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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

Swayampakula Ramakanth

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

Presentation

Operator

Good morning, ladies and gentlemen, and thank you for joining us today for MindWalk's First Quarter Fiscal 2026 Earnings Call. We appreciate your time and interest in MindWalk, formerly ImmunoPrecise Antibodies.

Today's call will be led by our CEO, Dr. Jennifer Bath and Interim CFO, and Joe Scheffler. They will provide a review of our financial performance, strategic initiatives and key operational highlights for the first quarter. Please note that a copy of today's presentation, along with our final financial statements will be available on our company's website for your reference.

Before we begin, I'd like to remind everyone that today's discussion will include forward-looking statements. These are based on current expectations and assumptions and are subject to risks and uncertainties that could cause actual results to differ materially. Factors include, but are not limited to, global, political and economic conditions changes in the market dynamics and other business risks. Unless otherwise noted, all financial figures discussed today are in Canadian dollars. These statements are made as of today, and we undertake no obligation to update them, except as required by law.

For a more detailed discussion of risks and uncertainties, please refer to our filings with the SEC, including our most recent Form 20-F and other periodic reports.

I would now like to turn the call over to MindWalk's President and CEO, Dr. Jennifer Bath.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Thank you, Jordan, and good morning, everyone. For transparency, our first quarter results include contributions from our Netherlands operations, which we owned during the period. Six days into the second quarter, we completed the divestiture of those operations generating \$16.1 million in net proceeds.

Going forward, we will classify results related to these operations as discontinued operations. This sales strengthened our balance sheet and allowed us to concentrate resources on strategic high priority and high-margin initiatives. Against this backdrop, our Q1 performance was exceptionally strong. On a total operations basis, we reported record revenue of \$7.6 million, up 45% year-over-year.

Gross profit rose to \$4 million, with margins expanding to 53%. Operating loss narrowed to \$2.7 million. Adjusted EBITDA loss was cut in half year-over-year to \$1.4 million and net loss improved to \$3 million.

General and administrative expenses declined underscoring our operational discipline. Cash ended the quarter at \$5 million plus an additional \$16.1 million received in proceeds from the divestiture. Importantly, within that performance, continued operations contributed \$3.2 million in revenue, up 28% year-over-year. This demonstrates that even excluding the Netherlands site, our core bio-native AI platform continues to deliver sustainable results.

These results give us the foundation to move decisively into our next chapter, our rebranding. The rebranding is much more than a name change. It unifies our legacy companies, ImmunoPrecise Antibodies, BioStrand and Talem under 1 identity, MindWalk.

We also introduced our new ticker, HYFT, or H-Y-F-T, highlighting the foundational role of our hip technology and redefining biologics discovery. Our new identity reflects our evolution into a bio-native AI platform company operating at the intersection of AI, multi-omic data and advanced laboratory research.

Inspired by Charles Darwin's daily thinking path, MindWalk embodies the spirit of curiosity and discovery, revealing hidden biological patterns and transforming them into impactable medicines.

At the core of this transformation is our BioIntelligence ecosystem, integrating bio native AI powered by \$25 billion proprietary HYFT connections, generating insights for more clinically viable therapies, a multi-

omic platform unifying sequence, structure and function and literature to break down silos and enable hyperscale exploration, an advanced lab with a proven track record, over 15 molecules accepted into clinical trials and over a 98% success rate in our B-cell technology, supporting therapeutics diagnostics, vaccines and peptides.

This is not only a brand evolution, but it's also a business transformation from primarily wet lab services to a scalable intelligence model platform model. This opens new pathway through Software-as-a-Service, Data-as-a-Service, asset generation and large-scale partnerships.

To summarize, our rebrand reflects 3 milestones, a unified brand identity, IPA BioStrand and Talem are now MindWalk, a business model shift from services to an integrated platform-driven bio-native AI company, a new NASDAQ ticker HYFT, underscoring the role of the HIT technology across our vertical AI stack.

With a stronger balance sheet, scalable growth opportunities and a track record of execution, we are confident in our ability to deliver sustainable value for shareholders.

With that, I'll turn the call over to our Interim CFO, Joseph Scheffler, to review the financials in more detail.

Joseph Scheffler

Interim Chief Financial Officer

Thank you, Jennifer. As a reminder, the Netherlands operations were divested 6 days into Q2, generating \$16.1 million in net proceeds. Beginning this quarter, results from those sites will be classified as a discontinued operation and will no longer contribute to our revenue or expenses going forward.

Revenue for the first quarter was \$7.6 million, up 45% year-over-year, driven by both project and product revenue growth.

Gross profit improved to \$4 million or a 53% margin compared to \$2.4 million or 45% margin last year. Operating loss, excluding amortization and nonrecurring charges, narrowed to \$2.7 million versus \$4.2 million a year ago. Adjusted EBITDA loss improved to \$1.4 million compared to \$2.8 million last year, reflecting stronger operating leverage.

We also saw progress in expenses. General and administrative costs decreased year-over-year, underscoring our focus on cost discipline. Net loss improved to \$3 million compared to \$1 million last year. Sales and marketing increased as we invested in digital campaign to support growth initiatives.

Turning to the balance sheet. We ended the quarter with \$5 million in cash. Excluding the \$16.1 million in proceeds from the Netherlands divestiture received post quarter. The stronger capital position enhances flexibility to advance growth opportunities, including Software-as-a-Service, Data-as-a-Service and translational programs, such as our dengue vaccine initiative.

In short, we delivered record revenue, higher margins, disciplined expense control and improved operating results while reinforcing our balance sheet.

I'll now turn the call back to the operator for Q&A.

Question and Answer

Operator

[Operator Instructions] Our first question comes from the line of Swayampakula Ramakanth.

Swayampakula Ramakanth

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

This is RK from H.C. Wainwright. So first of all, congratulations on the divestiture and also the rebranding of the company, which squarely now says that you are kind of an AI tech bio company. So a couple of questions, mostly on the financials of the company. In terms of the \$4.3 million or so that was outside of the continued operations. What portion of that \$4.3 million comes from the -- from any products that you continue to carry or also from the AI assets that you currently carry?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

RK, thanks for joining us. And I appreciate your question. So regarding the revenue from discontinued operations, and which portion comes from products and services we continue to carry. So actually, there are very few products and services, we do not continue to carry on our full end-to-end spectrum of capabilities.

There's really one service in particular that we currently will not be moving forward and utilizing, but we have several alternatives to that one that for us our alternatives that are preferable from a scientific perspective. That also was not a major cash generator. So with regard to products and services, I think really the main thing that is remaining with that group, which actually was a decent proportion of the revenue and profit margin this last quarter was the off-the-shelf products.

And partially why we saw an increase for that for discontinuing ops is we really made a push to make sure that in that first quarter of this year that we got as much of those products out there as possible and that we really focused on rev rec and on billing in order to close those things out under at the time of the IPA name. So there's very little that we're not carrying forward with regard to our ability for products and services.

And importantly, none of the AI products or services are going with that group. And a physical product that has been made as an asset to the company is retained by us and any service that includes any sort of software, artificial intelligence is housed entirely with the RemainCo.

Swayampakula Ramakanth

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

Okay. And then in terms of the gross margin contribution, which is pretty good, especially showing an expansion of about 50-plus percent. How much of that contribution comes from the continued operations? And how should we think about gross margin from here onwards with the continued operations?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes, That's a great question. So first of all, with regard to gross profit, Canada is a relatively strong contributor there, although as previously detailed all of our wet lab sites have been profitable. Canada a little bit more strongly. When it comes to the actual gross profit margin, we definitely have strong gross profit margins coming out of Canada, and as you have seen with BioStrand as well. So BioStrand has historically been pushing over 90% gross profit margins within the company. That's a big focus for us as we continue to go forward and look at the growth of BioStrand relative to the remainder of -- or its contribution overall relative as a percent of overall revenue.

So we didn't see that hit really hard this quarter. You saw a little bit fourth quarter too. We talked a little bit about that. And I think that's an important thing to just touch on briefly here because one of the things

that you saw in the fourth quarter that we touched on was a little bit of research and development. And so their products and services, their offerings, their applications and their software all have very, very hefty profit margins.

And when we don't see quite as much of a contribution, one thing to keep in mind is they have offered some slight discounts or research and development in the process of pilot studies and bringing on larger companies. So one thing we didn't include, for instance, today in our commentary with our press release or here in the script is that BioStrand has very recently signed on one of the top 10 pharmaceutical actually as one of our first large software-as-a-service model companies. And in so doing in that initial onboarding, we did some R&D and some discounts with them to get their seats in there and really get them utilizing that Software-as-a-Service.

So overall, going forward, what are we looking for a gross profit margins. We're looking for real growth. Out of that, we're looking for a stronger contribution from BioStrand overall relative to our total operations and an increasing impact then on our gross profit margin percentage as we continue on forward with these continuing operations.

Swayampakula Ramakanth

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

Okay. So 2 more questions on the operations side of things. So with the dengue vaccine development, what's the strategy going forward I know you stated that you are starting some preclinical programs. So what's beyond that?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Fair question. All right. So what is beyond that? There's a couple of different things. And if you don't mind, I'd like to just start overall with that philosophy because I think that philosophy drives where we're going. The differentiator in this vaccine from our perspective is so incredibly strong. So just to put a little bit of context here, what people typically do in building a vaccine for a virus is really, I think, what many today with our capabilities in AI and in silico technologies in general would otherwise be considered to be incredibly antiquated.

So if you look at the existing vaccine out there so much respect for Takeda, but across the board with different viruses, we see that an entire virus is used, that's just attenuated, right? So it's no longer causing disease, but you put the entire virus in the individual just to expose them to that. Sometimes we put entire proteins in. And most people experience that during SARS-CoV-2 vaccinations, where the mRNA effectively went in your body and then it was translated into an entire protein.

Problem there is you're exposing the immune system to so many different things it doesn't need to see, so many different things that will not help you instead of being very specific in drilling into the single part that has the highest potential to assist you.

So I won't get into how we did that, but that's what we did. And as -- and so you're 100% right, RK. Right now, what we've done is moved into the manufacturing and then the preclinical trials. So what we're looking at with these preclinical trials has very much been shaped by the partners we've been working with and speaking to. And so what we're pulling out of this first round of preclinical trials is basically looking at one arm of the immune system, the humoral arm that generates antibody production. And we're asking ourselves a question, can we generate antibodies in these preclinical trials that have the supporting evidence to show that the vaccine neutralizes the virus.

The next step with that, while, one, certainly being that, we are actually working really close with the NIH, the arm of the NIH that deals with infectious disease and allergies. And this is certainly an area that they have of interest. We actually also have a couple of different partners that we've been speaking with on where to go with these particular results.

So a couple of other things that we will be doing, we will be running some safety and tolerability analysis on these products to ensure their safety and tolerability and the translation into humans. We also will

be doing something a bit unusual in looking also at the other arm of the immune system instead of just looking at can antibodies prevent a virus from entering a cell.

We're also asking the question, can we stimulate a specific subset of T cells to go in, hunt down and kill the cells that are already infected. And that would prevent the virus from replicating in those cells and furthering infection. So we're really looking at a very unique approach. So those next steps involved in large part contributions from those partners who are interested in moving this product forward.

In particular, some partners are definitely further analysis in the preclinical stage, but some of these partners, including the NIH, have a much stronger interest in taking this type of a project forward into Phase I clinical trials.

So for clarity, we are looking to have this move forward into Phase I clinical trials. We're very focused on the partners that are interested in sponsoring it. We ourselves are not looking to fund or sponsor the Phase I clinical trial ourselves. We're only looking to take some of the downstream recognition and capital as that continues to advance.

Swayampakula Ramakanth

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

Okay. And the last question from me. As I would imagine, the whole rebranding is behind trying to ensure yourselves to be seen more like a tech by a company rather than the CMO or CRO, which you had been carrying for so long. So to be true to that, if that's what you're looking to get to, would you be trying to generate an internal pipeline for the company itself to work on? Or is it going to be more of trying to identify partners with whom you can collaborate to help them progress their pipeline. So which direction do you plan to take company forward?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

That's a great question. That is a great question because the branding, it just touches so much of what we do and where we're going. And it's true, if we just look at the surface level, this rebranding is about unifying our image because it's been -- it's harder from the outside looking in, when we've got all these different websites, right, to really understand who we are and what we're about. But the short answer to your question is we're absolutely doing both. So one really important thing to touch on, we talked a little bit about in our third quarter is that we have integrated many of these in silico applications into our wet lab.

With our partners right now that are currently -- again, 19 of the top 20 pharma, we have over 750 active clients. With each of those partners, when they come in to run a therapeutic program with us, it is no longer an option to pick and choose. That in silico component is a part of that program and it's a part of that program because the outputs are so much stronger. When historically, with our competition and in the industry, people have focused on discovery with a little bit of data, right, trying to get a little bit of maybe functional data upfront you hear.

We certainly started talking about that pretty early on, and then you saw just kind of take off an industry, everybody going and talking about function first or function forward, right, kind of jumping on to what we were doing early on. The reality is today, you can go into the discovery component of a campaign and you can say, "You know what, I'm not going to spend 2 years learning everything about it, tell me which ones will develop well, which ones are going to be safe?" Start with [\$200,000] for all we care, ask every question you need to ask in the first week and then move forward with the best candidates.

And that's why we're not giving people the option anymore. That integration is imperative to making better drugs without increasing the risk, without making dramatic increases to the cost, they are simply more successful when they're data-driven. And so this is definitely a part of that integration. We want our clients to understand the importance of moving along with technologies that can be life changing for these technologies.

To your question, though, on partnerships, too, I do want to point out, it also enables the conversations with technology companies, hardware companies as well as these pharmaceutical companies to help them understand what our real differentiator is, right? So we don't want with regard to those initial partnerships discussions, people are getting lost in the services.

We provide solutions, but at the heart of that is the HYFT technology with LensAI, we want those technology partners to be wide aware of that. And I think from an investor perspective, that is such an important thing for people to focus on right now, watch for fact, watch for these partnerships for people who really see this rebranding, which again, is in its infancy here, this is our soft rollout. This is really going to ramp over the next couple of months.

It's definitely thanks to, obviously, our Head of Sales, Lori Anderson, She's doing an amazing job there. But it's already garnering intra. People are seeing it and turning their heads and it's starting and enabling a lot of new conversations. So I would definitely watch for that.

But lastly, RK, your question about internal products. Once we saw what we were able to do, especially in the vaccine space, of course, we have some therapeutics too. But in this vaccine space with regard to those patterns, when we realized there was one, what we call a strict HYFT pattern that would be the fundamental pattern that was likely the original pattern, the optimized pattern that tells us what the function of a molecule is.

When we realize there was one strict HYFT pattern for every single virus for us, this was a game changer. That has continued to bear fruit. We are addressing some additional targets. This is not a lofty expenditure for us. But it is something where we feel very strongly after watching these results literally 100 different pages of data results turning off with the dengue vaccine, we do believe it is such a major differentiator that it is imperative for us to move a few others forward so that people can see what a differentiator this is.

So in summary, you'll be seeing both. You'll be seeing the full integration. You'll be seeing this enhancing partnership work. I would watch for partners very specifically interested in what this technology is capable of and then internal platform product development as well.

Operator

I'll now hand the call back to Dr. Jennifer Bath, our CEO, for closing remarks.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Thank you very much, Jordan. So to conclude, this was a strong first quarter for MindWalk. On a total operations basis, we achieved record revenue, expanded gross margins and delivered meaningful improvements across operating loss, adjusted EBITDA and net loss.

Our continued operations also grew by 28% year-over-year, underscoring the strength of our bio-native AI platform. Strategically, we sharpened our focus through the Netherlands divestiture, fortified our balance sheet with \$16.1 million in proceeds and completed the soft launch of our rebranding to MindWalk, uniting our legacy businesses under one identity. We advanced our dengue vaccine initiative into preclinical manufacturing and further validated LensAI demonstrating its ability to derisk biologics development. With a stronger capital base, a scalable platform and a proven ability to execute, we are confident in our trajectory, and we remain committed to creating long-term value for our shareholders. Thank you.

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