

S&P Global

Market Intelligence

ImmunoPrecise Antibodies Ltd.

NasdaqGM:IPA

Earnings Call

Thursday, March 14, 2024 2:30 PM GMT

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Call Participants

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ANALYSTS

Swayampakula Ramakanth

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William Campbell McHale

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Presentation

Operator

Good morning, ladies and gentlemen. Thank you for joining us today for IPA's earnings call covering the third quarter of fiscal year 2024. I am Mandeep, and I have the privilege of hosting this call.

Before we commence, I would like to draw your attention to the fact that our discussion today may include forward-looking statements. These statements are subject to various risks and uncertainties that could cause actual results to differ materially from what we express or imply. We strongly encourage you to review our filings with the Securities and Exchange Commission for a comprehensive discussion of these risks and uncertainties. IPA remains committed to complying with legal requirements and will update forward-looking statements only as mandated by law.

During today's conference call and the accompanying presentation slides, we will employ non-GAAP financial measures to assist investors and analysts in comprehending IPA's business performance. Adjusted EBITDA, in particular, allows a meaningful comparison analysis of trends in our business over different periods. For a detailed explanation and reconciliation of these non-GAAP measures to GAAP measures, please refer to the Management Discussion and Analysis section of our filings on EDGAR and SEDAR.

Now without further ado, I would like to pass the floor to IPA's CEO, Dr. Jennifer Bath, who will provide an overview of our quarterly results.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Thank you, Mandeep, and good morning, everyone, and thank you for joining us for our third quarter earnings call for the fiscal year 2024. In this quarter, we've yet again proven our capability to flourish amidst a challenging macroeconomic environment, highlighting the relevance and effectiveness of our strategy along with our adaptability. Our strategic foresight and comprehensive suite of end-to-end antibody services that we offer have been instrumental in securing this consistent growth.

A significant portion of our R&D efforts this quarter has been directed towards supporting BioStrand, our artificial intelligence subsidiary, reflecting our belief in its transformative potential for drug discovery. By strategically focusing our investments and maintaining prudent cost management, we affirm our commitment to innovation, operational excellence and the strategic development of our company to meet the evolving needs of our industry and our clients.

The past quarter was a landmark period where we not only continued our trajectory towards revenue growth, but also achieved notable improvements in our profit margins. This progress underscores our journey toward profitability with a clear focus on sustainable and profitable growth. Strategic investments in our BioStrand platform and an increase in our manufacturing footprint in Europe have been pivotal in securing a larger market share for catering to the increasing demand for our services. This strategic alignment ensures that we are well positioned to lead in the drug discovery and development space, propelled by BioStrand's innovative AI-driven software capabilities.

Reflecting on our financial and operational strategies, we're proud to report a quarter of robust performance with a total revenue of \$6.2 million, marking a 20% year-over-year increase. We are extremely proud to announce that this achievement marks our fourth quarter of back-to-back record-breaking quarterly revenues at ImmunoPrecise Antibodies. This success is a testament to our strategic focus on sales, customer engagement and operational efficiencies. Our BioStrand initiative has contributed to the success with early revenue from repeat business with large pharma companies, underscoring the compelling value proposition for our offerings.

Our execution strategy, underscored by strong customer relationships and effective marketing, has not only facilitated growth but also provided a feedback loop from our customers, enhancing our R&D focus on BioStrand and furthering our competitive edge. Our operational achievements are highlighted by

the strategic implementation and integration of the BioStrand technology into our workflows, leading to significant scientific and commercialization advancements. The seamless integration and strategic expansion of our facilities Utrecht and Victoria sites along with notable growth in Oss, the Netherlands facility reflect our commitment to meeting client demands and driving revenue growth.

The operational success is particularly notable in our B Cell programs, contributing significantly to our discovery projects and revenue, showcasing the strategic and synergistic build of our company. Our scientific endeavors this quarter have been focused on expanding our VHH lead generation offerings and optimizing our in silico technologies, including the launch of LENSai's epitope binning tool. These advancements not only reinforce our position at the forefront of VHH discovery, but also align our strategic vision of building safer, more efficacious drugs, faster and with less risk.

Our public speaking commitments at key technology industry conferences, such as HIMSS and Precision Medicine World Conference in Silicon Valley, demonstrates our commitment to innovation and our role as industry leaders, in part thanks to BioStrand's entry into the market with validated in silico solutions.

As we continue to invest strategically in BioStrand, aiming for a leading position in the industry with our upcoming software rollouts, we are mindful of our spending while ensuring these investments drive significant value and future revenues. BioStrand has developed a foundation AI model by integrating multiple large language models with its HYFT technology. This model is designed to analyze complex biological data, particularly proteins, by identifying unique patterns and biological sequences, which improves the precision of predictions and drug discovery and disease research.

This approach allows for the creation of advanced products with reduced research and development costs compared to traditional AI solutions. BioStrand's strategy involves balancing the growth of the CR revenue with the further development and integration of computational technologies, contributing to advancements in the biopharmaceutical sector by accelerating the process of drug discovery and the development of personalized medicine solutions.

We are enhancing R&D efficiency through advanced data science. The foundation model's prowess in transforming complex biological data sets into actionable insights with minimal computational expense is rooted in a suite of advanced data science methodologies. These methodologies are designed to optimize data processing and analysis, significantly reducing the reliance on extensive data generation and labor-intensive manual analysis. As we balance our steady CRO revenue growth with continued build-out and integration of in silico technologies, the advantage of the HYFT allow us to be capital-efficient while creating a hub of biotherapeutic intelligence.

Now I'll hand it over to our CFO, Kristin Taylor, who will delve into the financial specifics of this quarter in greater detail, highlighting our strategic investments in BioStrand, our operational efficiencies and our unwavering commitment to delivering on our customers' needs, a strategy that has not only driven our revenue growth but has also strategically built our company for a sustained success in the drug discovery and development industry.

Kristin Taylor
Chief Financial Officer

Thank you, Jennifer. I'll provide a brief overview of our financial results for the third quarter of fiscal 2024 before touching on our financial position as of the end of the period, which was January 31, 2024. As a reminder, all numbers I reference are in Canadian dollars unless otherwise noted.

Starting with our revenue. For the 3 months ended January 31, 2024, we achieved revenues of \$6.2 million, representing a 20.3% increase from our revenue of \$5.2 million in Q3 of the previous year. Our year-to-date revenue was \$18.1 million, reflecting a 20% increase from our fiscal 2023 year-to-date revenue of \$15 million. Supporting this growth, our Utrecht Netherlands site achieved year-to-date revenue growth of 32% year-over-year and is benefiting from expansion efforts in Q3 of last year. Our Victoria, BC site achieved year-to-date revenue growth of 27% year-over-year and will be expanding its wet lab footprint in mid-calendar 2024.

As for the impact of our ongoing expansion, our revenue history shows the results of our focus on continuing to identify and meet our customers' needs. We have demonstrated sustained profitable revenue growth from our wet labs at higher than market rates and continue to expand. And to address not only our customers' needs but also our stakeholders' needs, we are continuing to execute on our wet-led expansion by adding much new lab space plus investing in the further development and launch of our LENSai portal and SaaS platforms. This strategy not only supports even higher revenue growth but gross margin improvements as well.

Now on to our operating expenses. Our research and development expenses for the third quarter were approximately \$1 million and \$3.1 million year-to-date, which represents a \$10 million decrease from the previous year. This decrease reflects the completion of the investments required to build the Talem Therapeutics assets and now primarily represents our investment in supporting the phased rollout of our BioStrand offerings.

Year-to-date sales and marketing expenses remained flat and represent our synergistic sales efforts across our comprehensive antibody discovery and development services, along with efforts towards Talem's talent out-licensing opportunities. And general and administrative expenses for the quarter were \$4.1 million and \$11.5 million year-to-date. This reflects the decrease from the previous year-to-date balance of \$11.7 million as we continue to see results from our strategic cost-cutting efforts even as we continue to grow our revenue and our AI offerings.

On to earnings per share. Our growth in revenue and reduction in expenses resulted in a net loss of \$2.9 million or \$0.11 per share for the quarter versus our third quarter of fiscal 2023 that resulted in a loss of \$4.7 million or \$0.19 per share. Along with this reduction in net loss, we also experienced a reduction in our overall cash burn. This reduction in cash burn supported us in finishing the third quarter of our fiscal 2024 with unrestricted cash of \$6.2 million versus our second quarter cash balance of \$6 million and our fiscal 2023 year-end balance of \$8.3 million.

Additionally, subsequent to the end of our third quarter, on February 23, 2024, the company established an at-the-market equity offering facility and ATM facility with Clear Street LLC replacing its previous ATM facility with Jefferies LLC. This new relationship with Clear Street brings additional support in both raising equity and identifying value-added partnerships to build long-term shareholder value.

To provide additional funding for our R&D efforts and wet lab expansion, we initiated a small equity raise in December of 2023 as well as utilized our new ATM facility in early March 2024. We continue to monitor our cash from operations as well as the cost of capital versus returns on R&D investments to assess the need to raise funds. With our consistent revenue growth and the R&D efficiency of the LENSai universal foundation AI model, we are able to slow down or speed up our R&D efforts as we work to best meet our customers and our partners' needs while building shareholder value.

With that, I'll turn it back to Mandeep for Q&A.

Question and Answer

Operator

[Operator Instructions] Our first question comes from the line of Will McHale with Ingalls & Snyder.

William Campbell McHale

Ingalls & Snyder LLC, Research Division

First quick one, Kristin, you mentioned that the company utilized the ATM offering in early March of 2024. Are you able to provide any more details on how much equity raised?

Kristin Taylor

Chief Financial Officer

Yes, I am. As we reported in our SEC filings, we had net proceeds of approximately \$1.8 million, and that is Canadian, at an average price, net price of [\$2.09] a share.

William Campbell McHale

Ingalls & Snyder LLC, Research Division

Last quarter, the company talked about executing an LOI to enter into a transfer agreement for the Talem asset. What's the status of that program?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Will, this is Jennifer. And thanks for asking about that, I'm sure that's a question on other people's mind as well. So the LOI, or letter of intent, pertains to entering into what's called a material transfer agreement, or MTA, for one of our valuable assets in the Talem pipeline. The company that signed the LOI does remain interested in moving forward with the MTA. However, they've indicated that they must first complete their delayed internal laboratory activities that are required for them to actually evaluate the Talem antibodies when they arrive.

Given that the MTA actually specifies a fixed duration as soon as it's activated, then their time line for initiating the agreement is contingent on the completion of internal preparations, so they're actually ready to receive the material. To simplify that, if they sign the MTA, they have exactly 6 months to do the analysis. If 3 of those months are taken up with completing their internal materials to do the analysis, then they have only 3 months remaining to complete all of the work within the MTA without actually doubling their fees. So they're trying to be strategic from that perspective. Of course, they no longer then have [indiscernible] and exclusivity on that target during that time.

So related to that, in parallel, we are pleased to share also that a top 5 pharmaceutical company has actually shown interest in the exact same asset. So they have also signed a confidentiality agreement, or CDA, and they've initiated discussions with Talem as well. So this development suggests there may be competitive interest in licensing the asset. So we're closely monitoring the situation, answering their questions, and we're committed to obviously pursuing the best outcome for our stakeholders. So we will provide updates as more information becomes available and as we make further progress.

William Campbell McHale

Ingalls & Snyder LLC, Research Division

Got it. It's been a year since announcing the Astellas collaboration. I realize that you're probably limited in what details you're able to share about the status of that. But I was wondering if you could comment on any sort of high-level learnings from the program so far specifically as it would relate to BioStrand and building their capabilities?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Absolutely. Actually, we'd be really happy to do that. So the developments in this collaboration specifically with Astellas are very broadly applicable to various aspects of what we do in silico antibody discovery and development. So for one example, for instance, the elements of the developed procedures are integrated into our recently launched LENSai epitope binning tool.

In addition, for that collaboration with Astellas, we were able to leverage knowledge and insights that we obtained within our Talem programs, and then we refined our technology for detailed structural analysis of protein-protein interactions. And then this development has brought a significant value to BioStrand. So it's enabled them to make targeted adjustments to antibodies such as in silico adjustments of exactly where an antibody binds and exactly how strong that antibody is going to bind to its target. And these capabilities are ones that enable us to optimize in silico generated antibodies and then refine them further to make sure that they are optimized for the intended use in the clinic.

So really, a number of very tangible, very applicable aspects that we've learned through this program that are now built into the capabilities of BioStrand.

William Campbell McHale

Ingalls & Snyder LLC, Research Division

Great. That's a good transition to my next question. Is the company still on track to hit the milestones listed in its investor deck? I know there was a number of things targeted for the first half of calendar '24, also for all of '24?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Exactly, exactly. Starting first half of the calendar '24 also, as you mentioned, kind of going through the first half of calendar '25. And so again, thank you for asking that question. So regarding our progress towards achieving the milestones included in the -- it's both structured AI and lab deals with a licensed fleet fee as well as securing custom LENSai Software-as-a-Service deal, among others. And I am pleased to report that, yes, we do believe we're still on track to hit these milestones. We've been very laser-focused on accomplishing these milestones.

And the progress that we've made to date has been really buoyed by the positive momentum we gained in this year's partnering conferences, starting with Longwood and JPMorgan back in January. So not only did we have good valuable exposure really at a time where we're seeing the industry get much more excited about moving into partnerships, but these have also facilitated very meaning discussions with these potential partners where we're actively working with them to align company synergies and ways to explore the integration of our technologies and services in a way that's mutually beneficial.

So it's definitely been supporting our active movement toward checking each of these investor milestones. And then the outcome from these conferences and these subsequent discussions have been quite promising. They've been reinforcing our confidence in that direction that we're heading and we do remain committed to maintaining this momentum. So we're quite optimistic about our ability to deliver on the promises we've made to our investors and stakeholders. So rest assured, we are fully engaged in the efforts to not only meet but also exceed the expectations that were set forward in that deck.

William Campbell McHale

Ingalls & Snyder LLC, Research Division

Great. Well, look forward to seeing the progress in the next couple of months. Last one for me, I was hoping you might be able to comment on sort of the commercial applications of the foundational AI model that you announced last week. Is that something that could be licensed to clients to use? Or is this mainly going to be an internal development tool?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes, that's a fantastic question. And so look, the quick answer to the last portion of that is really both. LENSai and then the foundational application of that is something that lends itself quite well

to partnerships and collaborations. And we also see that as having very significant potential in really changing how everyone working with biological data is able to access and utilize that data in a more meaningful way, so much far beyond just the application of us using that as an internal tool in silico antibody discovery and development. We really see it as being fundamental and foundational to everyone working with mass biologics in the space.

So to give you just a little bit more detail on that. That's kind of my direct go-to answer, but just to provide a little bit more detail. We've created and constructed this comprehensive technology stack, right? And that's lying really at the heart of this foundation AI. And the AI platform is designed for very broad applicability across the diverse services we offer at IPA. So a prime example of its effectiveness has been in that validation of the epitope binning, but also many other promising applications in the pipeline. And this quarter did represent quite a milestone really for BioStrand in utilizing these numerous in silico capabilities.

Because we did receive enthusiastic validation not only from internal sources in terms of being able to validate the quality and the accuracy of the work coming out of the laboratory, but also from third-party partners as well, which obviously was quite pleasing to them as well to see that they could really depend on in silico world, which obviously is quite a bit faster and cheaper and provides additional insights and then feel comfortable knowing that matches the wet lab data that's coming back.

So in this kind of AI era, kind of both in the investment realm and also in the client realm where you have this kind of mantra of, "I'll believe it when I see it," this has been really a massively rewarding quarter for not only IPA and BioStrand but also for these pharma who are getting excited to see the validation the silico data coming out of BioStrand.

And so the successes highlight not only the intrinsic value of us tapping into Talem data in our validation process, but it also really underscores the broad utility and adaptability of this foundation AI. And so just to wrap that up or kind of close that up maybe with something that, I think, is really tangible and applicable for people outside to really grasp that foundation AI role within LENSai. Its introduction marks really a significant milestone with regard to our commercial strategy because that foundation AI extends LENSai's capabilities into new realms. It provides a scalable and adaptable framework for data analysis and insight generation.

So that LENSai is a foundational technology in the sense that it elevates the platform to the level of relevance and applicability not only for life science and health care research, but anyone seeking to harness information from LLMs or generative AI or any other data-rich model. So it's not just about enhancing our existing offerings. It's about expanding the possibilities for what our technology can achieve in the marketplace. And with foundation AI, LENSai is really poised to deliver unmatched value really to people harnessing data across a multitude of industries, opening up those opportunities for growth and innovation. And so it's really the strategic integration that signals our move toward a more dynamic data-driven solutions that can adapt to customer needs and also to market changes.

William Campbell McHale

Ingalls & Snyder LLC, Research Division

Great. Yes, it sounds like a very promising breakthrough. I look forward to seeing the economic benefit for shareholders as well. That's all I've.

Operator

Our next question comes from the line of Swayampakula Ramakanth with H.C. Wainwright.

Swayampakula Ramakanth

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

This is RK from H.C. Wainwright. Jennifer, 2 questions. As Kristin said, the Utrecht and the Vancouver facilities in terms of revenues grew north of 25% in both of those facilities. And we have seen that growth come in quarter after quarter since you did the expansion. So the question is on resources in the sense as you see this expansion every quarter over the last 2, 3 quarters now? Are you getting to a point where

you're getting concerned about how much capacity you have in these facilities? Or do you still have enough capacity for growth, say, for the next 2 to 3 years if it grows at the same rate?

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Yes. Actually, I just -- I love that question, RK, because it really does kind of tap into also the evolution of how we've gotten to this point with the needed expansion. Because for years, we talked about space utilization, equipment utilization, people utilization, automation, roboticizing work, the ability to track different pieces of equipment from at home or at night so that we could have things running as much around the clock as possible and really optimize our efficiency without needing to do expansions and without needing to do significantly more hiring.

So in the past quarters, one of the things that you'll see that we've put up a couple of times was our revenue growth actually versus the number of FTEs that we had. And so we were really, really pushing the envelope at the Utrecht sites and the Victoria sites in particular, where we were full to the [brim] with every piece of equipment being utilized, every square inch of each floor are being utilized and then really at the point in Utrecht and in Victoria, British Columbia also where we had clients that had to sit in the queue. And sometimes that was for months before whether we could actually bring those clients in.

Now I am happy to say that we have actually moved into that expansion realm with all 3 of our major production wet lab facilities. So Victoria did transition last January into a new facility, but that facility does actually require some additional remodeling and additional transition, was something that we did not move into a brand new prepared facility. And so there is some duplication, some of the overhead associated with that with Victoria. But it's duplication from the Victoria side and as I'll also touch on the [Oss site] that you've already been seeing. And so with regard to any additional overhead associated with that, we've already been making those investments. They've already been incorporated into the lot of financials that you're seeing.

And we've managed that by being very strategic with regard to our pricing, pricing increases, having more of a focus on our profitability and our profit margin in order to offset that. So I think we've done that very strategically. So we've now started moving into that facilities in Victoria, where that expansion with regard to the footprint is significant and then also made additional room for expansion, where we'll actually be moving 3 full-sized laboratories into one laboratory to gain additional cost synergies and efficiencies.

And then in Utrecht, we actually saw the same thing. They doubled the square footage of their manufacturing facility. That's part of, as Kristin mentioned, what enabled us to really grow the revenues as rapidly as we did there this year, because they don't any longer have these longer wait times for clients. And then the layout of the space is also just much more efficient with regard to the footprint and the production chain. And so with regard to that, we actually had been double paying and duplicating on the space until this one was finished being built. It's now been a year ago, October since we've completed that.

And again, through optimizing our profit margins and being more operationally efficient, we've really managed to do that without it really impacting our profit margins and our profitability -- our profit in general from those programs.

And then the last one is Oss in the Netherlands. And they've actually done a full complete sweep move from their old facility into their new facility. And that was really spurred in part by the fact that the building that they were previously existing in was actually being rebuilt and the majority of the tenants were being moved over to the new building. But we do gain a lot of operational efficiencies there and the space that we're moving into there, no doubt, will be able to accommodate us for many years to come.

So I think right now, where we're sitting, we went really very strategically as long as possible working with the minimum floor print -- footprint that minimum number of personnel and just really kind of push ourselves to get to this point. And now I think these investments we've made are quite strategic, quite financially doable for us but absolutely set us up for many years to come with regard to capacity. We won't see any need to further expand those capacities anytime soon.

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

Perfect. And then I know in the press release, you stated that you're starting to see some service revenue out of BioStrand. So if you can kind of expand on that. Because since you all had BioStrand for almost 1.5 years, 2 years, I know you're doing a lot of tool building -- I'm sorry, I'm sure you're doing much more than that, but sorry to use the word.

But at the same time, I know you're trying to generate some revenues. But for people like me to understand how much energy is being spent on getting that segment into revenue growth versus already getting some revenue out of that. I just want to understand where you are in that whole process?

Jennifer Lynne Bath*CEO, President & Non-Independent Director*

Yes. Actually, that is a great question. So with regard to BioStrand and where the emphasis is there on the development, as you mentioned, we've been building these modules and these tools, really different components of LENSai in response to what our clients tell us that they need, in response to what they believe would give them better insights earlier on so they can [fail] faster or succeed faster with better products that are more likely to be successful in the clinic.

And so really, if we go back to 2 years ago, these were not capabilities that BioStrand had. We have the fundamental technology of LENSai powered by the HYFT and these pattern recognition, we had still the vectorization of the actual structural patterns to be completed and embedded. And as we continue to gain insights off of that and really turn our focus more specifically to biologic research associated specifically with therapeutic antibodies, that was a significant part of that energy and effort put into that first 24 months, where we've then taken that and moved that into the integration of these wet lab capabilities. But all in all, during this period of time where we're performing those capabilities and building those modules, those are also all parts of LENSai.

And that LENSai, I remember being a tool that will be rolled out to our clients and then subsequently also to the public to enable people to not only utilize these tools within their own laboratory, but also to be able to encompass larger aspects of what we're able to do with LENSai, so going back to the foundational technology and the ability to use LENSai to gather insights again from multiple LLMs and other resources as well as to be able to use that for data management. And so we have these components that we've been building in.

And with regard to, as you mentioned, the revenue generation from these repeat clients, it's -- we have repeat clients that are certainly adding these capabilities into the workflow as they build novel drugs with our therapeutic wet lab arm, which is fantastic. We get that feedback. We have that learning loop. The HYFTs become more enriched and more informed as we continue to build the robust nature of LENSai. But in addition to that, we do have pharmaceutical clients that are using us in a very different type of capacity, both in the partnership model as well as direct fee-for-service work directly at BioStrand and not quite as integrated into the wet lab capability.

So I think when we first started talking about the power of LENSai, and again, going back to this ideal foundation AI where it really is able to integrate these foundational layers that can improve insights and speed and applicability of other algorithms, other models in the industry, binning that those insights within LENSai, they not only -- they're not just direct tap-ins that people can do in LENSai, but they also complement other technology. So they're not necessarily competitive with these other technologies. So it's in supplying these types of tools for people to leverage both technological and biological aspects to enhance what they're learning, which is also a major part of our partnership goals and collaboration goals with these different groups.

And just as a really specific example, for instance, we had mentioned previously really using LENSai to answer questions in the biological space that haven't been able to be answered in the wet lab. And that's why with the initial partners we took on -- we took on partners who had really complicated programs that couldn't -- they could not actually solve in the wet lab capabilities or wet lab capacity. And so far,

not only I have alluded to already after one of the questions from Will McHale, not only we really gained these wonderful insights that helped us to further build our tools, but we're also having these wonderful successes in the lab, doing things where still so many people today refer these to these as things that people will be able to do in the future with AI technologies, things like really enhancing the developability of the asset, right? The potential safety and the lack of toxicity as it moves into the clinic.

These are things that we're refining and optimizing and using as we go through these partnerships. And then one of the partnerships in general right now, they now have brought forward their third and significantly largest program for us. And I think it's worth emphasizing that these types of partnerships are absolutely a focal point for us. It's not just the integration of capabilities in the lab. These partnerships foundationally really help us demonstrate that we can tackle these really significant problems in the sciences, in the biological industry and drug development using LENSai. And at the same time, we're simultaneously building these additional tools.

And so this group that's come back for the third and, like I said, significantly larger program, probably the most rewarding part of that for everyone at IPA is hearing their verbal feedback on BioStrand's work, where they have just directly told us, hey, we have worked with -- just anecdotally, "We have worked with a lot of different AI companies out there to try and solve various tests or answer various questions. And then working with BioStrand, this is the first group," is what they tell us, "where the data that comes back and the data that they validate in their lab is actually spot on with the work being turned out at BioStrand from an in silico perspective."

So that type of external validation, wet lab validation, and to have a group -- a large pharmaceutical company really saying, "Wow, this is the first time we've seen this. This is really it. This is really meaningful for us because now we know we can trust the data," That little AI skepticism that's out there for so many people was really resolved. And that's what led us to actually then getting this even larger, much more comprehensive program, which, for us, is incredibly rewarding. So it really is this balance of continuing to do the wet lab work, continuing to build that LENSai module but these partnerships, these collaborations with these pharmaceutical companies.

And we do believe that also over the next couple of quarters, we're really looking to push also more into the technology industry for those collaborations as well. For us, we really believe these are incredibly meaningful. We not only gain additional insights, but we're furthering to develop these relationships and get the validation we need to really show that this is real. It really does impact and change how we discover new drugs.

Operator

This concludes today's question-and-answer session. I would now like to turn the call over to Jennifer Bath for closing remarks.

Jennifer Lynne Bath

CEO, President & Non-Independent Director

Great. Thank you so much, Mandeep. So first of all, as we wrap up today's discussion on our third quarter earnings call for fiscal year 2024, I'd like to underscore the strategic execution and resilience that have defined our journey thus far. Our achievements this quarter are not just numbers. They are a reflection of our unwavering dedication to innovation, strategic foresight and operational excellence.

With a significant 20% year-over-year revenue increase, our results speak volumes about our ability to navigate complex market dynamics and deliver on our promises. Our journey toward reduced net losses, now at \$0.11 per share, is a clear indicator of our financial discipline and operational efficiency. This improvement is pivotal as it signals not only our capability to manage expenses wisely, but also our ongoing journey towards sustainable profitability.

The strategic investments we've made so far, particularly in BioStrand and our expanded footprint are laying down the foundation not just for growth, but for a transformative impact on the drug discovery and development landscape. Looking forward, our focus remains sharply on executing our strategy with

precision, managing our resources effectively and driving innovation that meets the evolving needs of our clients and the industry at large.

Our commitment to you is to maintain this momentum, to continue making strategic decisions that enhance value and to advance our mission of leading the way in drug discovery and development. We're not just looking at the next quarter. We're building a foundation for a future where ImmunoPrecise Antibodies stands as a beacon of innovation and excellence in our industry. We thank you for your continued trust and support. We're excited about what lies ahead, and we look forward to sharing our progress with you.

Operator

This concludes today's call. You may now disconnect.

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