

Absci's ABS-201: Sequencing Two Development Paths

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Absci Corporation was advancing ABS-201 in two indications: pattern hair loss and endometriosis. Its August update described blinded interim Phase 1 data from the HEADLINE trial as favorable for early safety and tolerability, with pharmacokinetic data suggesting a half-life of at least 65 days. Those data were not an efficacy readout. In September, the company outlined a proposed Phase 2 endometriosis study, STORYLINE, with initiation anticipated in mid-2027, subject to further data review, protocol finalization, and regulatory clearance. [C1, MD&A pp. 18-19; C2, Exhibit 99.1; C3]

Absci had also completed a \$100 million underwritten equity offering in June, including a \$40 million strategic investment from Eli Lilly. The company reported \$93.6 million in net proceeds from the offering and projected that cash, cash equivalents, and marketable securities would fund operating plans into the second half of 2028 under current projections. Lilly's investment did not grant it rights to ABS-201. The runway statement was management's forecast, not a program budget. [C1, Note 7, p. 15; C2, Exhibit 99.1; C4]

For a hypothetical portfolio-planning discussion, advise Absci on how to sequence commitments across the two ABS-201 development paths as clinical and regulatory evidence develops. Should it prepare to advance both indications on their stated trajectories, gate endometriosis spending behind additional HEADLINE evidence, or explore outside support for one path? The case does not imply a fixed funding ceiling, a disclosed dispute, a Lilly development partnership, or known returns for either indication.

One molecule, different clinical paths

HEADLINE is evaluating ABS-201 for pattern hair loss. The August 11, 2026 update reported interim, blinded information: favorable early safety and tolerability across four single-ascending-dose cohorts and an estimated half-life of at least 65 days. Participants were continuing in the multiple-ascending-dose portion of the trial. The company anticipated an interim proof-of-concept update in the second half of 2026 and full proof-of-concept data in early 2027. As of the October 3 cutoff, the reviewed public disclosures contained no unblinded efficacy result. [C1, MD&A pp. 18-19; C2, Exhibit 99.1]

The endometriosis plan evolved. The August 11 release anticipated Phase 2 initiation in Q4 2026, subject to HEADLINE data and other steps. The September 24 update instead anticipated STORYLINE initiation in mid-2027. It described a proposed randomized, double-blind, placebo-controlled, dose-ranging study of approximately 150 participants across 10 or more countries. Participants would have surgically diagnosed endometriosis and moderate-to-severe

endometriosis-associated pain. The company identified pain endpoints and said two or three dose levels were anticipated. The protocol, start date, and design remained subject to finalization and regulatory clearance. The public disclosures do not explain the change from the earlier Q4 2026 expectation. [C1, MD&A p. 19; C2, Exhibit 99.1; C3, paragraphs 1-4 and forward-looking statement]

The same molecule does not make the two indication programs interchangeable. The studies have different populations, endpoints, protocols, and expected evidence timing. The case provides no indication-specific trial budget, dose-selection result, probability of success, or commercial forecast.

Financing, operating needs, and corporate strategy

At June 30, Absci reported \$107.9 million in cash and cash equivalents and \$93.3 million in marketable securities, or \$201.1 million combined. The exact statement values are \$107.865 million and \$93.277 million, totaling \$201.142 million; the separately rounded components sum to \$201.2 million. Its 10-Q said these resources should cover operating, working-capital, and capital-expenditure needs for at least 12 months after filing. The Q2 release separately projected runway into the second half of 2028 under current plans. These are distinct disclosures and management estimates; neither states a fixed clinical budget or cash freely available for a single program. [C1, balance sheet p. 7 and MD&A p. 24; C2, Exhibit 99.1]

The company's H1 operating cash use was \$53.9 million. R&D expense was \$41.9 million, up 14% year over year. Management attributed the increase to advancement of internal programs, including external preclinical and clinical development primarily for ABS-201, platform and drug-creation costs, and laboratory costs, partly offset by lower personnel-related costs. The filing did not allocate total R&D expense or future costs by indication. [C1, statement of operations p. 8, cash-flow statement p. 11, and MD&A pp. 21-25]

June financing comprised different measures. The underwritten offering generated \$100 million gross and \$93.6 million net proceeds to Absci. Lilly purchased \$40 million of shares as part of the offering. H1 net proceeds from common-stock issuance were \$106.1 million, including ATM activity; this was not the gross size of the underwritten offering. The release said Lilly's strategic equity investment did not confer ABS-201 program rights. [C1, Note 7, p. 15 and cash-flow statement p. 11; C2, Exhibit 99.1; C4]

Absci also reported partner-program revenue of \$0.3 million in Q2 and \$0.5 million in H1 2026. Three partners accounted for all Q2 and H1 partner-program revenue. The company describes these revenues as partner-program revenue, not product sales or recurring royalties; it does not publicly identify a source that would make them an ABS-201 development budget. Separately, management said it was seeking a partner for ABS-101 and discussing other programs. Those disclosures make partnership an option to examine, but do not establish an ABS-201 negotiation or terms. [C1, Note 3, p. 12 and MD&A pp. 19-21]

Three paths to consider

The choices below are hypothetical planning alternatives; none is presented as an announced corporate decision.

1. **Prepare for parallel, milestone-based progress.** Continue HEADLINE and prepare for STORYLINE's latest anticipated mid-2027 start, conditional on data review, protocol completion, and regulatory clearance. The potential advantage is preserving both indication paths. The challenge is that trial budgets, resource needs, and indication-level returns are not disclosed.

2. **Sequence endometriosis behind additional HEADLINE evidence.** Maintain the pattern-hair-loss program and make later endometriosis commitments conditional on safety/PK follow-up, proof-of-concept evidence, dose selection, and regulatory feedback. This could limit commitments before new information arrives, but may delay a potentially valuable indication path. No source says Absci has adopted this policy or must choose one indication over the other.
3. **Explore external support for one path.** Consider whether a future partner could contribute expertise or share some development costs for one indication while Absci retains the other. Any such arrangement would require negotiation; no partner, rights, cost-sharing, milestones, or economics for ABS-201 are disclosed. Lilly's equity investment is not a program partnership.

Your assignment

Recommend how Absci should sequence ABS-201 commitments across pattern hair loss and endometriosis. Explain the evidence behind your choice, identify the strongest counterargument, and state what information would change your decision.

- What new information is expected from HEADLINE, and what does the blinded safety/PK update not establish?
- Which commitments should be made before the proposed STORYLINE trial begins, and which can wait for later evidence?
- How should management weigh the two runway disclosures, current cash/securities, and the June financing without treating any as a fixed program budget?
- Could external development support add value for one indication? What would have to be negotiated, and what does Lilly's equity investment actually provide?
- What safety, PK, efficacy, protocol, regulatory, enrollment, cost, and financing milestones should trigger continue, expand, pause, or partner decisions?

Exhibit 1. ABS-201 development timeline as publicly described

Date / disclosure	Pattern hair loss - HEADLINE	Endometriosis - STORYLINE
Aug. 11, 2026	Phase 1/2a; blinded interim safety/tolerability and PK update; POC timing anticipated for H2 2026 and full data in early 2027	Phase 2 initiation earlier anticipated in Q4 2026, subject to data and regulatory steps
Sept. 24, 2026	No new HEADLINE efficacy result in this release	Preliminary randomized, double-blind, placebo-controlled, dose-ranging Phase 2 plan; ~150 participants, 10+ countries; mid-2027 initiation anticipated, subject to protocol finalization and regulatory clearance

Sources: C1, MD&A pp. 18-19; C2, Exhibit 99.1; C3. The Sept. 24 plan supersedes the earlier start expectation as of the cutoff. Timelines and study design are company expectations, not completed milestones. The August safety/PK data were blinded, not efficacy evidence.

Exhibit 2. Financial position and financing disclosures

Item	Amount	Definition / limitation
Cash and cash equivalents, June 30	\$107.9m	Balance-sheet stock
Marketable securities, June 30	\$93.3m	Balance-sheet stock
Combined cash and securities	\$201.1m	Arithmetic sum of exact reported balances
June underwritten offering	\$100.0m gross; \$93.6m net to Absci	Lilly purchased \$40m of shares within the offering
H1 common-stock issuance proceeds	\$106.1m net	Includes ATM activity; not the underwritten-offering net amount
H1 operating cash use	\$53.9m	Six months ended June 30; not a simple annual run-rate forecast
Runway disclosures	At least 12 months after filing; separately, into H2 2028	C1 sufficiency statement and C2 management projection are distinct formulations, not a program budget

Sources: C1, balance sheet p. 7, cash-flow statement p. 11, Note 7 p. 15 and MD&A p. 24; C2, Exhibit 99.1; C4. Exact balances from the 10-Q are \$107.865m + \$93.277m = \$201.142m. The one-decimal component figures shown above sum to \$201.2m only because each is rounded separately; the combined amount rounds to \$201.1m. Do not treat the \$100m gross offering, \$93.6m net offering proceeds, \$106.1m H1 stock proceeds, and \$201.1m June 30 cash/securities balance as additive.

Exhibit 3. Q2 and H1 financial context

Measure	Q2 2026	H1 2026	Comparison / boundary
Partner-program revenue	\$0.318m	\$0.533m	Prior year \$0.593m / \$1.772m; not product or recurring revenue
R&D expense	\$22.616m	\$41.891m	Prior year \$20.458m / \$36.822m; management cites program, platform and lab costs
SG&A expense	\$9.164m	\$18.222m	Prior year \$8.528m / \$18.000m
Net loss	\$33.210m	\$62.809m	GAAP, unaudited

Source: C1 statements of operations p. 8, Note 3 p. 12, and MD&A pp. 21-23. Values in USD millions. The company does not provide an ABS-201-specific R&D budget or indication-level return.

Source notes

- **C1:** Absci Corporation, Form 10-Q, quarter ended June 30, 2026, filed August 11, 2026. [SEC filing](#).

- **C2:** Absci Corporation, Q2 2026 results Form 8-K and Exhibit 99.1 release, filed/furnished August 11, 2026. [SEC index and exhibits](#).
- **C3:** Absci Corporation, preliminary STORYLINE Phase 2 details, September 24, 2026. [Issuer release](#).
- **C4:** Absci Corporation, June 2026 underwritten offering and prospectus supplement. [SEC prospectus](#).