

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2024

ADAPTIVE BIOTECHNOLOGIES CORPORATION

(Exact name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction
of Incorporation)

001-38957
(Commission File Number)

27-0907024
(IRS Employer
Identification No.)

1165 Eastlake Avenue East
Seattle, Washington
(Address of Principal Executive Offices)

98109
(Zip Code)

Registrant's Telephone Number, Including Area Code: (206) 659-0067

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	ADPT	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 1, 2024, Adaptive Biotechnologies Corporation (the “*Company*”) issued a press release regarding the Company’s financial results for the quarter ended June 30, 2024. A copy of the press release is attached as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 2.02 and the press release attached as Exhibit 99.1 hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release dated August 1, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Adaptive Biotechnologies Corporation

Date: August 1, 2024

By: /s/ Kyle Piskel

Kyle Piskel

Chief Financial Officer



Adaptive Biotechnologies Reports Second Quarter 2024 Financial Results

SEATTLE, Aug. 01, 2024 (GLOBE NEWSWIRE) – Adaptive Biotechnologies Corporation (“Adaptive Biotechnologies”) (Nasdaq: ADPT), a commercial stage biotechnology company that aims to translate the genetics of the adaptive immune system into clinical products to diagnose and treat disease, today reported financial results for the quarter ended June 30, 2024.

“We had another strong quarter with MRD revenue growth of 36% and delivered significant reductions in operating spend and cash burn versus prior year,” said Chad Robins, chief executive officer and co-founder of Adaptive Biotechnologies. “I am encouraged by our progress towards MRD profitability and our execution on key Immune Medicine programs with disciplined capital allocation.”

Recent Highlights

- Revenue for the second quarter of 2024 was \$43.2 million. The MRD business, which contributed 82% of revenue, grew 36% versus the second quarter of 2023.
- clonoSEQ test volume in the second quarter of 2024 grew 36% to 18,520 tests delivered versus the second quarter of 2023.
- Recognized \$3.0 million in MRD regulatory milestone revenue resulting from a biopharmaceutical partner who used data from our MRD assay to support its drug approval.
- Updated full year guidance to reflect a raise in the MRD revenue range, a decrease in operating spend and a reduction in annual cash burn.

Second Quarter 2024 Financial Results

Revenue was \$43.2 million for the quarter ended June 30, 2024, representing a 12% decrease from the second quarter in the prior year. MRD revenue was \$35.3 million for the quarter, representing a 36% increase from the second quarter in the prior year. Immune Medicine revenue was \$7.9 million for the quarter, representing a 66% decrease from the second quarter in the prior year.

Operating expenses for the second quarter of 2024, which include \$7.2 million of long-lived assets impairment charges, were \$90.5 million, compared to \$96.7 million in the second quarter of the prior year, representing a decrease of 6%. Excluding the impact of the long-lived assets impairment charges, operating expenses for the second quarter of 2024 decreased 14% compared to the second quarter of 2023. MRD operating expenses for the second quarter of 2024, which include \$2.8 million of the long-lived assets impairment charges, were \$58.4 million, representing a 1% decrease from the second quarter in the prior year. Excluding the impact of the long-lived assets impairment charges, MRD operating expenses for the second quarter of 2024 decreased 6% compared to the same period in 2023. Immune Medicine operating expenses for the second quarter of 2024, which include \$4.4 million of the long-lived assets impairment charges, were \$26.1 million, representing a 15% decrease from the second quarter in the prior year. Excluding the impact of the long-lived assets impairment charges, Immune Medicine operating expenses for the second quarter of 2024 decreased 29% compared to the same period in 2023.

Interest and other income, net was \$3.8 million for the second quarter of 2024, compared to \$3.6 million in the second quarter of the prior year. Interest expense from our revenue interest purchase agreement was \$2.7 million in the second quarter of 2024, compared to \$3.6 million in the second quarter of the prior year.

Net loss was \$46.2 million for the second quarter of 2024, compared to \$47.8 million for the same period in 2023.

Adjusted EBITDA (non-GAAP) was a loss of \$21.4 million for the second quarter of 2024, compared to a loss of \$24.8 million for the second quarter of the prior year. MRD Adjusted EBITDA (non-GAAP) was a loss of \$11.3 million for the quarter, compared to a loss of \$23.1 million for the second quarter of the prior year. Immune Medicine Adjusted EBITDA (non-GAAP) was a loss of \$7.0 million for the quarter, compared to \$1.3 million for the second quarter of the prior year.

Cash, cash equivalents and marketable securities was \$291.9 million as of June 30, 2024.

2024 Updated Financial Guidance

Adaptive Biotechnologies expects full year revenue for the MRD business to be between \$140 million and \$145 million, updated from the previous range between \$135 million and \$140 million. No revenue guidance is provided for the Immune Medicine business.

We expect full year total company operating expenses, including cost of revenue and excluding one-time costs from asset impairments and other restructuring charges, to be between \$340 million and \$350 million, updated from the previous range between \$350 million and \$360 million.

Management will provide further details on the outlook during the conference call.

Webcast and Conference Call Information

Adaptive Biotechnologies will host a conference call to discuss its second quarter 2024 financial results after market close on Thursday, August 1, 2024 at 4:30 PM Eastern Time. The conference call can be accessed at <http://investors.adaptivebiotech.com>. The webcast will be archived and available for replay at least 90 days after the event.

About Adaptive Biotechnologies

Adaptive Biotechnologies (“we” or “our”) is a commercial-stage biotechnology company focused on harnessing the inherent biology of the adaptive immune system to transform the diagnosis and treatment of disease. We believe the adaptive immune system is nature’s most finely tuned diagnostic and therapeutic for most diseases, but the inability to decode it has prevented the medical community from fully leveraging its capabilities. Our proprietary immune medicine platform reveals and translates the massive genetics of the adaptive immune system with scale, precision and speed. We apply our platform to partner with biopharmaceutical companies, inform drug development, and develop clinical diagnostics across our two business areas: Minimal Residual Disease (MRD) and Immune Medicine. Our commercial products and clinical pipeline enable the diagnosis, monitoring, and treatment of diseases such as cancer, autoimmune disorders, and infectious diseases. Our goal is to develop and commercialize immune-driven clinical products tailored to each individual patient.

Forward-Looking Statements

This press release contains forward-looking statements that are based on management's beliefs and assumptions and on information currently available to management. All statements contained in this release other than statements of historical fact are forward-looking statements, including statements regarding our ability to develop, commercialize and achieve market acceptance of our current and planned products and services, our research and development efforts and other matters regarding our business strategies, use of capital, results of operations and financial position and plans and objectives for future operations.

In some cases, you can identify forward-looking statements by the words "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. These risks, uncertainties and other factors are described under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the documents we file with the Securities and Exchange Commission from time to time. We caution you that forward-looking statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. As a result, the forward-looking statements may not prove to be accurate. The forward-looking statements in this press release represent our views as of the date hereof. We undertake no obligation to update any forward-looking statements for any reason, except as required by law.

Use of Non-GAAP Financial Measure

To supplement our unaudited condensed consolidated statements of operations and unaudited condensed consolidated balance sheets, which are prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP"), this press release also includes references to Adjusted EBITDA, which is a non-GAAP financial measure that we define as net loss attributable to Adaptive Biotechnologies Corporation adjusted for interest and other income, net, interest expense, income tax (expense) benefit, depreciation and amortization expense, impairment costs for long-lived assets, restructuring expense and share-based compensation expense. We define our segment Adjusted EBITDA in the same way to the extent the net loss attributable to Adaptive Biotechnologies Corporation and adjustments are allocable to each segment. We have provided reconciliations of net loss attributable to Adaptive Biotechnologies Corporation, the most directly comparable GAAP financial measure, to Adjusted EBITDA at the end of this press release.

Management uses Adjusted EBITDA, including segment Adjusted EBITDA, to evaluate the financial performance of our business and segments and to evaluate the effectiveness of our strategies. We present these figures because we believe it is frequently used by analysts, investors and other interested parties to evaluate companies in our industry and it facilitates comparisons on a consistent basis across reporting periods. Further, we believe it is helpful in highlighting trends in our operating results because it excludes items that are not indicative of our core operating performance.

Adjusted EBITDA, including segment Adjusted EBITDA, has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. We may in the future incur expenses similar to the adjustments we make. In particular, we expect to incur meaningful share-based compensation expense in the future. Other limitations include that Adjusted EBITDA does not reflect:

- all expenditures or future requirements for capital expenditures or contractual commitments;
 - changes in our working capital needs;
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- interest expense, which is an ongoing element of our costs to operate;
- income tax (expense) benefit, which may be a necessary element of our costs and ability to operate;
- the costs of replacing the assets being depreciated and amortized, which will often have to be replaced in the future;
- the noncash component of employee compensation expense;
- long-lived assets impairment costs; and
- the impact of earnings or charges resulting from matters we consider not to be reflective, on a recurring basis, of our ongoing operations, such as our restructuring activities and reductions in workforce.

In addition, Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

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ADAPTIVE MEDIA

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Adaptive Biotechnologies
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 43,190	\$ 48,926	\$ 85,063	\$ 86,573
Operating expenses				
Cost of revenue	19,317	17,910	37,368	36,591
Research and development	25,353	32,237	55,598	64,838
Sales and marketing	20,314	23,872	42,633	46,180
General and administrative	17,895	22,302	37,492	43,133
Amortization of intangible assets	424	423	847	842
Impairment of long-lived assets	7,205	—	7,205	—
Total operating expenses	90,508	96,744	181,143	191,584
Loss from operations	(47,318)	(47,818)	(96,080)	(105,011)
Interest and other income, net	3,766	3,612	7,988	6,636
Interest expense	(2,696)	(3,605)	(5,689)	(7,136)
Net loss	(46,248)	(47,811)	(93,781)	(105,511)
Add: Net loss attributable to noncontrolling interest	26	1	52	2
Net loss attributable to Adaptive Biotechnologies Corporation	\$ (46,222)	\$ (47,810)	\$ (93,729)	\$ (105,509)
Net loss per share attributable to Adaptive Biotechnologies Corporation common shareholders, basic and diluted	\$ (0.31)	\$ (0.33)	\$ (0.64)	\$ (0.73)
Weighted-average shares used in computing net loss per share attributable to Adaptive Biotechnologies Corporation common shareholders, basic and diluted	147,414,095	144,397,693	146,600,811	143,956,867

Adaptive Biotechnologies
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 59,824	\$ 65,064
Short-term marketable securities (amortized cost of \$232,238 and \$281,122, respectively)	232,056	281,337
Accounts receivable, net	35,610	37,969
Inventory	13,214	14,448
Prepaid expenses and other current assets	10,848	11,370
Total current assets	351,552	410,188
Long-term assets		
Property and equipment, net	55,418	68,227
Operating lease right-of-use assets	48,521	52,096
Restricted cash	2,976	2,932
Intangible assets, net	4,281	5,128
Goodwill	118,972	118,972
Other assets	3,152	3,591
Total assets	\$ 584,872	\$ 661,134
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 9,867	\$ 7,719
Accrued liabilities	6,709	8,597
Accrued compensation and benefits	9,519	13,685
Current portion of operating lease liabilities	9,806	9,384
Current portion of deferred revenue	52,225	48,630
Total current liabilities	88,126	88,015
Long-term liabilities		
Operating lease liabilities, less current portion	84,370	89,388
Deferred revenue, less current portion	38,844	44,793
Revenue interest liability, net	132,082	130,660
Other long-term liabilities	20	—
Total liabilities	343,442	352,856
Commitments and contingencies		
Shareholders' equity		
Preferred stock: \$0.0001 par value, 10,000,000 shares authorized at June 30, 2024 and December 31, 2023; no shares issued and outstanding at June 30, 2024 and December 31, 2023	—	—
Common stock: \$0.0001 par value, 340,000,000 shares authorized at June 30, 2024 and December 31, 2023; 147,462,201 and 145,082,271 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	14	14
Additional paid-in capital	1,479,832	1,452,502
Accumulated other comprehensive (loss) gain	(182)	215
Accumulated deficit	(1,238,061)	(1,144,332)
Total Adaptive Biotechnologies Corporation shareholders' equity	241,603	308,399
Noncontrolling interest	(173)	(121)
Total shareholders' equity	241,430	308,278
Total liabilities and shareholders' equity	\$ 584,872	\$ 661,134

Adjusted EBITDA

The following is a reconciliation of net loss attributable to Adaptive Biotechnologies Corporation, the most directly comparable GAAP financial measure, to Adjusted EBITDA for the periods presented (in thousands, unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss attributable to Adaptive Biotechnologies Corporation	\$ (46,222)	\$ (47,810)	\$ (93,729)	\$ (105,509)
Interest and other income, net	(3,766)	(3,612)	(7,988)	(6,636)
Interest expense	2,696	3,605	5,689	7,136
Depreciation and amortization expense	5,003	5,653	10,217	11,076
Impairment of long-lived assets	7,205	—	7,205	—
Restructuring expense	680	—	1,724	—
Share-based compensation expense	12,958	17,345	27,256	32,016
Adjusted EBITDA	<u>\$ (21,446)</u>	<u>\$ (24,819)</u>	<u>\$ (49,626)</u>	<u>\$ (61,917)</u>

Segment Information (Including Segment Adjusted EBITDA)

The following tables set forth our segment information for the three and six months ended June 30, 2024 and 2023, respectively (in thousands, unaudited):

	Three Months Ended June 30, 2024			
	MRD	Immune Medicine	Unallocated Corporate	Total
Revenue	\$ 35,284	\$ 7,906	\$ —	\$ 43,190
Operating expenses	58,361	26,133	6,014	90,508
Adjusted EBITDA	(11,289)	(7,033)	(3,124)	(21,446)
Reconciliation of Net Loss to Adjusted EBITDA:				
Net loss	\$ (23,077)	\$ (18,228)	\$ (4,943)	\$ (46,248)
Net loss attributable to noncontrolling interest	—	—	26	26
Net loss attributable to Adaptive Biotechnologies Corporation	(23,077)	(18,228)	(4,917)	(46,222)
Interest and other income, net	—	—	(3,766)	(3,766)
Interest expense	—	—	2,696	2,696
Depreciation and amortization expense	2,604	1,967	432	5,003
Impairment of long-lived assets	2,819	4,386	—	7,205
Restructuring expense	561	119	—	680
Share-based compensation expense	5,804	4,723	2,431	12,958
Adjusted EBITDA	<u>\$ (11,289)</u>	<u>\$ (7,033)</u>	<u>\$ (3,124)</u>	<u>\$ (21,446)</u>

	Three Months Ended June 30, 2023			
	MRD	Immune Medicine	Unallocated Corporate	Total
Revenue	\$ 25,882	\$ 23,044	\$ —	\$ 48,926
Operating expenses	58,944	30,681	7,119	96,744
Adjusted EBITDA	(23,079)	1,264	(3,004)	(24,819)
Reconciliation of Net Loss to Adjusted EBITDA:				
Net loss	\$ (33,063)	\$ (7,636)	\$ (7,112)	\$ (47,811)
Net loss attributable to noncontrolling interest	—	—	1	1
Net loss attributable to Adaptive Biotechnologies Corporation	(33,063)	(7,636)	(7,111)	(47,810)
Interest and other income, net	—	—	(3,612)	(3,612)
Interest expense	—	—	3,605	3,605
Depreciation and amortization expense	2,267	2,608	778	5,653
Share-based compensation expense	7,717	6,292	3,336	17,345
Adjusted EBITDA	<u>\$ (23,079)</u>	<u>\$ 1,264</u>	<u>\$ (3,004)</u>	<u>\$ (24,819)</u>

	Six Months Ended June 30, 2024			
	MRD	Immune Medicine	Unallocated Corporate	Total
Revenue	\$ 67,910	\$ 17,153	\$ —	\$ 85,063
Operating expenses	118,247	49,974	12,922	181,143
Adjusted EBITDA	(28,548)	(13,960)	(7,118)	(49,626)
Reconciliation of Net Loss to Adjusted EBITDA:				
Net loss	\$ (50,337)	\$ (32,821)	\$ (10,623)	\$ (93,781)
Net loss attributable to noncontrolling interest	—	—	52	52
Net loss attributable to Adaptive Biotechnologies Corporation	(50,337)	(32,821)	(10,571)	(93,729)
Interest and other income, net	—	—	(7,988)	(7,988)
Interest expense	—	—	5,689	5,689
Depreciation and amortization expense	5,305	4,049	863	10,217
Impairment of long-lived assets	2,819	4,386	—	7,205
Restructuring expense	1,028	696	—	1,724
Share-based compensation expense	12,637	9,730	4,889	27,256
Adjusted EBITDA	<u>\$ (28,548)</u>	<u>\$ (13,960)</u>	<u>\$ (7,118)</u>	<u>\$ (49,626)</u>

Six Months Ended June 30, 2023

	MRD	Immune Medicine	Unallocated Corporate	Total
Revenue	\$ 47,309	\$ 39,264	\$ —	\$ 86,573
Operating expenses	114,969	62,353	14,262	191,584
Adjusted EBITDA	(49,465)	(6,163)	(6,289)	(61,917)
Reconciliation of Net Loss to Adjusted EBITDA:				
Net loss	\$ (67,660)	\$ (23,088)	\$ (14,763)	\$ (105,511)
Net loss attributable to noncontrolling interest	—	—	2	2
Net loss attributable to Adaptive Biotechnologies Corporation	(67,660)	(23,088)	(14,761)	(105,509)
Interest and other income, net	—	—	(6,636)	(6,636)
Interest expense	—	—	7,136	7,136
Depreciation and amortization expense	4,323	5,361	1,392	11,076
Share-based compensation expense	13,872	11,564	6,580	32,016
Adjusted EBITDA	\$ (49,465)	\$ (6,163)	\$ (6,289)	\$ (61,917)

