Supplement Documents for Financial Results Q2 FY12/20

Aug 11, 2020

Chiome

To accelerate drug discovery and development of mAb for therapeutics to overcome current medical unmet-needs

Chiome Bioscience Inc.

Agenda

1．Overview of Q2 FY12/20 “Financial results”

2．Overview of Q2 FY12/20 “Operation highlights”

Appendix.

- Corporate information
- Pipeline information

Overview of Q2 FY12/20 “Financial results”

Financial results: Profit and Loss

(JPY in millions)

	Q2 FY2019	Q2 FY2020	Increase (decrease)	
Net sales	140	173	32	
Drug Discovery & Development	1	1	0	
Drug Discovery Support	139	171	32	• Growth in business with domestic pharmaceutical companies
COS/SGA	890	909	18	
R&D Expense	636	608	(27)	• Cost of GLP toxicology study and drug manufacturing and CRO for CBA-1205
Other costs	254	300	46	• Costs of the expansion of laboratories and increasing equipment.
Operating Loss	(749)	(735)	(13)	
Ordinary Loss	(758)	(735)	(22)	
Net Loss	(757)	(736)	(21)	

Financial results: Balance Sheet

(JPY in millions)

	As of Dec. 31, 2019	As of Jun. 30, 2020
Current assets	2,561	2,804
(Cash on hand in banks)	2,105	2,472
(Other current assets)	456	332
Non-current assets	247	249
Total assets	2,808	3,054
Current Liabilities	145	427
Non-current liabilities	41	41
Total liabilities	186	468
Total net assets	2,621	2,585
Total liabilities and net assets	2,808	3,054

Financial results: Cash Flows

(JPY in millions)

	Q2 FY2019	Q2 FY2020
Cash flows from operating activities	(677)	(528)
Cash flows from investing activities	–	–
Cash flows from financing activities	1,248	894
Net increase (decrease) in cash and cash equivalents	570	366
Cash and cash equivalents as of the beginning of the year	2,328	2,105
Cash and cash equivalents as of the end of the year	2,899	2,472

【Cash flows from operating activities】
・Expenses for GLP toxicology study, drug Manufacturing and CRO for CBA-1205.

【Cash flows from financing activities】
・Proceeds from issuance of shares resulting from exercise of subscription rights to shares SMBC Nikko Securities Inc.

Overview of Q2 FY12/20 “Operation highlights”

Business Segment

Drug Discovery and Development Business

To discover and develop novel antibody drugs in-house or in collaboration with a partner up to late pre-clinical stage which enables to prepare data package for IND or early clinical stage in therapeutic areas where high unmet medical needs exist. The drug candidates will be out-licensed to pharmaceutical company under appropriate financial conditions such like upfront, milestone, and royalty payments etc.

Drug Discovery Support business

To provide “fee-for-service” to pharmaceutical and diagnostics company, and academia to support their research works. Main line of this business is 1) to generate a monoclonal antibody for their targets by our proprietary platform, and 2) to express, culture, and purify proteins including antigen and antibody.

Pipeline

Out-Licensed Product

Code	Target	Therapeutic Area	Basic research, Drug Discovery	Preclinical Study	Clinical Trials	Partner
ADCT-701 (LIV-1205 ADC)	DLK-1	Oncology /ADC				ADC THERAPEUTICS

Pipelines

Project	Target	Therapeutic Area	Basic research, Drug Discovery	Preclinical Study	Clinical Trials	Status
CBA-1205 (ADCC enhanced)	DLK-1	Oncology				Phase 1
CBA-1535 (Tribody)	5T4×CD3 ×5T4	Oncology				GMP manufacturing
LIV-2008 /2008b	TROP-2	Oncology				Licensing opportunity
BMAA	SEMA3A	DME, Others				SemaThera (Exclusive option agreement)
Discovery PJ (6)	Undisclosed	Oncology infectious/ rare diseases				–

As of Jul.31,2020

Pipeline

CBA-1205 Humanized afucosylated anti-DLK1 antibody	• A contract to conduct Phase I Study of CBA-1205 between Chiome and 2 sites of National Cancer Center Hospital (Center and East) have concluded in July. • The first patient has already been dosed in early August.
CBA-1535 Humanized anti 5T4/WAIF1 antibody, multi-specific antibody	• CMC development progressed on track towards CTA submission in the UK in the second half of 2021 onwards. • Patent was granted in Japan on Apr. 22.
LIV-2008 Humanized anti-TROP2 antibody	• Under evaluation for in-licensing by several pharmaceutical companies.
BMAA Humanized anti-Semphorin3A antibody	• Being evaluated by SemaThera Inc. under Collaborative Development License and Exclusive Option Agreement concluded in March 2018.
Discovery PJ	• Filed a new patent application for an oncology project. • Initiated collaboration with bio-ventures and academia for new discovery projects.
ADCT-701 Out-Licensed Product	• ADC Therapeutics is continuing preparations for an IND. • IND is expected to be submitted in 2020 or afterwards.

Phase I clinical trial of CBA-1205
Recruitment of first patient

- In July, Chiome and 2 sites of National Cancer Center Hospital (Center and East) have concluded a contract to conduct Phase I Study of CBA-1205. The first patient has already been dosed in early August. In this study, initially, patients with solid tumor who have no standard treatment, or are refractory or intolerant to standard treatment are enrolled.
- In the first part of the trial, safety and tolerability in patients with solid tumor will be evaluated. In the expansion part, safety and efficacy at the recommended dose in patients with advanced and/or recurrent hepatocellular carcinoma will be evaluated.

<Registration in Japan Pharmaceutical Information Center database>

JapicCTI-No.	組織名 / sponsor name	試験の名称 / study title
JapicCTI-205384	株式会社 カイオム・バイオサイエンス	CBA-1205第I相臨床試験
	Chiome Bioscience Inc.	Phase I study of CBA-1205

Human ADLib® system
Japanese patent registration / Publication

- **The patent of human ADLib® system was granted in Japan.**

  Japanese patent titled “Cells for producing human antibody” which consists our proprietary antibody platform technology has been granted in June 2020.

- **The paper of human ADLib® system has been published.**

  Achievement of collaborative research with Univ. of Tokyo about proof of concept and applicative research of human ADLib® system has been published in peer-reviewed international journal.

Title :
Streamlined human antibody generation and optimization by exploiting designed immunoglobulin loci in a B cell line

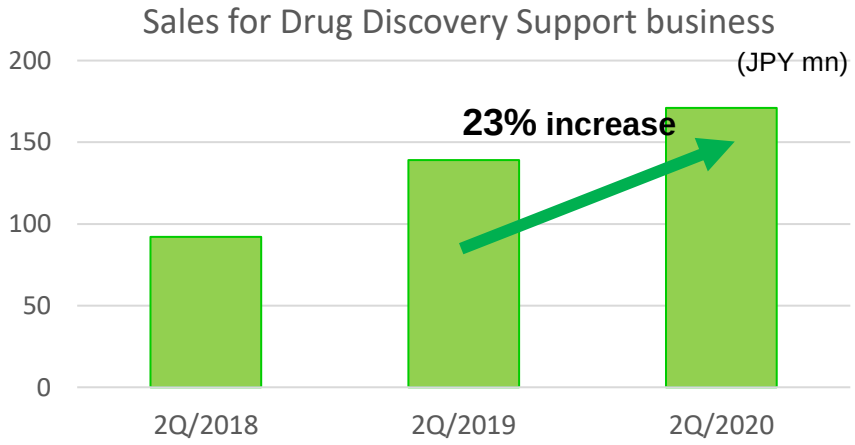
Highlight :
Here, we report the development of a human version of the ADLib system and showcase the streamlined generation and optimization of functional human mAbs.
From human ADLib antibody libraries, clones producing full-length human IgGs against distinct antigens such as VEGF and TNFα can be isolated, as exemplified by the selection of antagonistic mAbs. Effective affinity maturation was achieved in a straightforward manner by seamless diversification of the parental clones into secondary libraries followed by single-cell sorting, quickly affording mAbs with improved affinities and functionalities.

Journal : Cellular & Molecular Immunology (Online)
https://www.nature.com/articles/s41423-020-0440-9

Drug Discovery Support

Business with pharmaceutical companies, etc.

- Sales increased by 23% year-on-year due to growth of business with domestic pharmaceutical companies.
  - Despite temporal slowdown in business activity at Chiome and clients following the Declaration of Emergency due to pandemic of COVID-19, the impact on sales in this period due to COVID-19 was limited.



- Contract antibody generation projects against COVID-19 in progress. Recorded sales for projects completed in this quarter.
- Expansion of laboratories and equipment in anticipation of increasing inquiries from customers.

Financing

➢ Issued series 17th Subscription Rights to Shares to SMBC Nikko Securities Inc. On May. 27, 2020.

<Use of funds>

- to expand pipeline for continuous deliver innovative drugs
- to enhancement of technology platform

Use of funds	Cost (million JPY)	Scheduled period of spending
① Pre-clinical study for a new ADC pipeline and research on discovery projects in oncology and infectious/rare diseases.	1,764	Jul.2020-Dec.2022
②Development of new pipeline by utilizing multispecific antibody generation technology (Tribody™)	250	Jul.2020-Jun.2022
③ Acquisition of new antibody generation technologies and new pipelines.	400	Jan.2021-Dec.2022

< Status of Exercise(as of end of July 2020) >

Total number of shares exercised: 3,352,200/7,000,000 shares (47.9%)

Total value exercised: 1,060 million yen

COVID-19 Business Impact

Despite changes, delays, and postponements of some operations made by the Company and its customers due to the spread of COVID-19, impact on the financial performance in this period was limited.

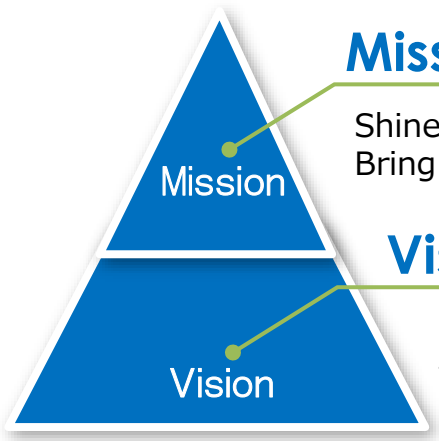
The Company's performance might be affected if the pandemic continues for a long period of time, causing the Company, research institutes, and business partners to suspend their businesses, close facilities, or delay procedures by authorized agencies in the country or region in which the Company conducts business.

The Company is currently conducting business under a business contingency plan that includes remote working and flexible work shift to cope with the spread of COVID-19.

Appendix. Corporate information

Corporate Overview

Biotech company dedicating to satisfy unmet medical needs



Mission

Shine light on unmet needs.
Bring a brighter future to patients.

Vision

Will become No. 1 biotech venture that discovers and develops antibody drugs for unmet medical needs

Management principle

- Place the highest priority on sound management and credibility and aim to become a corporation that grows with society.
- With creativity and science, develop therapeutic drugs for unmet medical needs, and contribute to the health of patients.
- Achieve successive product pipelines and improvement of corporate value through collaboration with external institutions.

■ Founded:
February 2005

■ Listed on the stock exchange:
December 2011
(Tokyo Stock Exchange Mothers Section)

■ President and Chief Executive Officer:
Shigeru Kobayashi, M.E.

■ Location :
<Head Office and Research Laboratories>
3-12-1Honmachi, Shibuya-ku, Tokyo
<Drug Discovery Laboratories>
2-13-3 Nogawahonchou, Miyamae-ku, Kawasaki-city, Kanagawa

■ Number of Employees :
56 (As of Jun. 30 ,2020)

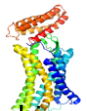
■ Business :
Chiome Bioscience (4583.T), is a public company leveraging a proprietary monoclonal antibody generating technology, for drug discovery and development, as well as providing drug discovery supports.

Core competence for developing business

Technology Platform (Chiome's mAb Discovery Engine)

Preparation of recombinant proteins

Expression



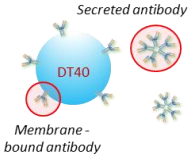
Recombinant proteins

Membrane proteins

Purification

MAb Generation Platform

ADLib®system



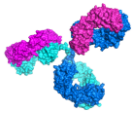
Animal immunization

B cell cloning

Hybridoma

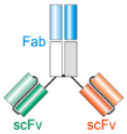
MAb Engineering

Affinity maturation



Functional evaluation

Multi-specific antibody



Lab-scale mAb production

Chiome possesses antibody platforms including its proprietary technology, and extensive know-hows and experiences in protein/antibody engineering to streamline the process of drug discovery.

This enables us to contribute in

Drug Discovery and Development

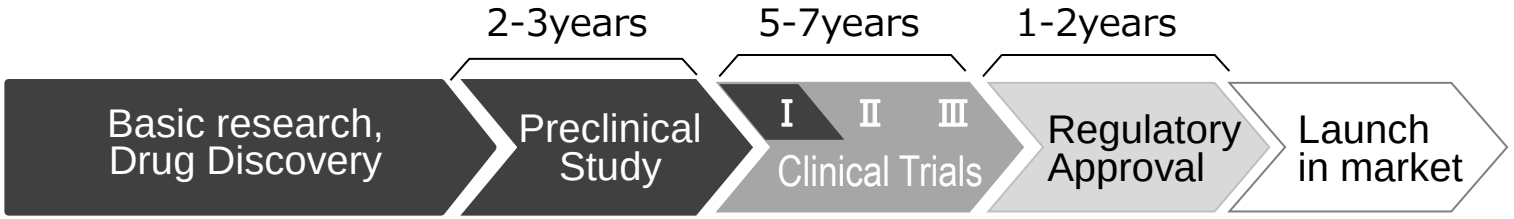
Development of therapeutic drug and diagnostic agent

Drug Discovery Support

Contract service for drug discovery

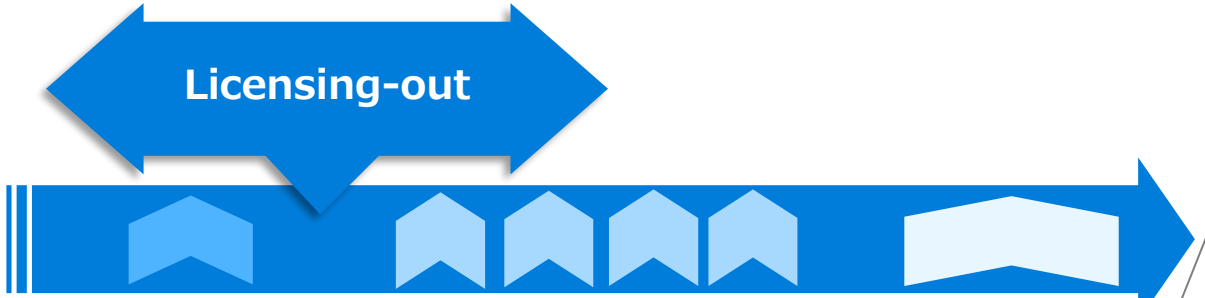
Revenue Model

Drug development process and Chiome's revenue model



Drug Discovery

Revenues by licensing-out patents of pipeline product and drug candidates to pharmaceutical companies.



Drug Discovery Support

Revenues by providing drug discovery supporting services to pharmaceutical and diagnostics company, and academia.

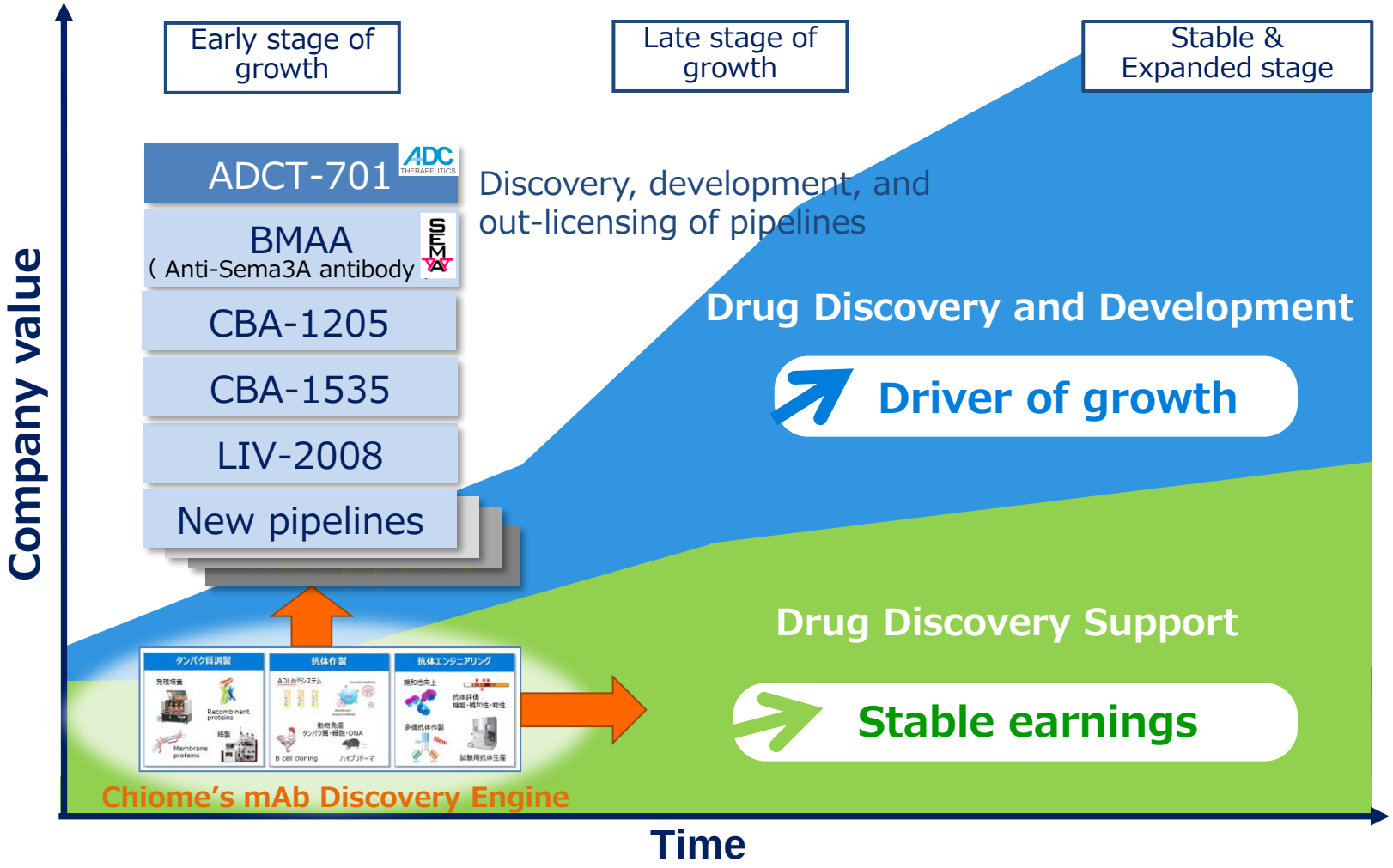
Contract service

<Key business accounts>

Name of accounts	Entering date
Chugai Pharmaceutical Co., Ltd.	Jun. 2011
Chugai Pharmabody Research Pte. Ltd.	Aug. 2012
Mitsubishi Tanabe Pharma Corporation Tanabe Research Laboratories U.S.A., Inc.	Dec. 2016
Ono Pharmaceutical Co., Ltd.	Oct. 2018
Kyowa Kirin Co., Ltd.	July 2019

Our stability and growth potential

Core technology will sustain continuous development of therapeutic antibody while offering higher quality of service



Appendix. Pipeline information

Pipeline -Out-Licensed-

ADCT-701* (Humanized anti-DLK1 antibody ADC)

- ✓ An Antibody Drug Conjugate (ADC) form of LIV-1205 that was licensed out to Switzerland-based ADC Therapeutics SA in September 2017.
- ✓ ADCT has completed pharmacology and toxicology studies required for an IND submission and is continuing preparations for an Investigational New Drug Application (IND).

*Chiome granted ADCT a worldwide exclusive license with a right to sublicense, develop, manufacture, and commercialize an ADC format of LIV-1205, which is coded “ADCT-701”.

ADC THERAPEUTICS

Pipeline -In-house program-

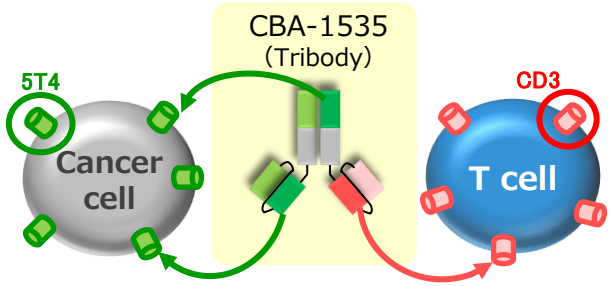
CBA-1205（Humanized afucosylated anti-DLK1 antibody）

First in class

- ✓ A humanized antibody generated by hybridoma technology in Livtech which Chiome acquired in 2015.
- ✓ Therapeutic Area : Liver cancer, lung cancer, neuroblastoma etc.
- ✓ Patent : Granted in Japan, US, Europe, China etc.
- ✓ Unmet needs that we should satisfy : Providing new therapeutics for highly malignant tumors without effective therapeutic drugs including hepatocellular carcinoma.

CBA-1535（Humanized anti 5T4 antibody, multi-specific antibody）

- ✓ CBA-1535 is a T-cell engager, trispecific antibody, directed against the 5T4 tumor antigen, a protein found on various solid tumors and is thought to be involved in metastasis.
- ✓ Therapeutic Area ：Malignant mesothelioma, small cell lung cancer, non small cell lung cancer, TNBC etc.
- ✓ Patent : Granted in Japan, Pending in US, Europe etc.



Pipeline -In-house developed-

LIV-2008（Humanized anti-TROP2 antibody）

- ✓ LIV-2008 is a humanized monoclonal antibody targeting cell surface antigen "TROP-2" which is overexpressed in breast cancer, colon cancer, lung cancer and several types of solid cancers and also expected to play a key role in the proliferation of cancer cells.
- ✓ Therapeutic Area : Breast cancer (TNBC), lung cancer, colorectal cancer etc.
- ✓ Patent : Granted in Japan, US, EU, China etc.

BMAA（Humanized anti-Semaphorin3A antibody）

First in class

- ✓ A humanized antibody generated using the ADLib® System.
- ✓ Chiome has granted SemaThera Inc. an exclusive option right to obtain a worldwide exclusive license to develop the antibody as a therapeutic and/or diagnostic agent.
- ✓ Therapeutic Area : Diabetic macular edema (DME)
- ✓ Patent : Granted in Japan, US and Europe etc.


Shine light on unmet needs.
Bring a brighter future to patients.
To accelerate drug discovery and development of mAb
for therapeutics to overcome current medical unmet-needs

Disclaimer

- Materials and information provided during this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements.

- Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations.

- The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.