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Earnings Call

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Call Participants

EXECUTIVES

Jennifer Lynne Bath

*CEO, President & Non-Independent
Director*

Joseph Scheffler

Interim Chief Financial Officer

ANALYSTS

Daby Benjamine Carreras

Swayampakula Ramakanth

*H.C. Wainwright & Co, LLC,
Research Division*

Presentation

Operator

Good morning, ladies and gentlemen, and thank you for joining us today for ImmunoPrecise Antibodies Third Quarter Fiscal Year 2025 Earnings Call. We appreciate your time and interest in IPA. Today's call will be led by our CEO, Dr. Jennifer Bath, and Interim CFO, Joe Scheffler. They will provide a review of our financial performance, strategic initiatives and key operational highlights for the quarter.

Please note that a copy of today's presentation, along with our financial statements will be available on our company's website for your reference. We encourage you to review these materials to gain a deeper understanding of our performance and strategic direction. Once again, thank you for joining us today. Before we proceed, I would like to remind everyone that today's discussion will contain forward-looking statements.

These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from those anticipated due to various factors, including, but not limited to, global, political and economic factors, changes in market conditions and other foreseen business -- and other unforeseen business risks.

Please note that these forward-looking statements are made as of today, and we undertake no obligation to update them as a result of new information or future events unless required by law. We strongly advise all participants to refer to our filings with the Securities and Exchange Commission, including our most recent Form 20-F and other periodic reports, for a more detailed discussion of these risks and uncertainties and for a more complete understanding of the risks inherent in our business operations and the potential impact on future performance.

We appreciate your continued interest in ImmunoPrecise Antibodies. I will now turn the call over to IPA's President and CEO, Dr. Jennifer Bath.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Thank you, Eric, and good morning, everyone. Thank you for joining us today to discuss IPA's third quarter results for our fiscal year 2025. This quarter has been marked by significant positive momentum for ImmunoPrecise Antibodies. We've secured a strategic partnership valued at USD 8 million to USD 10 million with a leading biotech company, leveraging our proprietary B Cell Select technology and AI-driven capabilities to enhance development and optimization processes. Our collaborations with key technology partners like Vultr, AMD and other leading providers of advanced GPU technology are enhancing our lab and [indiscernible] drug discovery capabilities, driving cost effectiveness and competitiveness.

We've officially relocated our corporate headquarters to Austin, Texas, expanding our U.S. footprint in a thriving AI and biotech ecosystem. Additionally, we have entered a strategic partnership with RIBOPRO to integrate Messenger RNA and LNP technologies and pioneered AI designed GLP-1 therapeutics for diabetes. Our pipeline strategy has been realigned with a new therapeutic development pipeline, and we revealed multiple ADC lead candidates with tumor-killing capabilities.

Furthermore, we've strengthened our financial position with an USD 8.8 million equity raise and the full conversion of the Yorkville debenture. Notably, we've made significant progress on the potential divestiture of our EU lab, which will enhance our operational efficiency and focus. The demand for our therapeutic applications is rapidly growing with the percent of antibody discovery projects aimed at therapeutic end, increasing from 19% to 48% year-over-year at our main wet-led discovery site in Canada. This shift underscores the high revenue potential of our services.

Furthermore, BioStrand has achieved a remarkable 131.8% year-over-year revenue increase with an average gross profit margin of 97% year-to-date. This extraordinary combination of rapid growth and exceptionally high profitability is fundamentally reshaping our financial trajectory. As our AI-driven platforms continue to scale, we anticipate a dramatic enhancement in our path to profitability, positioning

us for sustainable long-term growth and significantly increase shareholder value. The implications are significant.

Our AI segment is emerging as a powerful engine, driving our transition to a more scalable and lucrative business model, bolstering our competitive edge and underscoring [VMS's] potential for accelerated financial performance in the rapidly evolving AI health care landscape. Moving into the more detailed analysis of this quarter's activities. I want to start by first addressing our recent capital raise and financial strategy.

This quarter, we successfully raised USD 7 million through our aftermarket facility, completing a consolidated \$8.8 million equity raise. This capital was secured at an extremely low cost, and the execution has been met with positive feedback from the financial community. Investors and analysts have recognized that the way we manage this raise was not only efficient but highly strategic.

In total, we closed the quarter with approximately CAD 12.9 million, extending our runway significantly and offsetting short-term financial risks. To give some operational context, we use our -- the use of our ATM is first discussed and approved at the Board level. Once the decision is made, our entire executive team works closely with our bank, Clear Street, to ensure a smooth and effective execution within very specific market parameters.

This ensures an orderly execution while reducing market disruption at -- while reducing market disruption at a very minimum. Simultaneously with our capital raise, Yorkville elected to convert the remaining balance of their debenture, importantly, at a significant premium to our share price.

This conversion marked a meaningful milestone for IPA as we are now fully debt-free with no overhang convertible obligations while strengthening our capital structure, enhancing investor clarity and positioning us to scale growth initiatives from a clean financial foundation. The biotech industry has faced significant capital constraints for the past few years.

In 2023, alone, 41 biotech companies filed for bankruptcy, more than the double -- more than double the number for 2022. And this trend has continued in 2024. Even larger organizations such as Charles River Laboratories have recently reported declining revenues due to the reduced demand from pharma clients and companies like GSK have faced skepticism about pipeline execution.

We have deliberately positioned IPA to avoid the financial pitfalls that have been fatal for many of our companies in our sector. We have maintained a contingency funding model for years, making difficult but necessary decisions, such as reducing management and staff. This proactive strategy has allowed us to maintain stability during a challenging market environment.

And it's also provided us with the necessary resources today to realign the company with greater precision, streamlining our structure, introducing new leadership and preparing to roll out a series of strategic initiatives in quarter 1 that sharpen our commercial focus and accelerate our growth trajectory. We are pleased to announce key leadership updates that strengthen our strategic direction and operational capabilities. We're very happy to welcome Dr. Kamil Isaev to the Board of Directors.

With over 30 years of experience in AI, semiconductor technologies and global R&D operations, Dr. Isaev brings invaluable expertise to our team. His impressive career includes leadership roles at Intel, Dell EMC, Align Technology and ABR TVC, where he has driven AI-driven innovation and commercialization across multiple industries.

Currently, he leaves the ABRT AI Labs and Venture Capital SCOR score project, focusing on bringing cutting-edge AI research and commercialization strategies. His deep understanding of AI and strategic innovation will be instrumental in advancing our AI-driven biologics platform, particularly in enhancing our LENSai strategy. Dr. Isaev has proven track record in developing go-to-market strategy and his experience in bringing emerging technologies to commercial success aligns perfectly with our mission to accelerate innovation in AI-driven biologic.

Joe Scheffler joins IPA as Interim Chief Financial Officer, bringing a wealth of financial leadership experience in both publicly traded and multinational companies. His extensive background in financial reporting, forecasting and business strategy will be invaluable in guiding IPA's next phase of growth.

Most recently, as Interim Corporate Controller at Nidec, Kinetek, Scheffler managed consolidated financial reporting for a \$400 million global manufacturing group with 40 subsidiaries worldwide. His expertise in corporate strategy development will enhance IPA's financial operations and strategic decision-making.

With an MBA in Finance and ambassadors degree in accounting from Loyola University Chicago, Scheffler combines analytical expertise with strong stakeholder engagement making him well equipped to strengthen IPA's financial strategy and support the company's continued growth. We are also very excited to announce the addition of Dr. Li Hui as Senior Director, Client Relations to our Boston team.

Li brings over 15 years of experience in antibody development, including driving discovery services at a clonal and biocytogen. Her extensive scientific knowledge and business development experience add new dimensions to our sales team, enhancing sales outreach strategies and bridging with our marketing team. With a strong focus on understanding client needs and delivering state-of-the-art solutions, including BioStrand LENSai capabilities, Li has already made a significant impact by improving sales outreach effectiveness, collaborating on scientific content creation and strengthening BioStrand's brand awareness.

Her contributions have shortened sales cycle times and increased our capacity to handle inbound requests, simplifying our operational efficiency. We are pleased to report a major commercial milestone this quarter, a strategic partnership with a global multibillion-dollar bioscience company to advance the discovery and development of next-generation cancer therapeutics.

The agreement valued between USD 8 million and USD 10 million represents a transformational validation of IPA's business model and the commercial readiness of our integrated AI and wet lab's platform. What sets this deal apart is this structure. This is not a milestone-based or royalty-driven agreement. While certain details cannot be disclosed publicly, for instance, the name of our corporate partner at their request, what we can say is this is an all-cash contract with an initial \$8 million purchase order already issued in February, and the program has launched.

To put this into perspective, the initial purchase order alone equates to approximately half of our annual revenue. A second purchase order may follow to expand the program underscoring the depth of our partners' commitment to IPA. This partnership combines IPA's proprietary LENSai platform and our advanced B Cell discovery capabilities with the partner's cutting-edge antibody drug conjugate technology.

The program targets highly selective, precision-engineered cancer therapies and is structured to advance efficiently from discovery through preclinical candidate selection over the next 18 months. This deal is a strong market signal, highlighting the growing demand for AI-powered drug discovery and demonstrating IPA's ability to convert platform innovation into significant recurring commercial revenue.

In parallel, we've made notable progress on our AI designed GLP-1 program. Following the successful in silico design of my therapeutic candidates using our LENSai platform, the program has now entered parallel tracks with partners for manufacturing, in vitro testing, preclinical design and formulation planning. These activities make -- mark a significant milestone in the advancement of our internal pipeline as we were to translate next-generation AI designs into tangible therapeutic assets.

We have added the noble antibody design to our portfolio of offerings, a transformative application of AI that enables antibodies to be designed from scratch. This capability represents a major step forward in precision biologics, particularly in targeting specific epitopes that are difficult to access through traditional methods.

Notably, it was only in March of 2024 that the first and last public report on AI-driven de novo antibody design was released in a preprint publication led by Nobel Laureate, David Baker, a pioneer in the field. Since then, a returning large pharma approached us to initiate a de novo program using this precise targeting method, highlighting both the relevance and the immediate demand for this innovation, which is not currently publicly available.

To support the growing complexity of our AI-driven initiatives, particularly the recently commissioned de novo antibody design program from a top 20 pharmaceutical company, we are actively expanding our scalable cloud infrastructure in collaboration with Vultr, a premier provider of high-performance GPU clusters. This strategic partnership is crucial for enhancing our computational capability and ensuring seamless execution of sophisticated AI tests.

As of this morning, a detailed case study highlighting the benefits and technical aspects of this collaboration is available on the Presentations section of our Investor Relations website, providing insights into how our infrastructure advancements are empowering cutting-edge projects like de novo antibody discovery and design. This infrastructure enables us to execute compute-intensive processes like structure prediction, generative design, affinity maturation and large language model-based sequence modeling with greater speed and efficiency. These capabilities directly powered -- power initiatives like our GLP-1 program and de novo antibody discovery workflow where rapid iteration and model refinement are essential.

By leveraging Vultr's flexible deployment of NVIDIA H100 and AMD M1300X GPUs, we've achieved up to a 66% cost saving over traditional cloud providers all while maintaining the compliance, scalability and security required for modern drug development. These savings may not only increase our already very high profit margin, they can also be passed along to the clients, further increasing the competitiveness of our program.

Innovation remains a cornerstone of our growth strategy. I want to provide an update on the AWS marketplace integration, a major step in expanding our access to solutions. In December 2024, we completed the submission of our technical review to the AWS partner. By early February 2025, we received positive feedback on the DevOps segment with only minor recommendations that we were already addressing.

Next, we await the remaining review results and will finalize our invoicing strategy to ensure seamless transactions upon launch. This integration will greatly expand our market reach, making our AI-powered solutions available to a broader customer base. We are pleased to provide an update on our ongoing EU potential divestiture initiatives. The process has progressed significantly and according to our projected time line with a structured outreach strategy that has generated interest from potential buyers.

A total of 77 strategic and financial partners have been engaged, ensuring broad market exposure and fostering meaningful discussions. As a part of this process, we conducted due diligence calls with multiple interested parties and distributed confidential information packages to 30 qualified parties. The response has been highly encouraging, with close to a dozen formal bids received with a focus on our integrated service offering and diversified customer base.

After significant due diligence evaluations and presentations, we hoped at the highest potential buyers on site for private tours and in-depth discussions. We still aim to have a definitive conclusion by the end of this fiscal year, while, of course, providing any material updates as they emerge. Our rebrand signals a meaningful evolution in IPA's journey, one that unifies our identity and better reflects our integrated capabilities across AI and biologics.

By bringing all IPA entities under a single brand, we are streamlining collaboration, enhancing global visibility and creating a stronger platform for commercial growth. At the center of this transformation is our HYFT technology, the foundation of our LENSai platform, a native AI built specifically for biology, hits ability to map and to code complex biological patterns across more than 25 billion biologic relationships amongst new dimensions of insights and therapeutic discovery.

With only a small fraction of druggable proteins currently addressed by existing therapy, the opportunity ahead is that. Our unified brand embodies decision where AI meets biologic intelligence to uncover novel targets, accelerate time lines and power the next wave of innovation in medicine. This is more than a visual refresh. It's a strategic alignment that reflects who we are and where we're headed. We look forward to sharing more as we prepare for a public rollout in the coming months.

I'll now turn things over to Joe Scheffler for our financial updates for the quarter.

Joseph Scheffler*Interim Chief Financial Officer*

Thank you, Jennifer. I'll now provide a summary of our financial results for the third quarter of our fiscal year 2025 ending January 31, 2025. As a reminder, all the numbers referenced are in Canadian dollars, unless otherwise noted. For the third quarter, IPA generated \$6.2 million in revenue compared to \$6.2 million in the same quarter last year, a consistent quarter-over-quarter strength across our wet lab operations.

On the AI side, BioStrand generated \$0.6 million in third quarter revenue, bringing us to a year-to-date revenue in excess of \$1 million and year-to-date gross profit margin of 97%, demonstrating the financial leverage potential of this business segment as we scale. Operating expenses for the third quarter totaled \$27.8 million, driven largely by a noncash impairment charge of \$21.2 million related to the impairment of BioStrand's intangible assets as part of our internal strategic review and repositioning.

Excluding impairment, operating expenses were CAD 6.6 million compared to CAD 6.5 million in Q3 of the prior year. Further breaking this down, R&D expenses remained constant at \$1.1 million compared to \$1 million in Q3 last year. Sales and marketing expenses increased to \$1.3 million compared to \$0.6 million in Q3 last year, and G&A expenses decreased to \$3.6 million as compared to \$4.2 million reported in Q3 of the prior year.

We continue to tightly manage cost while aligning spending with our highest growth, strategic priorities, particularly with LENSai and platform expansion. The net loss for the third quarter was \$21.5 million or \$0.66 per share. However, the net loss free impairment, net of tax, was \$2.9 million or \$0.09 per share compared to a net loss of \$2.6 million or \$0.10 per share in Q3 of last year.

As of January 31, 2025, we held \$12.9 million in cash compared to \$3.5 million at the fiscal year-end 2024. This increase was driven by the successful execution of our ATM program, through which we raised \$12.2 million as well as the full conversion of the Yorkville debenture, which is now retired and no longer a source of dilution risk. We are evaluating additional nondilutive funding mechanisms and strategic asset realignment, including a potential divestiture of select European operations to further streamline costs and focus our capital on technology-led growth initiatives with the leader structure, validated AI economics and strong partner momentum, we believe we're entering the next quarter in a more focused and financially disciplined position.

Thank you. And now I'll turn it back to the operator for the Q&A portion of the call.

Question and Answer

Operator

Before Dr. Both provides concluding remarks. We would like to open the lines to questions from investors and analysts. Your first question comes from the line of Swayampakula Ramakanth with H.C. Wainwright.

Swayampakula Ramakanth

H.C. Wainwright & Co, LLC, Research Division

This is Arkay from H.C. Wainwright. A few questions from me. The first one is on the deal that you recently announced the \$8 million to \$10 million deal. And as I said, your initial purchase order was in the order of \$8 million. And you were also saying that we could expect a second PO.

And two questions there. So should we expect something of that nature in this year? And other pieces, since the deal is structured as \$8 million to \$10 million. Does that mean the second year is going to be less than \$2 million or it could be of a similar nature as the first one?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes. So the first purchase order was at that initial \$8 million. The purpose for potentially expanding that to \$10 million is leaving additional room for \$2 million for the projects that are going on successfully that might need some additional engineering and optimization prior to Preclinical studies. With regard to the initial part of the question.

So over the period of time that we expect this to be spent, I think the 18 months is the timeline that's been put forward when we look at the statement of work. So that's what we issue what we're going to do and when those deliverables can be expected. And that's the anticipated period of time for the \$8 million.

The purchase order itself was received in February with an initial USD 500,000 already dedicated to launching the program. And then the way that, that works over time in terms of how that capital is allocated and the timing of the revenue is that we draw down weekly. So as we conduct the work, then at the end of the week, we draw down what work we've done based on a percent of completion and then that determines how much revenue is drawn off of that purchase order each week.

So it definitely will be hitting this quarter, for fourth quarter, which is great because it's already happening at a site in Canada where we not only see this increase in therapeutic, but even year-to-date, we're already 25% higher in revenue at that location. And so this drawdown will happen like very consistently at that Canadian site on a regular basis. And then again, we expect that to conclude that first \$8 million tranche in an 18-month period.

Swayampakula Ramakanth

H.C. Wainwright & Co, LLC, Research Division

Okay. So based on this particular deal, should we expect additional such partnerships or collaborations? And also, is this the sort of structure that you anticipate to have going forward in terms of like how you draw down revenue based on the work you do rather than a milestone payment?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes, that's -- I really like this question for a couple of reasons. One of the things that's occurring in our laboratories within this quarter that we're in right now is the integration of AI into the wet lab capabilities in Canada for those therapeutic programs, where I mentioned that the number of them are very rapidly increasing, which is good because they are higher revenue programs for us.

The AI portion of that now actually becomes mandatory. And it really is changing not only what we offer in terms of the services and also, obviously, the price tag and the profit margin on that. But it

genuinely turns over a much more sophisticated product that has an advanced thought of potential failures downstream. So the reason why I mention that is it really is a realignment of how we look at our offerings and how we look at the people, the partners we're working with.

We still offer very customized programs but not the ability for people to kind of pick and choose what they want to do. And so along the lines of that, when we get these like multisite, multi-target programs, this one that we've just closed is for up to 12 different oncology programs. Those are the programs that are now absolutely being targeted for partnership. We have actually incentivized our team out of Boston, specifically to be focused on those partnerships.

And there's a number of reasons for that, not only it's a large amount of capital upfront, but we also have a lot more flexibility and control over those programs and how they're allocated which is better for the program and better for us. So one of the things that internally we made sure that we did was we created a template that we could actively use to structure additional collaboration. And so with this type of deal architecture where it's cash-based, its execution focus, it's very innovation-driven. It really does bring us a repeatable model that enables us to scale commercial efforts as we really do take a shift in how we're displaying these offerings to the market.

And we're very proud of that because we're one of the few companies in the industry that can -- has clearly demonstrated we can land that type of partnership without having to offer our capabilities for free or at cost upfront, like people are willing to pay for it because we produced good results.

Swayampakula Ramakanth

H.C. Wainwright & Co, LLC, Research Division

Okay. So for -- this is a question coming from a nontechnical person, and I don't understand too good. In terms of your collaboration with Vultr, you were saying that it does help on your margins. Can you help me understand how this -- the collaboration with Vultr is going to work if I want to segment it by project by project, does it improve margins across the board or only in certain projects would it help the margins? And what I'm trying to ask is, is this going to be a company-wide margin improvement? Or is this going to be dependent on what sort of projects are being worked on?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes. Well, that's a great question. So with regard to the projects that are impacted, it is specifically for the moment, programs being run through BioStrand, AI programs that require a significant amount of GPU usage. And I would encourage people to download the case study that we uploaded this morning. I think it is pretty -- I think it will be very digestible for people to take a look at.

There's a few things about this that I think, are important. One is the fact that it also enables us to do our work much faster. And the importance with that, of course, is that it increases our bandwidth and it enables us to cycle programs through more rapidly. But then the cost efficiencies to Vultr has been a great partner for us so far, and they've enabled us to do some of this work and some of this program with free access to GPUs to be able to demonstrate that they can take on the type of very, very significantly heavy loads for GPU for things like de novo antibody design.

And then, again, to really do this much faster and much cheaper than the standard cloud usage. So that brings a whole host of, I think, very tangible benefits, primarily for the AI work, but that AI work is very rapidly increasing and expanding and pushing into our wet lab work. So we will see an effect also wet leverage for that reason.

Another thing we didn't really touch on, but I think is really interesting about all these partnerships, and I'll speak primarily about Vultr here. But as we mentioned, we also have been collaborating with AMD as well and then some other prominent GPU providers is that we're also co-marketing with these groups. We see a lot of synergies in leveraging the capabilities from each group.

For us, of course, faster compute time, faster or more -- less expensive compute time, higher profit margins, benefits for our clients, but for them also access to pharmaceutical partners where we've already

been through the onboarding process and become an accepted vendor, which is not an easy process, and it's right time consuming. And so we also have been leveraging not only through the marketing materials, like you'll see in the download on our IR site this morning, but also through conferences that people will have noticed at NVIDIA last week.

And the intent is to move forward with these companies in that same manner where we co-share marketing events, we co-share boosts and marketing events. We promote each other's companies. And that not only expands our reach into different industries and different clients and different conferences specifically, but it also does not increase our cost per se because we're sharing the burden of that. So that's another aspect of those collaborations, we're quite excited about.

Swayampakula Ramakanth

H.C. Wainwright & Co, LLC, Research Division

The last question from me is, how should we think about ImmunoPrecise post-European divestiture in this sense it's going to be just Vancouver facility and the Austin facility. And then when Boston comes on board in full stream, would the cost kind of end up being the same place where they were when you had the EU? Or would it be comparatively less?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes, great question. The cost of the company will be significantly lower. The European options are more expensive than our North American operations, in part due to the necessary expansions. One of them was in a building that was set for demolish. and so they had a required move. And then the other one was no longer considered a startup for the community in which the accelerator building they were in was emphasizing and so also had to move. And so they do have extended expenses.

But in addition to that, I think we've mentioned previously that, that site also has become quite repetitive for us and no longer a primary focus then for our business. A lot of that work is work that can be done with our digital applications using LENSai. And so to really keep 2 sites operating and offering the majority of the similar services when our identity and our focus is really on the software obviously doesn't make good strategic sense for us.

So more specifically, yes, our overall operating costs will go down. The cost of the offerings and capabilities that we are preparing in the Cambridge and Boston area are significantly lower, and we've been -- that's been a very considered effort, and I think we've done that in very creative ways. So in particular, the operating costs and COGS associated with those are significantly lower. And we'll fill any gaps in that full end-to-end capability service that we might have that has obviously served us so well. So our hope is that any hit to revenue is temporary that we're able to restore those relatively quickly, but also have a nice cash influx, which we think at this point in time, quite strategic. I don't think anyone's entirely certain about when the biotech market will improve and enables us to really put our focus on our core identity, which is ensuring that we can continue this level of growth that we're seeing in our BioStrand net.

Operator

Your next question comes from the line of Daby Carreras with Spartan Capital Securities.

Daby Benjamine Carreras

Really great update in Puerto Rico. It's very rare that I get so excited for our amazing company doing tremendous guidance after the stock price lower than the earnings loss burn, great recovery from BioStrand. I love hearing about this guidance. I mean already seeing 60% guidance already there. So I know it's going to get stronger. I just want to hear a little bit more about the rest of the GLP from AI because you're really becoming a really strong story for AI. So anything more towards that would be really helpful.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes. So just to reiterate, the question is around the GLP from AI?

Daby Benjamine Carreras

Correct. GLP from AI. You could talk about GLP, really GLP from AI.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes, absolutely. Yes. So the way that we looked at the GLP product from the AI is, first of all, we wanted to demonstrate to people, some of those capabilities within LENSai. In particular, the ability to see insights that might not otherwise be uncovered. We are working on a white paper that demonstrates some of those insights that we saw with regard to the evolution and selective pressures on that molecule, the way it's related to things outside of just what we understand is will be in diabetes and weight loss. And those insights have also helped us to pinpoint why some adverse events happen.

But also why the molecules evolve the way they did. We feel that some of the benefits to that program that were offered by LENSai were our ability to really look at what the challenges are currently in the health care space, what are the resistance to use from the patient community and what are some of those adverse events. So some of the things that we tackled using LENSai were the stability of the molecule itself, just at the sequence level.

We looked at also -- because of that stability, increasing the longevity at which this is then also produced, we looked at differentiating it from other molecules to keep it free and clear from the patent space as well. Other things that we did was we said, how can we align this with a formulation manner that overcome some of the obstacles in the space, such as the need to inject oneself every day or once a week. If you're lucky enough to be on such a prescribed time line.

And the formulation and also the route of administration play a very big role in that. And so we have partnered with a number of companies. We really haven't named most of those companies, but we will, as we are able as more formal portions of the partnerships are signed, but those involve not only the manufacturing for the preclinical trials, but also a partnership for the preclinical work itself with a group that's very experienced in the diabetes and metabolic disease space.

Also partnering with a group that has a delivery method where we believe that our drug product is specific to well aligned to. So our drug product isn't like the same type of drug product in terms of its construction or its formulation that we see out there in the market for any other GLP product. It's extremely small in size. It's a unique way to deliver and it does have the potential to be delivered transdermally.

And so one of the partners we're working with has a very unique already clinically proven transdermal application that enables not only the package of the material through the skin by the wearing of a patch but also to more depth levels for more broad distribution of the drug product into the bloodstream as well as slow release of that drug product, which again means that the person can be dosed on a less frequent basis, and that aligns really well with the way they have produce the drug product or the way the drug product is currently being produced because it already is being manufactured in a construct that is made for a long-term sustainability with inside the cell.

So there are a few of the things that we've been working on here lately. I think one of the most significant things is we've brought partners in, and we've also been working with groups who want to partner to cover the cost of that program. So we aren't looking at thinking a lot of money in. We're really looking at, hey, how can we just collectively bring a better product forward. And for us, our main goal is demonstrating what LENSai is capable of, but without the risk of carrying the cost of the program.

Daby Benjamine Carreras

Really, really excellent. I mean I'm having a lot of things to walk away with AI, this GLP patch, the 50% guidance move up and also the nondilutive nature is really awesome. And Joe, welcome aboard.

Operator

I will now hand the call to Dr. Jennifer Bath, our CEO, to conclude the call.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

All right. Thank you very much, Eric. All right. So as we conclude this quarter, ImmunoPrecise Antibodies have achieved significant milestones. Notably, as we've discussed, we've secured a strategic partnership at the USD 8 million to USD 10 million range, leveraging our B-cell select technology and our AI-driven capabilities. Our collaborations with leading partners like Vultur and AMD are enhancing our drug discovery capabilities, driving cost effectiveness and competitiveness.

We've strengthened our financial position with an \$8.8 million equity raise and relocated our headquarters to Austin, Texas, expanding our U.S. footprint. The demand for therapeutic applications is growing rapidly with a notable increase in projects aimed at therapeutic in.

BioStrand has achieved a remarkable 131.8% year-over-year revenue increase just year with a 97% gross profit margin year-to-date, positioning us for sustainable long-term growth and increased shareholder value. As our AI-driven platforms continue to scale, we anticipate enhanced profitability and competitive edge in the evolving AI landscape health care landscape.

Thank you for your attention, and we look forward to sharing further updates on our progress.

Operator

Ladies and gentlemen, that concludes today's call. Thank you all for joining, and you may now disconnect.

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