Adaptimmune Therapeutics plc (Q3 2021 Earnings)

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Corporate Speakers:

- Juli Miller; Adaptimmune Therapeutics plc; Senior Director of IR
- Adrian Rawcliffe; Adaptimmune Therapeutics plc; CEO, Principal Accounting Officer & Director
- Elliot Norry; Adaptimmune Therapeutics plc; Chief Medical Officer
- John Lunger; Adaptimmune Therapeutics plc; Chief Patient Supply Officer
- Helen Tayton-Martin; Adaptimmune Therapeutics plc; Co-Founder & Chief Business Officer

Participants:

- Marc Frahm; Cowen and Company, LLC; Director
- Michael Schmidt; Guggenheim Securities, LLC; Senior Analyst & Senior MD
- Nick Abbott; Wells Fargo Securities, LLC; Director & Associate Analyst
- Unidentified Participant; Jones Research
- Mara Goldstein; Mizuho Securities USA LLC; MD of Equity Research Department

PRESENTATION

Operator: Good day, and thank you for standing by. Welcome to the Q3 2021 Adaptimmune Earnings Conference Call. (Operator Instructions) After the speaker presentation, there will be a question-and-answer session. (Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions)

I would now like to hand the conference over to your speaker today, Juli Miller. Please go ahead.

Juli Miller: Good morning, and welcome to Adaptimmune's conference call to discuss our third quarter 2021 financial results and business updates.

Please review our forward-looking statements from this morning's press release as we anticipate making projections during this call, and actual results could differ materially due to several factors, including those outlined in our latest filings with the SEC.

Adrian Rawcliffe, our Chief Executive Officer, is with me for the prepared portion of this call. Other members of our management team will be available for Q&A.

With that, I'll turn the call over to Adrian Rawcliffe. Ad?

Adrian Rawcliffe: Thanks, Juli, and thank you, everyone, for joining us.

About this time last year, we laid out our 2-2-5-2 strategy. We are now 1 year into that 5-year strategy, and we've made substantial progress against each of the 4 pillars we set out then.

The first pillar was that we wanted to have 2 marketed products targeting MAGE-A4. And the second pillar was to identify further indications with 2 additional BLAs for our SPEAR T-cell products.

The first product we're targeting for approval is our first-generation TCR T-cell therapy targeting MAGE-A4, afami-cel. In June, we presented initial data from the SPEARHEAD-1 trial at ASCO, demonstrating that afami-cel is a life-changing therapy for people with synovial sarcoma and MRCLS. We remain on track to file our first BLA next year for afami-cel, which we anticipate will be the first engineered T-cell therapy on the market for a solid tumor indication.

Based on the data presented recently at ESMO from the SURPASS trial, we have shown that our next-gen MAGE-A4-targeted therapy, ADP-A2M4CD8, is effective with responses in 5 different solid tumors, an overall response rate of 36% and an 86% disease control rate. These data confirm the potential of a broader MAGE-A4 therapy franchise.

In Q3, we announced that we initiated the Phase II SURPASS-2 trial for people with esophageal and EGJ cancers. Today, we announced that we will start a second Phase II trial next year called SURPASS-3 for patients with ovarian cancer. We continue to enroll patients in the original Phase I SURPASS trial with a focus on rapidly identifying additional indications for late-stage development.

On to our third pillar, 5 new autologous products in the clinic from our extensive preclinical pipeline by 2025. We've reported substantial progress with additional HLAs, new targets and next-gen programs, with our most advanced preclinical therapies being the next-generation engineered IL-7 TIL therapy in collaboration with CCIT, Denmark; and our next-gen MAGE-A4-targeted therapy incorporating IL-7 and CCL19 developed in collaboration with Noile-Immune. Additionally, the translational data we'll present at CTOS and SITC next week shows the stellar quality of our translational science teams and how learnings from this research will help us develop better products to take into the clinic.

Last but not least is our fourth pillar, 2 allogeneic products in the clinic by 2025. In this morning's press release, we confirmed that we plan to file our first IND in 2023 for our wholly owned allogeneic product targeting MAGE-A4. In Q3, we signed a fantastic strategic collaboration with Genentech that has now become effective and for which we will receive the upfront payment of $150 million in Q4.

We also announced that we will open a dedicated allogeneic manufacturing facility next year. I believe that our allo platform represents a significant piece of the future of cell therapy for us and our partner. And this progress confirms we are among the leaders in the allogeneic T-cell space.

Looking forward, we will continue to deliver updates from our trials from a clinical and a translational perspective. Following the initial data presented at ASCO for our pivotal SPEARHEAD-1 trial, next week, we will present a full dataset at CTOS in the oral presentation delivered by Dr. Brian Van Tine from Washington University. We will also present a poster highlighting translational scientific insights from this trial.

At SITC next week, we'll present data demonstrating the positive impact of adding an AKT inhibitor to the expansion phase of our manufacturing process. It's a feature of developing cell therapies that epigenetic modifications during manufacturing have the potential to be as important as the genetic modifications we make to the cells themselves. In this same poster, we will present clinical translational learnings from patients in the SURPASS trial, for whom we reported clinical data at ESMO, indicating that these manufacturing improvements, along with the next-gen enhancements, make an improved and more potent SPEAR T-cell product for people with cancer. These types of translational learnings are critical as we aim to bring forward further next-gen products and enhancements to better address solid tumors with our cell therapy.

When looking across the pipeline of ongoing clinical trials with our 2-2-5-2 goals in mind, we need to pursue our ambitions rapidly and efficiently and critically evaluate what is and is not a product.

Today, we announced that we've ceased enrollment in our SPEARHEAD-2 trial with afami-cel in combination with pembrolizumab. Given compelling activities seen with our next-gen ADP-A2M4CD8 product across a range of solid tumors, next year, we'll evaluate the combination of a checkpoint inhibitor with this therapy. We will not go into details today, but we'll update in due course about the best design and the path forward.

We also announced that we have enrolled a sufficient number of patients in our Phase I trial with ADP-A2AFP for people with liver cancer, leading us to close screening. We presented data at ILCA demonstrating that ADP-A2AFP is an active product with several patients receiving clinical benefits, including a durable complete response, and other patients with prolonged stable disease associated with the significant decrease in serum AFP.

But the response rate to date is not what we had hoped for. We'll analyze data from the full patient population in this trial and determine next steps, including evaluation of alternative TCRs, manufacturing improvements and potential next-gen enhancements.

So far in 2021, we have delivered clear progress against our 2-2-5-2 strategy, and we will continue to deliver over the next 4 years. We're on track to file our first BLA. We show compelling data from SURPASS confirming the potential of the MAGE-A4-targeted franchise. And we're working quickly to pursue further late-stage trials, starting with the recently initiated SURPASS-2 trial in esophageal and EGJ cancers and SURPASS-3 in ovarian cancer, which will be initiated in 2022. We are also planning to explore the use of

checkpoint inhibitors alongside our next-gen product with the aim of identifying further treatment regimens for our cell therapies for people with cancer.

Beyond our current clinical trials, we've continued to make progress with our autologous and allogeneic preclinical pipeline including in collaboration with GSK, Astellas and, most recently, Genentech.

All of our progress this year brings us closer to achieving our vision of being a fully integrated cell therapy company. And you can really see this when you consider that we are filing a BLA and preparing for our first commercial product while simultaneously building an allogeneic manufacturing facility for future generations of cell therapies for people with cancer. As we close out the year, I'm pleased with our progress, and we'll provide further guidance for 2022 at the beginning of next year.

With that, I'll turn it over for questions. Operator?

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) And your first question comes from Marc Frahm with Cowen & Company.

Marc Frahm: Maybe on the filing, what -- other than obviously the presentation in about a week at CTOS what's kind of gating to the filing going in? Is it just a little bit more follow-up on a few of the last few patients? Or are there still real discussions to be had on things like potency assays and exactly what needs to be included from that front?

Adrian Rawcliffe: Elliot, do you want to step up?

Elliot Norry: Yes, sure. Hi Mark and thank you. Just with respect to the BLA filing, clearly, there's -- the data still needs to -- is not in its final format and needs to be presented in the appropriate way. The cohort that will support the filing, Cohort 1 from the SPEARHEAD-1 trial, has completed. So all the patients are enrolled and data collected, and we'll be finalizing that dataset in the fairly near future. So while that there's still work to be done, I don't think that, that's necessarily gating per se.

There is also still work to be done with respect to demonstrating that our manufacturing and release testing are acceptable to the agencies. And that goes side by side with meeting the primary endpoint for efficacy and showing an acceptable safety profile. And while I don't think that there are issues that are insurmountable in either of those, there is still -- in any of those, there's still work to be done. And that work will take us out into 2022. And we're on track to meet the time line to file the BLA next year.

Marc Frahm: Great. That's very helpful. And then maybe I realize you're just opening SURPASS-2, and SURPASS-3 hasn't fully opened yet. But just given the increased demand for your trials you've seen over the last 6 months to a year, you can give kind of some broad outlines you can give on how quickly those trials might enroll and when we

might be able to start seeing data from some of those kind of expansions into more specific cohorts?

Adrian Rawcliffe: We've not given guidance on timing for that. And we will give guidance on the -- on 2022 milestones and probably beyond at the beginning of next year, but it won't include specific guidance on rates of accrual in those trials. So...

Marc Frahm: Okay. Fair enough.

Operator: Your next question comes from Michael Schmidt with Guggenheim.

Michael Schmidt: So I think you mentioned that you're initiating a new pembrolizumab combination study with the next-gen MAGE-A4 asset, which obviously makes sense. But I was just wondering if there are any learnings from the initial trial that can be applied here in terms of the combination moving forward?

Elliot Norry: Yes. So Michael, thank you. There are certainly learnings. I mean we're -- we should be learning from everything that we do as it informs our next steps. The real reason for us choosing to really change the focus of the combination to the next-gen product is based on really, at this point, having experience with the next-generation products, seeing its improved potency, efficacy and wanting to put sort of the best combination forward. I think that's really the key point here.

Michael Schmidt: Okay. Got it. And then the other question I had, perhaps related to the prior question, just on CMC for afami-cel. I mean we have seen a number of FDA BLA delays around manufacturing and CMC of T-cell products. And yes, if you could maybe just provide some additional color in terms of what has to be done to really check the box on CMC for the BLAs?

John Lunger: Yes, this is John Lunger. I lead the CMC organization. So a couple of things there. One is we are obviously going through all the activities we need to do to prepare the Section 3 of the BLA. The supply of our commercial product will come from the same supply chain that we've used for the Phase II trial, so there's no changes in there, which I think is a big plus for us. We had interactions related to potency assays and all the release assays, frankly. And those are progressing well, and we feel confident that we've got the right assays in place, and we'll have them in place by the time we file the BLA next year.

Michael Schmidt: Okay. And then last one, just around the Genentech collaboration. Obviously, very interesting given their engagement with Adaptive as well. But just wondering how we should think about potential news flow coming out of that collaboration over the next 1 to 2 years or so.

Helen Tayton-Martin: Michael, it's Helen here, Helen Tayton-Martin. Nice to speak with you again. We haven't disclosed specifics on when we'll have a specific update of the program. But clearly, we anticipate that we will need to do that given our position and the

importance of this deal with its progress and the fact that it's on a very long-term nature. We really just passed date of our clearance, so I think it's a little early to give guidance on when we will be updating this. We hope that certainly during the course of the next year, we'll be able to sort of map out when we can provide more data and more information.

Operator: Your next question is from Nick Abbott with Wells Fargo.

Nick Abbott: Congratulations on a very, very good update, very solid. You mentioned earlier we have Cohort 1 of SPEARHEAD-2. And there's also Cohort 2. So can you provide any details on how that is enrolling?

Adrian Rawcliffe: Elliot, do you want to take that?

Elliot Norry: Yes, without providing specific numbers, it continues to enroll well. There's clearly interest in treating patients with afami-cel who have synovial sarcoma. And so that's the answer to the recruitment question. It's not intended to be part of the hypothesis testing for the filing but will be supportive from the standpoint of additional safety and efficacy considerations as well as looking at specific subgroups.

Nick Abbott: Terrific. In your prepared comments, you mentioned SURPASS-3 in ovarian cancer. Is the intent -- I mean, have you discussed the size of this trial with FDA? Is the intention to seek registration if that's positive?

Elliot Norry: I think it's early to push the boat out too far on exactly what the trial looks like and to disclose conversations with FDA. We -- I think that, that's the answer. Yes, thanks.

Nick Abbott: Okay. And then just going back to the next set of trials or the next trial with next-gen afami-cel and checkpoint inhibitor, I mean in the prepared comments, that statement is tied to SPEARHEAD-2. So I know you're not going to go into details, but is the plan here to test this in a broad range of tumors? Or is it more as a replacement of SPEARHEAD-2?

Elliot Norry: Yes. Correct, Nick, without going into great details, it will likely be broader than just head and neck cancer. Specifically, what tumor types are in the study we haven't discussed, but it is intended to be across tumor types, not just a single tumor type.

Operator: Your next question comes from Soumit Roy with Jones Research.

Unidentified Participant: This is [Danielle] on for Soumit. I would -- first question would be can you provide at least some color on the SPEARHEAD-2 as to -- since you ceased trial, how many patients have been enrolled and when we expect to expect data update.

Adrian Rawcliffe: Yes. So I think we have disclosed we have not enrolled any patients in that trial and if we have or we just don't have. And that's one of the reasons why we're

closing that now so that we can get on to the more potent product and combinations with the more potent product.

Danielle: Got it. And can you provide any color on the SURPASS-3, and you said that you provide further details. But as you are moving on to ovarian cancer, are you going to focus on platinum resistance or if you can provide any details on that?

Adrian Rawcliffe: Yes. Elliot, do you want to touch on that?

Elliot Norry: Yes. So the -- we haven't really given details with respect to exactly what the patient population will look like. The current trial is enrolling patients who are platinum ineligible. So not -- patients who are eligible to receive another cycle of platinum will typically get that from their physicians before being entered into a clinical trial.

Operator: Your next question is from Mara Goldstein with Mizuho.

Mara Goldstein: Great. So I just wanted to maybe drill down a little bit into the allo program. And I know you mentioned that you'll have manufacturing up later in 2022. But maybe you could talk a little bit about, if possible, the particular focus. I know the agreement calls for you to look at 5 different targets. So maybe if you could speak to us a little bit about that, that would be helpful. And then I'm just curious just on the allogeneic program given what we've seen obviously with Allogene's program and how you think about that vis-a-vis approaching FDA with your IND?

Helen Tayton-Martin: Thanks, Mara. This is Helen Tayton-Martin again here. Just talking to the allo program, obviously, we made reference to building out our allo manufacturing facility. But primarily for the first instance, that will be to support our internal MAGE-A4 allo program. That will be the first into the clinic and the IND we signaled late 2023. This allo facility will initially be supporting that, but obviously the capabilities in that facility will also support collaboration programs. So I think that was the first question.

And I think in terms of focus, there is -- obviously, we have a proprietary differentiation process from our edited stem cells to T cells. That's going through the process of scale -- scaling and GMP transfer. But the work to be done having our own facility will be important as a component of that.

And I think in terms of the characterization work, which is really, I think, where it's relevant to the Allogene position, obviously, that's a donor-derived product, as opposed to the stem cell differentiated product. And we -- obviously, it's a great [human allogene, and we know the all-over evaluation] and the interactions with the agency. It will be important not just for us but others in this field to stay close to the patients as possible.

I think we're quite -- we have different system around the terms of characterization at every step of the editing process. That's always been important for our approach. And I

think that, that also gives perhaps an advantage in some ways in terms of knowing exactly what the characterization in terms of edit has generated in terms of the clone and differentiation process. So obviously, we'll pay a lot of attention, and it will be quite important in our engagements with the FDA between now and our IND filing.

Mara Goldstein: Okay. And if I could just ask a different question, which is that as you're approaching the filing for the synovial sarcoma, how are you planning to layer in a commercial organization as you approach that filing period?

Helen Tayton-Martin: So thanks, Mara. Helen again here. So in terms of the preparation, as you would imagine, given the plans on SPEARHEAD-1 trial in progress, we have been laying the groundwork for every dimension of commercial readiness obviously looking a long ways out. That obviously includes the work to prepare and scale in John's organization, and I'm sure he can touch on that, too. But we have also been looking very closely at what kinds of team we need where we need them when we need them, and they've been building accordingly. And there will be more to come on that, I think, as we get closer to the BLA filing.

Operator: And there are no further questions. At this time, I will now turn the call back over to Adrian Rawcliffe for closing remarks.

Adrian Rawcliffe: So thank you, everybody, for your questions on what has been a very busy quarter, and we look forward to being a very busy next 12 months. It's notable that the questions that you asked covered the broad spectrum of the activities that define Adaptimmune from our BLA filed all the way through our mid-stage trials and into the earliest parts of our allogeneic platform.

And also interesting that there's an increased focus, which I think is representative of the industry focus at this point in time, on the CMC aspects and actually making the product, which I think speaks to the investment that we've made over -- consistently over the last 5 years as we seek to build an integrated cell therapy company to deliver these potentially transformative therapies to patients.

And with that, thank you for your time today, and we look forward to future discussions.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect.