

## Non-consolidated Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023

(All financial information has been prepared in accordance with the Generally Accepted Accounting Principles in Japan)

November 11, 2022

Company name: Perseus Proteomics Inc.      Stock market listing: Tokyo Stock Exchange  
 Security code: 4882      URL: <https://www.ppmx.com/en/>  
 Representative: Takuya Yokokawa, President & CEO  
 Contact: Shinichi Suzukawa, Board member, Head of Administrative Department      TEL: +81-3-5738-1705  
 Scheduled date to commence dividend payment: -  
 Scheduled date to file Securities Report: November 11, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Amounts below one million yen were rounded down.)

### 1. Financial Results for the six months ended September 30, 2022 (April 1, 2022 – September 30, 2022)

#### (1) Operating results

(% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2022	47	61.4	(306)	-	(288)	-	(363)	-
September 30, 2021	29	-	(245)	-	(263)	-	(274)	-

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2022	(30.87)	-
September 30, 2021	(26.77)	-

(Note) 1. The Company had not prepared quarterly non-consolidated financial statements for the six months of the fiscal year ended March 31, 2021. Accordingly, no percentage changes are shown for the six months ended September 30, 2021.

2. Diluted earnings per share is not shown although the Company has potential dilutive shares, as net loss per share was recorded.

#### (2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
As of September 30, 2022	2,889	2,799	96.5
March 31, 2022	3,300	3,152	95.5

(Reference) Shareholders' equity: As of September 30, 2022: 2,789 million yen

As of March 31, 2022: 3,152 million yen

### 2. Cash dividends

	Dividend				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2022	-	0.00	-	0.00	0.00
FY ending March 31, 2023	-	0.00			
FY ending March 31, 2023 (Forecast)			-	0.00	0.00

(Note) Revision from the most recently announced dividend forecast: No

### 3. Financial results forecast for the fiscal year ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	77	7.4	(703)	-	(736)	-	(854)	-	(72.62)

(Note) Revision from the most recently announced financial results forecast: No

## Notes

- |                                                                                                    |                   |
|----------------------------------------------------------------------------------------------------|-------------------|
| (1) Adoption of special accounting methods for preparation of quarterly financial statements:      | None              |
| (2) Changes in accounting policies, changes in accounting estimates, and restatement               |                   |
| (i) Changes in accounting policies due to revisions to accounting standards and other regulations: | None              |
| (ii) Changes in accounting policies due to other reasons:                                          | None              |
| (iii) Changes in accounting estimates:                                                             | None              |
| (iv) Restatement:                                                                                  | None              |
| (3) Number of issued shares (common shares)                                                        |                   |
| (i) Total number of issued shares at the end of the period (including treasury shares)             |                   |
| As of September 30, 2022:                                                                          | 11,759,400 shares |
| As of March 31, 2022:                                                                              | 11,759,400 shares |
| (ii) Number of treasury shares at the end of the period                                            |                   |
| As of September 30, 2022:                                                                          | 47 shares         |
| As of March 31, 2022                                                                               | - shares          |
| (iii) Average number of shares outstanding during the period                                       |                   |
| As of September 30, 2022:                                                                          | 11,759,383 shares |
| As of September 30, 2021:                                                                          | 10,238,110 shares |

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecasts, and other special matters

The forward-looking statements, including financial results forecasts, contained in these materials are based on information currently available to Perseus Proteomics Inc. (hereinafter “the Company”) and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

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## 1. Qualitative information on quarterly non-consolidated business results

### (1) Explanation of business results

The global economy during the six-month period of the fiscal year ending March 31, 2023 has been continuously uncertain due to factors including the prolonged invasion of Ukraine by Russia and increase in raw materials costs. In the Japanese economy, movements of recovery have been seen, however, the same downside risks as those in the global economy have lingered.

The medical industry, to which the Company belongs, has continued to face the important problems including measurement to novel infectious diseases like COVID-19 and establishment of therapies against the diseases with growing number of patients such as cancer and dementia throughout the world. Under such circumstances, the Company has strived to promote its business proactively, focusing on drug discovery area.

The outline of the result of each business area is as follows:

#### 1) Drug Discovery

During the six-month period, no sales were booked in drug discovery, however, the Company has been proceeding with antibody development mainly in cancer field by utilizing its efficient antibody obtaining platforms. The Company has been developing three antibodies against cadherin 3 (CDH3) and transferrin receptor (TfR) while researching and developing many other antibodies to be next therapeutic drug candidates following them. The progress of each pipeline is as follows:

##### a. PPMX-T002

PPMX-T002 is an anti-cancer drug candidate consisting of an antibody targeting CDH3, which is highly expressed on cancer cells, connected with yttrium 90 ( $^{90}\text{Y}$ ), a radioisotope (RI). The Company has been continuously discussing its development details with PeptiDream Inc. and its subsidiary, PDRadiopharma Inc. The Company will strive to promote collaboration with an RI medical drug developing company considering the possibility of change of the RI to increase its efficacy.

##### b. PPMX-T003

PPMX-T003, a unique human antibody, was obtained through the patented screening technology, ICOS method, from the unique phage library of the Company. It targets TfR, which is related to iron uptake into cells and is highly expressed on cancer cells that proliferate at a significant pace. When this antibody binds to TfR, it inhibits iron uptake into cancer cells, which provides anti-tumor effect of inhibiting cancer cell proliferation. As PPMX-T003 is expected to have therapeutic effects for various types of cancers, the Company has been proactively proceeding with its development.

Other than cancer cells, TfR is highly expressed on erythroblasts, which develops into red blood cells. Therefore, the Company selected polycythemia vera (PV), a disease where red blood cells increase abnormally, as its first indication. The Company has been conducting the phase I study in Japan expecting that the function of PPMX-T003 to inhibit iron uptake would work effectively. The first and second patients were dosed in August 2022 as a result of the amendment of the inclusion criteria to reflect the clinical practice in recruiting PV patients. As the Company has also been preparing for addition of clinical trial locations, the Company expects the phase I clinical trial to end as the plan.

The Company has also been proceeding with joint research on drug discovery for aggressive NK cell leukemia (ANKL), an ultra-rare disease. The research was adopted as Project Promoting Support for Drug Discovery Support Program for Orphan drug prior to the Designation by Japan Agency for Medical Research and Development (AMED) in March 2022. Currently, the Company has been preparing for submission of a protocol of an investigator-led clinical trial with the research group of Tokai University, medical institutes, and other related parties.

Also, the Company has been proceeding with joint research on drug discovery with Nagoya University, Fujita Health University, and Gunma University, to clarify the mechanism of action as a therapeutic drug for blood cancers including acute myeloid leukemia and multiple myeloma as well as solid tumor.

##### c. PPMX-T004

PPMX-T004 is an antibody drug conjugate (ADC) targeting CDH3. Currently the Company has been studying

the latest therapeutic drug, linker to connect the drug with the antibody, and others to decide the best combination.

ADC is expected to have high clinical effects regardless of immune function conditions of patients, as it can kill the targeting cells specifically by bringing the connected drug into the cell.

Other than the pipeline above, the Company has been making assessment of UT28K, the COVID-19 super-neutralizing antibody, a therapeutic drug candidate for various variants of COVID-19 with the University of Toyama and Toyama Prefecture. The research group has been conducting animal experiments to prove its therapeutic effect aiming at adoption as a subsidy program.

## 2) Antibody Research Support

The sales from antibody research support were 3,320 thousand yen during the period.

## 3) Antibody and Reagent Sales

The sales from antibody and reagent sales were 44,180 thousand yen, almost as planned. The Company has also continued to develop the Quick Detection Kit of Pentraxin3 with Wakunaga Pharmaceutical Co., Ltd. to determine exacerbation of diseases associated with vascular inflammation including pneumonia caused by COVID-19.

As a result, sales of the six months ended September 30, 2022 were 47,500 thousand yen (61.4% increase year on year).

As for profits, operating loss was 306,688 thousand yen (245,986 thousand yen in the same period of the previous year), ordinary loss was 288,604 thousand yen (263,757 thousand yen in the same period of the previous year), and loss was 363,049 thousand yen (274,037 thousand yen in the same period of the previous year).

Segment information is omitted as the Company has a single business segment, the pharmaceutical business.

## (2) Explanation of business results forecast and other forecasts

There is no change in business results forecast of the fiscal year ending March 31, 2023 from the forecast in “Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2022” announced on May 13, 2022.

## 2. Non-consolidated financial statements

### (1) Statement of balance sheet

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,214,852	2,820,171
Accounts receivable - trade	10,115	15,276
Finished goods	783	1,035
Supplies	2,504	2,276
Advance payments - trade	22,172	9,087
Prepaid expenses	4,866	10,963
Consumption taxes receivable	35,299	19,772
Other	211	816
Total current assets	3,290,806	2,879,399
Non-current assets		
Property, plant and equipment	0	0
Intangible assets	0	0
Investments and other assets	9,724	9,994
Total non-current assets	9,724	9,994
Total assets	3,300,530	2,889,393
<b>Liabilities</b>		
Current liabilities		
Accounts payable-other	114,569	26,512
Accrued expenses	11,548	19,161
Income taxes payable	19,672	11,772
Deposits received	2,585	2,826
Provision for bonuses	-	4,566
Total current liabilities	148,375	64,838
Non-current liabilities		
Long-term deposits received	-	25,000
Total non-current liabilities	-	25,000
Total liabilities	148,375	89,838
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,939,252	1,939,252
Capital surplus	2,225,142	2,225,142
Retained earnings	(1,012,240)	(1,375,289)
Treasury shares	-	(20)
Total shareholders' equity	3,152,154	2,789,085
Share acquisition rights	-	10,470
Total net assets	3,152,154	2,799,555
Total liabilities and net assets	3,300,530	2,889,393

## (2) Statement of income

(Thousand yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	29,437	47,500
Cost of sales	399	2,834
Gross profit	29,037	44,665
Selling, general and administrative expenses		
Research and development cost	154,181	214,034
Other	120,842	137,320
Total selling, general and administrative expenses	275,024	351,354
Operating loss	(245,986)	(306,688)
Non-operating income		
Interest income	21	26
Subsidy income	234	285
Foreign exchange gains	851	17,791
Other	1	1
Total non-operating income	1,107	18,103
Non-operating expenses		
Listing expenses	9,531	-
Taxes and dues	9,346	-
Other	-	19
Total non-operating expenses	18,878	19
Ordinary loss	(263,757)	(288,604)
Extraordinary losses		
Impairment losses	9,316	73,481
Total extraordinary losses	9,316	73,481
Loss before income taxes	(273,073)	(362,085)
Income taxes – current	963	963
Total income taxes	963	963
Loss	(274,037)	(363,049)

### (3) Statement of cash flows

(Thousand yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Loss before income taxes	(273,073)	(362,085)
Depreciation and amortization	388	2,081
Impairment losses	9,316	73,481
Interest income	(21)	(26)
Share issuance costs	17,446	-
Share-based remuneration expenses	-	10,470
Decrease (increase) in trade receivables	3,866	(5,161)
Decrease (increase) in inventories	(39)	(23)
Increase (decrease) in accounts payable - other	22,589	(7,883)
Increase (decrease) in long-term deposits received	-	25,000
Other, net	16,268	10,137
Subtotal	(203,259)	(254,009)
Interest received	21	26
Income taxes paid	(1,927)	(1,927)
Income taxes refund	3	3
Net cash flows provided by (used in) operating activities	(205,161)	(255,906)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,409)	(153,635)
Purchase of intangible assets	-	(1,980)
Purchase of long-term prepaid expenses	-	(122)
Payments of guarantee deposits	-	(270)
Net cash flows provided by (used in) investing activities	(6,409)	(156,007)
Cash flows from financing activities		
Proceeds from issuance of shares	2,623,975	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	28,440	-
Purchase of treasury shares	-	(20)
Other payments	(4,868)	-
Net cash flows provided by (used in) financing activities	2,647,548	(20)
Effect of exchange rate change on cash and cash equivalents	951	17,252
Net increase (decrease) in cash and cash equivalents	2,436,929	(394,681)
Cash and cash equivalents at beginning of period	1,069,300	3,214,852
Cash and cash equivalents at end of period	3,506,229	2,820,171