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Cryoport, Inc.

Full Year 2019 Earnings Conference Call

March 5, 2020

CORPORATE PARTICIPANTS

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Robert Stefanovich, *Chief Financial Officer*

Mark Sawicki, *Chief commercial Officer*

CONFERENCE CALL PARTICIPANTS

Matt, *Jefferies*

Puneet Souda, *SVB Leerink*

Pau Knight, *Janney Montgomery*

Richard Baldry, *ROTH Capital Partners*

Mason Carrico, *Stephens*

Steve Unger, *Needham*

Andrew D'Silva, *B. Riley*

PRESENTATION

Operator

Welcome to the Cryoport Inc. Full Year 2019 Earnings Conference Call. As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star, and zero.

I would now like to turn the conference over to Todd Fromer, the Managing Partner, KCSA. Please go ahead.

Todd Fromer

Thank you, Operator. Before we begin today, I would like to remind everyone that this conference call contains certain forward-looking statements. All statements that address our operating performance,

events or developments that we expect or anticipate occurring in the future are forward-looking statements. These forward-looking statements are based on Management's beliefs and assumptions and not on information currently available to our Management team. Our Management team believes these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements, because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experiences and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Item 1A, Risk Factors, and elsewhere in our annual report on Form 10-K, filed with the Securities and Exchange Commission, and those described from time to time in other reports, which we file with the Securities and Exchange Commission.

I would now like to turn the call over to Mr. Jerrell Shelton, Chief Executive Officer of Cryoport. Jerry, the floor is yours.

Jerrell Shelton

Thank you, Todd. Good afternoon, ladies and gentlemen. Thank you for joining us today. With me this afternoon is our Chief Financial Officer, Mr. Robert Stefanovich; and our Chief Commercial Officer, Dr. Mark Sawicki.

As a reminder, we have uploaded our 2019 year-end review document to our website. It can be found in the Investor Relations section under Events and Presentations. This document provides a review of our recent financial and operational performance and a general business outlook. If you have not had a chance to read it, I would encourage you to go to the website and download it. As with previous quarters, on this conference call, we will provide you with a brief general update and then we'll move to the question-and-answer session where we will address your queries regarding our Company's results.

Now for the update.

We reported record revenues of $33.9 million for fiscal year 2019, an increase of 73% from fiscal year 2018. This strong result was driven partly by our commercial agreements supporting Gilead's YESCARTA and Novartis' KYMRIAH, which contributed $8.3 million in the 12-month period, an increase of 295% or $6.2 million compared with the prior year. Revenue from our commercial agreements is expected to continue to grow throughout 2020 and will include revenue from the commercial launch of Bluebird Bio's ZYNTEGLO, commencing during the first quarter of 2020.

A record total of five Cryoport supported Marketing Authorization Applications and Biologic Licensing Applications were filed during the fourth quarter of 2019. We expect approximately 10 additional Cryoport supported MAA’s and BLA’s will be filed in 2020, based on internal information and forecasts from the Alliance for Regenerative Medicine.

As the number of cell and gene therapies and clinical trials increased, we secured new clients and expanded our market share with the global regenerative medicine market. During our fourth quarter, we added a net total of 11 clinical trials, bringing the total number of regenerative therapy clinical trials supported by Cryoport to a record 436, of which 56 are currently in Phase III compared with 357 trials at the end of 2018, of which 47 were in Phase III.

During the year, to further advance our leadership position, we invested in enhancing our platform by entering the biostorage market with the acquisition of Cryogene and launching the first ever Cryoport Express Advanced Therapy Shipper product line, which guarantees each shipper has been used only for human use, disclaimed with 99.9999% effectiveness and provides complete traceability of all equipment, components and commodities. As a result of these investments last year, we're now providing our global clients with an expanded platform of critical solutions that include both highly differentiated temperature-controlled logistics and biostorage services.

With the Regenerative Medicine market growing rapidly, Cryoport is developing a network of partners, processes and systems that support a Compliance Unified Ecosystem within the life sciences industry.

We have successfully secured several top-tier partnerships including Lonza, Vineti, McKesson, EVERSANA and further integrating other solutions into the life sciences industry by providing scalable, standardized and compliant solutions focused on the supply chain of regenerative therapies. In 2020, we are continuing to expand our global supply chain network and platform of advanced therapies for life sciences including through the build-out of Global Supply Chain Centers in Morris Plains, New Jersey and Houston, Texas.

We believe that Cryoport's strong business model and balance sheet has us well positioned for both continued organic and acquisitive growth. Our market leading position and superior technology platforms also give us the ability to scale our operations and to expand our support of the global Regenerative Medicine ecosystem as the market continues to demonstrate rapid and accelerating growth.

Now I'll turn the call over to the Operator to open the telephone lines for your questions and our answers.

Operator

Thank you. We will now begin the question-and-answer session. To join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two. We will pause for a moment as callers join the queue.

Our first question comes from Brandon Couillard with Jefferies. Please go ahead.

Matt

Hey, guys. This is Matt on for Brandon. Thanks for taking the questions. First one, if we look at the clinical trial revenues or the non-commercial biopharma revenues, essentially flat in the second half of the year versus the first half of the year, even though you added more than 20 new clinical trials in the—versus the first half. Can you just help us reconcile the trend of your ongoing growth in support of clinical trials across the three phases? Is it simply timing issues as the trials transition and ramp from their various clinical phases? Then, as a follow-up to that, the ballpark revenue ranges or bands you have historically laid out by clinical trial phase is still relevant today? Thanks.

Jerrell Shelton

Yes. It's not all of that in the answer but I'm going to turn that over to Mark Sawicki to answer your question.

Mark Sawicki

Yes. Thanks. The bottom line on clinical trial activity and associated revenues that—we use clinical trials as a pipeline for ultimately commercial revenue which has a greater revenue basis associated with the given program and cycle. Clinical trial shipments in its inherent nature have more volatility and volatility that can be associated with interruptions in trials, hold between phases or terminations due to lack of progression which obviously we outlined in the earnings release.

Matt

Thanks. Then on the Bioservices side, you made some progress cross-selling to your existing customer base there and recently onboarded several clients to the Cryogene platform. Curious if you can just provide any initial feedback, what it is about their offering that's resonating with your customers? Then anything you're penciling in for 2020 in terms of revenue synergies from Cryogene?

Jerrell Shelton

Do you want to take that Mark?

Mark Sawicki

Sure. Yes, we're absolutely seeing crossover between these Cryoport and Cryogene businesses which is one of the reasons we moved forward with the acquisition last year. We do believe that that will accelerate in this fiscal year. The primary driver behind that is folks moving towards an integrated or a single supplier supply chain. We want to not only be able to support the distribution aspects through our supply chain logistics platform, but also storage.

Matt

Super. Thanks.

Operator

The next question comes from Puneet Souda with SVB Leerink. Go ahead, please.

Puneet Souda

Yes. Hi, guys. Thanks. Jerry, first one for you and maybe Mark can chime in into it too. I wanted to understand why commercial revenue was stepping down here when revenue for both the commercial therapies were up. Can you provide maybe how much of that was ASP driven? Or is there some other dynamic that we're unclear on and just wanted to understand if—how is that shaping up in the first quarter?

Jerrell Shelton

Yes, that’s a good question, Puneet. The commercial revenues that we report are divided into two primary categories. One of these is patient and shipping related revenues. The second category is services where, for example, our customers ask us for good consulting or lane validations or custom secondary packaging or program management and that sort of thing. In the fourth quarter, there was a bit of a drop from the third quarter revenue as a result of the non-shipping services of related revenue dropping.

Puneet Souda

Would you expect that to recover again here in the first quarter? Or what's your expectation on that revenue? Or is that something we should expect it to decline through the year?

Jerrell Shelton

No. It's a constant flow. It just had a drop in that last quarter. There's constantly activity in these areas. There's always a need here. This is evolving. This an evolving space. It's going to continue to develop.

Mark Sawicki

Yes. I mean, it's—yes, the numbers will rebound.

Puneet Souda

Sorry, I didn't catch that. Can you repeat?

Mark Sawicki

Yes, I said the numbers will rebound.

Puneet Souda

Okay.

Jerrell Shelton

Mark said the same thing I said, in a different way. Just simply said the numbers will come back. We just had a drop for a quarter in those numbers.

Puneet Souda

Okay. All right. Thank you on that. Then on clinical trials, I have a bigger question. I mean, I appreciate there were two high-volume trials that were impacting the quarter. But wanted to get a view into what you're seeing so far in the year, was that one-time phenomena, one-off phenomena that you saw here and I understand these are large clinical trials but any sense that you're getting in 2020 so far on any other trials or a recovery for Phase III trials.

Jerrell Shelton

Well, Puneet, I'll start and let Mark add to it. But we do have pauses as we've explained. We just have that confluence in that last quarter. We don't anticipate that being a continuation, especially as the population grows in both clinical trials and commercial activity. Mark, would you like to add anything to that?

Mark Sawicki

No, I think Jerry is absolutely right. I mean, we're very bullish on the overall clinical activity. We have five BLAs or MAAs filed for the fourth quarter alone. We expect another 10 to be filed this year. There's very, very aggressive financing activity in the space to the tune of almost $10 billion in 2019. There's a lot of money that's being put into the space that will continue to support the clinical trial activity.

Puneet Souda

Okay. Then my last question is on—given the impact we're seeing here from coronavirus, what are you expecting for your European shipments given that this is largely shipping and logistics? Anything we should note for the first quarter and the first half of the year versus the second half? How should we think about any disruption or so far what's been—what are you seeing in the market among your customers?

Jerrell Shelton

Well, so far, Puneet, we're not seeing any significant impact, 14 of our 436 trials are in the APAC region, the most affected region. But we haven't seen any trials being overly delayed or stopped because of the virus. We are like anyone else that we will have to see how this unfolds. But we don't see any delayed or stoppage at this point.

Puneet Souda

But you are not expecting any disruptions from shipping purposes and logistics in Italy or Europe or any other locations?

Jerrell Shelton

Well, we're subject to the same things and the same issues that everyone else. We don't know how everything is going to going to unfold. What I can tell you for sure is we've had no impact up to this point. But I can't tell you what's going to be happening over the next months.

Mark Sawicki

Yes. Let me just add to that briefly. One of the things we have seen feedback on is clients coming back and asking us for our pandemic management strategy in essence. One of the unique things that Cryoport has is we have a validated cleaning protocol that Jerry mentioned in his opening remarks that disinfects our equipment down to five log, so basically 99.9999% reduction and that validated cleaning protocol has demonstrated ability to render coronavirus inactive. It destroys coronavirus so it's actually a very positive thing for us.

Puneet Souda

Okay, all right. Thank you.

Operator

Our next question comes from Paul Knight with Janney Montgomery. Please go ahead.

Paul Knight

Hi, Jerry. I know on the clinical trial, it's no surprise that the number of Phase I filings are slower in the industry while commercial therapies seem to be the ramping factor. Can you talk about Phase I, is that academics have limited budget? What do you think are the factors going on with the slower growth we're seeing from the industry on the Phase I side?

Jerrell Shelton

Well, Paul, Mark is actually in a better position to comment on that than I am so I'll turn it to him.

Mark Sawicki

Yes. Paul, the real factor is the maturation of the market. Early on when these therapies were starting to move into market, obviously they're going to move into a Phase I situation. Now that the market is starting to mature, a lot of the follow-on studies themselves because they only have safety data on the target of interest, can actually move into a late-phase or even a Phase II trial for a different indication immediately. I actually think it's a demonstration of the maturation of the market more so than anything else.

Paul Knight

Then you talked about your expansion in Houston and Morris Plains. What kind of a cap ex do you need to do this year to achieve that level? Then more specifically, I understand you have storage in Houston. But what will the Morris Plains facility—what will be there? Will it be storage? Could you just add a little color on what a global logistics center, what it looks like and what it costs in your vision?

Jerrell Shelton

Yes. I'll turn the financials over to Robert in just a moment. But let me explain what these centers are. These are Global Supply Chain Centers and the difference in the Global Logistics Center and the Global Supply Chain center is Bioservices. These two operations will be rolled out by the fourth quarter of this year and then they will be an advanced—advancement in our global supply chain network which will offer bioservices in addition to our world-class advanced logistics. Robert can tell you the investment that we're making in both of those processes.

Robert Stefanovich

Yes. Just as you remember in the past, when we set up our logistics centers, announced New Jersey, that we have clearly defined investments and executed on those. If you look at this next phase where we're setting up two Global Supply Chain Centers here in the U.S., in Houston and New Jersey, you look at investments between $3 million and $5 million. We have a clear plan for those, size-wise they're between 16,000 and 20,000 square foot. They'll provide our services around our global logistics solutions, as well as global bioservices.

Paul Knight

Okay. Thank you.

Operator

Our next question comes from Richard Baldry with ROTH Capital Partners. Please go ahead.

Richard Baldry

Thanks. Following up on that, will any of the operating cost of those facilities come on earlier in the year? Or will those be coincident with the expected completions in the fourth quarter?

Jerrell Shelton

Robert?

Robert Stefanovich

Yes. You'll see obviously costs that will come in over the next couple of quarters as we start setting up the infrastructure and building all the facilities and they will go online in Q4. That's what you should expect costs to start getting—the cost of sales as part of the only operational global supply chain center.

Richard Baldry

When I look at the gross margins, they're actually pretty strong in the quarter despite some revenue headwinds. Can you talk about where that strength came from, whether there's anything one-time oriented? Or how we would see those trends playing out as revenue scales throughout 2020? Thanks.

Robert Stefanovich

Yes. I mean, you can't really see trends at this point yet, because we're in the midst of building out the infrastructure, right? We've been able to maintain solid kind of 50%, 52%, 53% gross margins. It's not really a trend. There are not one-time events that are impacting gross margin in Q4. Our stated goal is still 60% in gross margin.

Obviously, if you look at this next year, we're building out the supply chain centers. We're not going to get there at that point in time. You'll still see some up and down in the gross margins. Ultimately, again, as we can start leveraging the facilities that we have, we will see the gross margin starting to increase.

Richard Baldry

I understand you don't give guidance, but the OpEx side has bounced around a little bit throughout 2019, had some strong quarters and some others and there's been some one-time stock things built in. What should we look at as a normalized baseline? Is the fourth quarter a good baseline to work from and work up from as you scale the infrastructure to match the top line? Again, is there anything one-time about the fourth quarter that wouldn't make it a good baseline for 2020?

Jerrell Shelton

I think if you compare our 2019 to 2018, we had about 37% growth in operating expenses. It's going to continue, because we are building all this infrastructure, we're building out capabilities so you will see an increase in operating expenses over 2019 and 2020.

But you have to understand that, again, we're still in the early phases of this industry. We're building based on the demand that we're seeing. It's very, very clear to us in terms of our expectations of revenue growth in this market. That's why we're making these investments in setting up these supply chain centers.

Richard Baldry

Okay. Last would be, to the extent you have some insights, how do you think about the likelihood that the next commercially approved therapies would either ramp similarly to the first that came—first two that have come before? Or do you think there were lessons learned in the industry that might accelerate that, because people have done some larger-scale trials? Is it easier to ramp faster once commercialisations are approved? How do we gauge—assuming when we watch some approvals, how that commercial ramp will be versus the first two? Thanks.

Jerrell Shelton

Rich, I'm going to—I'll turn it over to Mark in just a moment. But we don't expect any of these to ramp exactly the same because they have different strategies, they're different companies and so forth. I mean, Zynteglo is going to be introduced in—I think it's Germany, right? In Germany first as opposed to the United States. We don't expect that the patient population is as big as KYMRIAH or YESCARTA. You really have to look at the therapies, but Mark will add to that.

Mark Sawicki

Jerry is absolutely right. I mean, the bottom line is that each of these are independent and unique. The one variable that is beneficial though is that a lot of the reimbursement structures have been vetted and have been cleaned up over time, as well as the manufacturing strategies and the regulatory guidance from the FDA continues to mature, which will provide them with a much better understanding at which—how to move forward from a commercialization standpoint.

A lot of these guys now also have what are called certified sets of point of care. The end users are getting comfortable with using them and understanding how to introduce them to the patient population. Those are positive factors, I think, that will impact the overall cadence of these, but each of them will be independent and depends on how they roll them out on a global basis and what the patient population looks like.

Richard Baldry

Thanks.

Operator

Our next question comes from Jacob Johnson with Stephens Inc. Please go ahead.

Mason Carrico

Hey, guys. It's actually Mason on for Jacob. I just have a two-part question.

Jerrell Shelton

Jacob, we can't hear you.

Mason Carrico

Can you guys hear me?

Jerrell Shelton

A little bit better, but not much.

Mason Carrico

All right. Sorry about that. This is actually Mason on for Jacob. I have a two-part question. First, as it relates to the coming regulation and draft guidance for the industry, when could these guidelines be finalized? Then second, once finalized, what needs to happen for these standards to become the norm? How likely are they to change behavior or shipping methods?

Jerrell Shelton

That's a great question and Mark's prepared to answer that one.

Mark Sawicki

Yes. The primary guidance document that folks have been working through which is also receiving feedback from two steering bodies, one is the Standards Coordinating Body with the Alliance for Regenerative Medicine, the other one's for The Foundation for the Accreditation of Cellular Therapy, the ICO TC-276 regulation or guidance document. It's set to be submitted to the FDA in the second half of this year. We would expect that to be received and reviewed by the FDA and having refinements around regulatory requirements in early 2021 would be our expectation at this point in time.

We do believe that that guidance document, because we're participating in its construction, will be very favorable to our systems and processes, in particular compliance—chain of compliance based platform and the additional scrutiny that we provide to our clients and management and distribution aspects of our equipment in our systems. We're actually looking forward to it.

Mason Carrico

Got it. Thank you, guys.

Mark Sawicki

Our pleasure.

Operator

Our next question comes from Steve Unger with Needham. Please go ahead.

Steve Unger

Hi. Good afternoon. The 32 new clients in the quarter, that's a big number. I was curious if that had an impact on the active trial numbers that you have presented in the quarter? Or does that come in 2020? Then when it comes to new clients wins, are these coming in in the early phase or in the Phase 1? Or is this across the phases?

Jerrell Shelton

That's a good question. I'm going to turn that over to Mark Sawicki.

Mark Sawicki

Yes, so, obviously one of our key goals as an organization is to pull as much share out of the market as we can. That share constitutes the existing relationships and the expansion of clinical programs within those existing relationships, as well as capturing new clients, either start-ups or clients that haven't been using Cryoport traditionally. We're very active in capturing as many of those clients as we can. Honestly, I think that the increase in the rate of customer acquisition is a testament to our platform and folks understanding the importance of compliance and traceability factors that we have from a logistics distribution standpoint.

I think that's obviously some of the biggest drivers that we're seeing at this point in time. The timing associated with clinical identity around those is very, very specific to a given client. Some of them are

already shipping from a clinical standpoint, others may not initiate clinical trials for six to nine months based on some of the pretrial activity and consulting work that needs to get done prior to initiating any given program.

Steve Unger

Got it. That's helpful. Then was there an impact in the quarter from the Lonza relationship? If not, do you have some sort of way of characterizing the revenue impact you expect from Lonza in 2020? That's primarily outside of clinical trial activity, is my understanding.

Jerrell Shelton

We won't be giving guidance on any kind of an impact by Lonza. But what we can tell you is this: we've had a continuing relationship with Lonza for several years. Then we struck the special relationship, the special (inaudible) we announced and the special partnership we announced last year or during 2019. That relationship is developing very nicely. All of our teams do meet on a regular basis and we are actually started to see some commercial. But that's a rollout and that's going to have a strategic impact for Lonza as well as for us. Mark, you may wish to comment on that further.

Mark Sawicki

Yes, I think the only other thing I'd add is that we are already seeing crossover revenue associated with the designing of that relationship late last year. It's obviously very early in the development of that. But we are 100% confident that we will see accretive benefit on that relationship in 2020.

Steve Unger

Got it, okay. Then I wanted to touch on the reproductive win, the Inception Fertility. What is your expectations for just your reproductive medicine business? It had a good growth year in 2019. Is that core growth then expected to continue and you layer on the Inception Fertility impact to accelerated growth?

Jerrell Shelton

It's a good question, Steve. We have big plans for reproductive medicine. Heretofore, as I've stated before, we didn't have the bandwidth to really push reproductive medicine or animal health. We're making investments in both of those with resources and we just employed our first person in EMEA, for example, to focus on that area. Make no mistake about it, the Inception announcement is big. It's a big deal for us. I'll let Mark to take it from there and comment on it further.

Mark Sawicki

Yes. Just as a context, the Prelude, Inception network is the largest clinic network in the United States. Signing a deal, obviously, every single transportation event that occurs in their entire network will be running through Cryoport moving forward and we do believe that that will have substantial upside on our IVF numbers for 2020 over 2019.

Steve Unger

Great. Thank you very much.

Operator

Our next question comes from Andrew D'Silva with B. Riley FBR. Please go ahead.

Andrew D'Silva

Thanks for taking my question. Really sorry if you touched on any of this, just let me know, I have been hopping between a couple of calls. Maybe can you elaborate a little bit on the cadence you saw in 2019? Directionally, what you think we should look out for in 2020, frankly as it relates to biopharma growth? Do you think where the Street is or where the growth rate you saw in previous years is kind of a reasonable expectation as we look at 2020?

Jerrell Shelton

Andy—Andrew, you're coming through a little bit fuzzy. I don't want to assume that we heard your question when we didn't actually hear it very well. Can you restate your question? We just couldn't hear you very well.

Andrew D'Silva

Absolutely. Can you hear me better right now?

Jerrell Shelton

Yes. That's better.

Andrew D'Silva

Okay, good. Effectively what I was curious about was when we look at the biopharma cadence over 2019 and we think about 2020, should we expect a similar growth trajectory? Do you feel comfortable where consensus is as a whole? Really, any color on how biopharma should shake out would be really useful just because there are several endpoints that could take place this year depending on how they go, could be pretty significant variances.

Jerrell Shelton

Okay. I'm going to turn that to Mark.

Mark Sawicki

Yes. Obviously one of the things that we're looking at for 2020 are the fact that we have five delayed (phon) MMAs—MAAs filed in the fourth quarter alone on portfolio of clients. Obviously the timing of those from our standpoint has an impact on the cadence for 2020. But we anticipate the five new commercial launches this year, as well as 10 additional BLA or MMA filings for the quarter. We're very bullish on the year. But obviously the cadence at which those roll out will impact what the ultimate number looks like.

Andrew D'Silva

Okay. Okay. Fair enough. Then can you just touch on maybe expanding the offerings. You referenced Cryoshuttle before. I was curious if ideas like that, offerings like that are things that are being brought on through requests from clients? If so, if there's been any success to date that you can highlight?

Jerrell Shelton

Well, look, I think there—I've said this over and over in our calls about expanding both horizontally and vertically. If you just think about where we've been and what we've talked about. We've made the acquisition of Cryogene last year, expanding into bioservices. We also announced the Cryoshuttle which is picking up and it's on target. It takes a while to get validated and to have people change their methodology and so forth, but it is picking up and we expect good things out of the Cryoshuttle and we expect that need to grow in the future.

Then consulting, we've—we certainly—our consulting is picking up because we're authoritative in our field and people recognize that and the word is just getting around and it's growing.

Then you've seen us expand the product line with the revolutionary Cryoport Express advanced therapy shipper. There's no one in the industry that has that or could match it. It's those kinds of things that we're doing to expand our footprint. We're removing on an incremental basis and a very disciplined basis as well.

Andrew D'Silva

Okay, great. Last question. You talk about total trials being increasing year-over-year. I'm assuming those are just ongoing trials; you're involved in 436. Can you maybe talk about how many trials you were just generally involved in because obviously some of them fell off or weren't successful? I'm sure the net gain throughout the year is much more than 79. Am I accurate in thinking that?

Jerrell Shelton

Yes, you're accurate.

Mark Sawicki

You can take that.

Jerrell Shelton

Yes, you're absolutely accurate in that. As an example, I think Q4, there was a net increase of 11, but I think we had almost 30 trials drop out over the quarter. The net of adds was in 40s prior to the terminations, somewhere in that range. I don't have the numbers in front of me, but that's typical case for what we see.

Andrew D'Silva

Okay. I mean, you're really going through the revolving process, but continuing to grow even in—I think the fourth quarter had an anomaly just when you look at the market in general, the macro trends, that there was a lot more fallout or pushing towards getting things finished than maybe in previous quarters in a year.

You're still, even with that kind of frequency, able to grow, is that more indicative of just the market trend or—that trend being just more and more regenerative medicine and cell and gene therapy clinical trials coming underway? Or is that maybe a little bit more related to earlier companies—or companies you haven't worked with before just now understanding the really importance of what you offer?

Jerrell Shelton

It's all of the above, to be honest. It's us pulling share from other parties. It's our existing clients maturing, but clinical trial activity in its nature is volatile. It's volatile because it's experimental in nature. Our whole strategy is around long-term capture of share that drives commercial revenue through commercialization events. We're really focused on building our share in this space and maintaining those relationships as they run through towards commercialization. We're starting to see the fruits of that, obviously with a five BLAs/MAAs filed at the end of the year last year and we did another 10 this year. We could theoretically be looking at going from two commercial therapies supported in 2019 to eight or nine or 10 in—by 2021.

Andrew D'Silva

Okay, great. Hey, thank you very much. Congrats on the progress and good luck in 2020.

Jerrell Shelton

Thanks very much, Andrew.

Operator

This concludes the question-and-answer session. I would like to turn the conference back over to Jerry Shelton for any closing remarks.

Jerrell Shelton

Thank you, Operator.

Operator

This concludes today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.