

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse (amendment) (EU Exit) Regulations 2019/310 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

30 April 2024

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

Year-end trading statement

Fusion Antibodies plc (AIM: FAB), specialists in pre-clinical antibody discovery, engineering and supply for both therapeutic drug and diagnostic applications, provides an unaudited trading update for the year ended 31 March 2024 ("FY2024").

Highlights

- Unaudited revenues for FY2024 of £1.14m (FY2023: £2.90m)
- Increased activity in the second half of FY2024, including:
 - the entry into a collaboration agreement with the National Cancer Institute for the use of OptiMAL®;
 - a first purchase order received under a master services agreement ("MSA") with a leading diagnostics company; and
 - a follow-on project received with a US based biotechnology client.
- Fundraise announced in February 2024, raising £1.37m (before expenses) for general working capital and investment into commercial activities
- Significant increase in sales pipeline opportunities during H2 FY2024, with an orderbook at 31 March 2024 of £0.75m, representing 65 per cent. of total FY2024 unaudited revenues
- Cash position as at 31 March 2024 of £1.2m (31 March 2023: £0.2m)

During FY2024, Fusion was presented with several commercial challenges. Most notably, a significant downturn in venture capital investment into biotechnology companies, including therapeutic antibody development programmes, impacted Fusion's primary customer type going into the financial year. This directly impacted the Company's revenues for the year.

The Company took steps to meet the challenges presented by the increasing headwinds in H1 through a significant restructuring exercise, reducing various costs including a 38% reduction in headcount. Furthermore, a new commercial strategy was implemented, additionally targeting the adjacent Diagnostic, Veterinary Medicine and Research Antibody markets. This diversification has made the sales pipeline more resilient with less exposure to individual sectors.

During H2 FY2024, the adverse investment conditions, although improving, continued to impede certain clients placing orders, with some pipeline projects yet to convert and some being received later than anticipated. In several cases this was due to availability of client provided materials. This resulted in revenue for H2 FY2024 being lower than was anticipated at the time of announcement of the H1 FY2024 interim results.

Despite the effects of the headwinds described above, Fusion's client conversion rate nevertheless improved throughout FY2024, with February and March of 2024 being the Company's highest earning months of FY2024. This contributed to revenues in the fourth quarter of FY2024 being approximately 47% higher than the first quarter of FY2024.

This increase in activity towards the end of the financial year has resulted in a marked increase in the Company's sales opportunity pipeline. The Company's order book as at 31 March 2024 was approximately £0.75m, representing approximately 65% of the total FY2024 unaudited revenues.

This increase in activity and the order book will provide a foundation for revenue growth in the current financial year ("FY2025").

The Company achieved a number of exciting developments in H2 FY2024, including:

- signing a collaboration agreement with the National Cancer Institute ("NCI") for the use of OptiMAL® in the discovery of novel antibodies against targets selected by NCI post year end;
- securing an estimated \$650,000 follow-on project under a collaborative research and development agreement with a US based biotechnology company that Fusion started working with in 2021;
- receipt of a first purchase order under a new MSA with a leading diagnostics company - with further orders having been received under the MSA by the customer subsequently; and
- securing its first OptiPhage™ contract whereby Fusion will design a phage display library using the diversity principles behind the OptiMAL® library.

The Board of Fusion believe that these developments provide strong evidence that the Company's diversification strategy, together with the recovering economic climate, provide confidence for growth in FY2025.

To support Fusion's new commercial and sales strategy, the Company successfully raised £1,375,000 in February 2024 through a placing of new ordinary shares in the Company (the "**Placing**"). The issue price of the Placing was a small discount of 5.66% to the prevailing share price despite challenging market conditions and the Company has begun to apply the Placing proceeds to strengthen its commercial team.

The Company's cash balance as at 31 March 2024 was £1.2m, positioning the Company well for the current economic environment.

Adrian Kinkaid, CEO of Fusion, commented: *"The 2023 calendar year was very challenging for our clients and therefore also for us. We responded by taking difficult but necessary action whilst also extending our traction with adjacent markets (notably diagnostics, research antibodies and veterinary medicine). As a result, we have secured some excellent new clients, including global leaders in their respective fields, who are now engaging with the Company for multiple projects, several of which are being run in parallel. Achieving this diversification in client base, combined with a recovery in our core human therapeutic sector, provides a very welcomed improvement in market conditions going forward. We remain optimistic for our prospects and look forward to updating the market further. We continue to be thankful to our shareholders for all their support."*

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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 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 generation, development, production, characterisation and optimisation. These services include antigen expression, antibody production, purification and sequencing, antibody humanisation using Fusion's proprietary CDRx™ 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 provides a broad range of services in antibody generation, development, production, characterisation and optimisation.

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.

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