42 million in R&D expenses, driven by increasing investment in internal and co-development programs.
    - Approximately $3 million in S&M expenses.
    - Approximately $16 million in G&A expenses, reflecting good operating leverage.
- **Earnings** – Net loss of approximately $46 million, reflective of continued investment in the business.
- **Cash** – With approximately $630 million in total cash, cash equivalents, and marketable securities, as well as the unused portion of previously-secured government funding, AbCellera continues to have around $810 million in total available liquidity to execute on its strategy.
- **Cash Outlook** – The cash usage for the remainder of 2025 will continue to prioritize advancing the two lead programs into the clinic, building the preclinical pipeline, and completing investments in integrated CMC & GMP capabilities. The new manufacturing facility is scheduled to come on line at the end of 2025. AbCellera continues to believe that liquidity is sufficient to fund well beyond the next three years of increasing pipeline investments.

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.

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