RNS Number : 9224R
Fusion Antibodies PLC
06 March 2023

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

6 March 2023

Fusion Antibodies plc
("**Fusion**" or the "**Company**")

Trading statement

Fusion Antibodies plc (AIM: FAB), a contract research organisation ("CRO") providing discovery, design, and optimisation services for therapeutic antibodies to the global healthcare market, provides an update on the Company's R&D programme and unaudited trading for the year ending 31 March 2023 ("FY 2023").

As announced in its half year report on 5 December 2022, the Company had a commercially challenging first six months of trading due to a combination of factors, including a number of valuable projects being suspended by clients due to delayed investment into those businesses. There continues to be uncertainty over the timing of commencement of several such anticipated orders which is out of our control. Consequently, revenues and earnings for FY 2023 are now expected to be significantly behind current market expectations: the Board anticipates that revenues for FY 2023 will be not less than £2.8M.

In line with the Company's previously announced strategic change to focus on larger integrated service contracts, the Company has engaged with several potential clients for the broader service offering, which has been very positively received. In particular, negotiations concerning a significant order for an integrated service contract have progressed but have not materialised in time for the end of this year. While there is the possibility that negotiations could be completed in the near term, the majority of the revenues would be recognisable in the financial year commencing 1 April 2023.

Having recently announced the development of its Mammalian Display technology to complement the integrated service offering, the Company is actively engaging with leading Artificial Intelligence and Machine Learning ("AI & ML") companies as potential partners to make these novel approaches available to our client base. As a consequence, the Company announces that it has signed a Memorandum of Understanding ("MoU") with a leading biotech company, based in the USA, focused on AI & ML to generate de-novo antibody sequences. The Company will utilise its new Mammalian Display technology to express these antibodies as focused libraries. The MoU is expected to provide for the development of a partnership that will enable the derivation and evaluation of AI generated antibodies and offer clients a new route to market, complementary to our established discovery methods.

Mammalian Display, which Fusion has now commercialised and offers to clients, is the first technology to come from the Company's OptiMAL® R&D programme. Work continues to progress on the full OptiMAL® Library platform. In this regard, the Company can report that, following resolution of substantial technical issues experienced by our supplier, the full DNA Library required to support OptiMAL® has now been delivered. The Company is taking this opportunity to increase resources to the R&D programme and accelerate progress.

Fusion Antibodies CEO, Adrian Kinkaid said: *"This is an important period for Fusion as we roll out the end-to-end Integrated Therapeutic Antibody Discovery Services and augment this by introducing new technologies from our R&D programmes to create stronger revenue streams in the next financial year and position the business for a sustained period of growth. It is important for the business to keep abreast of the constantly developing technologies driving therapeutic antibody development as the sector strives to bring better drugs to patients more rapidly. We are particularly enthusiastic*

about our newly announced Mammalian Display capabilities being matched so well with the exciting potential of Artificial Intelligence and Machine Learning approaches to antibody design. When these are harnessed correctly, they are being heralded as our sector's 'most important innovation since the invention of phage display."

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About Fusion Antibodies plc

Fusion is a Belfast based contract research organisation ("CRO") providing a range of antibody engineering services for the discovery and development of antibodies for both therapeutic drug and diagnostic applications.

The Company's ordinary shares were admitted to trading on AIM on 18 December 2017. Fusion provides a broad range of services in antibody design, generation, development, production, characterisation and optimisation. These services include antigen expression, antibody production, purification and sequencing, antibody humanisation using Fusion's proprietary CDRx ^{TM} platform and the production of antibody generating stable cell lines to provide material for use in clinical trials. Since 2012, the Company has successfully sequenced and expressed over 250 antibodies and successfully completed over 200 humanisation projects and has an international, blue-chip client base, which has included eight of the top 10 global pharmaceutical companies by revenue.

The Company was established in 2001 as a spin out from Queen's University Belfast. The Company's mission is to enable pharmaceutical and diagnostic companies to develop innovative products in a timely and cost-effective manner for the benefit of the global healthcare industry.

Fusion Antibodies growth strategy is based on combining the latest technological advances with cutting edge science to deliver new platforms that will enable Pharma and Biotech companies get to the clinic faster, with the optimal drug candidate and ultimately speed up the drug development process.

The global monoclonal antibody therapeutics market was valued at $135.4 billion in 2018 and is forecast to surpass $212.6 billion in 2022, an increase at a CAGR of 12.0 per cent. for the period 2018 to 2022. In 2017, seven of the world's ten top selling drugs were antibody-based therapeutics with the combined annual sales of these drugs exceeding $63.2 billion.

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