

## Non-consolidated Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024

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

November 13, 2023

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  
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 Scheduled date to commence dividend payment: -  
 Scheduled date to file Securities Report: November 13, 2023  
 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, 2023 (April 1, 2023 – September 30, 2023)

#### (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, 2023	50	7.2	(444)	-	(429)	-	(633)	-
September 30, 2022	47	61.4	(306)	-	(288)	-	(363)	-

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2023	(53.87)	-
September 30, 2022	(30.87)	-

(Note) 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, 2023	1,989	1,783	87.0
March 31, 2023	2,566	2,396	92.1

(Reference) Shareholders' equity: As of September 30, 2023: 1,731 million yen

As of March 31, 2023: 2,365 million yen

### 2. Cash dividends

	Dividend				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2023	-	0.00	-	0.00	0.00
FY ending March 31, 2024	-	0.00			
FY ending March 31, 2024 (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, 2024 (April 1, 2023 - March 31, 2024)

(% 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	100	6.1	(991)	-	(991)	-	(1,185)	-	(100.84)

(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, 2023: 11,759,400 shares
    - As of March 31, 2023: 11,759,400 shares
  - (ii) Number of treasury shares at the end of the period
    - As of September 30, 2023: 47 shares
    - As of March 31, 2023: 47 shares
  - (iii) Average number of shares outstanding during the period
    - As of September 30, 2023: 11,759,353 shares
    - As of September 30, 2022: 11,759,383 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 has been continuously uncertain due to factors including progress of global inflation and prolonged Russian invasion of Ukraine. In the Japanese economy, movements of mild recovery have been seen, however, slowdown in overseas economy including impact from financial tightening and uncertain Chinese economy has lingered as downside risks.

The medical industry, to which the Company belongs, has continued to face the important problems including measurement to novel infectious diseases 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 from 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 1 (TfR1) while researching and developing many other antibodies to be next therapeutic drug candidates. The Company has also continued to establish effective antibody obtaining technology and to improve its phage library. 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 antibodies accumulate on the targets on cancer cells and then irradiation from  $^{90}\text{Y}$  kills cancer cells. In accordance with the return of its license from FUJIFILM Corporation ("FUJIFILM") in March 2022, the Company has been developing this antibody as a new medical drug candidate. In the phase I expansion in the USA conducted by a subsidiary of FUJIFILM, it was confirmed that the antibodies accumulated on the target cancer cells. Currently, the Company has been studying the change from  $^{90}\text{Y}$  to actinium 225 ( $^{225}\text{Ac}$ ) for out-licensing to an RI medical drug development company and working on the development strategy with plural out-licensing candidates.

##### b. PPMX-T003

PPMX-T003, a unique human antibody, was obtained from the phage library of the Company through its own screening technology, ICOS method. It targets TfR1, 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 TfR1, 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, TfR1 is highly expressed on erythroblasts, which develop into red blood cells. Therefore, the Company has been conducting the phase I clinical study of polycythemia vera (PV), a disease characterized by excess increase in red blood cells (RBCs) as its first indication, expecting that the function of PPMX-T003 to inhibit iron uptake would work effectively to normalize the number of RBC. In the phase I, the Company has completed enrollment of 6 participants as of the date of submission of this document. While administration to and observation of the three of them finished, the first administration has been completed for the remaining three patients. The Company expects completion of this clinical trial within this fiscal year.

According to the interim report by the principal investigator in May 2023, the same level of safety and efficacy among the three patients administered PPMX-T003 have been confirmed as those among the healthy volunteers, without severe side effects.

As PPMX-T003 has been found to have a possibility to be an effective therapeutic drug for aggressive NK-cell leukemia (ANKL), an ultra-rare disease, an investigator-led phase I/II clinical trial is underway following the adoption 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 September 2023, the first

participant was administered, followed by the second one. We have established a network of seven clinical trial locations across the nation, with Hiroshima University Hospital at the core. This enables us to promptly administer the investigational drug to participants as soon as they are registered.

The Company has also been proceeding with joint research on drug discovery with Nagoya University to clarify the mechanism of action as a therapeutic drug for blood cancers including PV, 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. Through test-tube experiments, the Company has found a promising combination, which showed high anti-tumor effect in mice experiments as well. The Company conducted preliminary toxicity tests by rats and has been preparing for toxicity tests by cynomolguses.

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 terminated the development of UT28K, the COVID-19 super-neutralizing antibody, a therapeutic drug candidate for COVID-19 with the University of Toyama and Toyama Prefecture.

2) Antibody Research Support

The sales from antibody research support were 7,622 thousand yen (129.6% increase year on year). In September 2023, the Company started to provide single cell picking service as a new antibody research support service utilizing single cell cloning technology.

3) Antibody and Reagent Sales

The sales from antibody and reagent sales were 43,315 thousand yen (2.0% decrease year on year), almost as planned. The Company announced new products in October 2023, to be followed by other products to expand its line-up. The Company also continued to develop the Quick Detection Kit of Pentraxin3 with Wakunaga Pharmaceutical Co., Ltd.

As a result, sales of the six months ended September 30, 2023 were 50,937 thousand yen (7.2% increase year on year).

As for profits, operating loss was 444,252 thousand yen (306,688 thousand yen in the same period of the previous year) mainly due to PPMX-T003 clinical study and non-clinical study of PPMX-T004, and ordinary loss was 429,084 thousand yen (288,604 thousand yen in the same period of the previous year). Loss was 633,487 thousand yen (363,049 thousand yen in the same period of the previous year) as 47 thousand yen of gain on sales of non-current assets was booked as extraordinary income, and 134,208 thousand yen of impairment losses of non-current assets and 69,277 thousand yen of head office relocation expenses were booked as extraordinary losses.

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, 2024 from the forecast in “Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2023” announced on May 12, 2023.

## 2. Non-consolidated financial statements

### (1) Statement of balance sheet

(Thousand yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,444,934	1,866,008
Accounts receivable - trade	9,813	14,944
Finished goods	983	1,041
Supplies	2,195	2,022
Advance payments	8,049	7,238
Prepaid expenses	7,384	10,733
Consumption taxes receivable	41,620	44,929
Other	10	4
Total current assets	2,514,991	1,946,923
Non-current assets		
Property, plant and equipment	0	0
Intangible assets	0	0
Investments and other assets	51,658	42,862
Total non-current assets	51,658	42,862
Total assets	2,566,650	1,989,786
<b>Liabilities</b>		
Current liabilities		
Accounts payable-other	54,001	31,940
Accrued expenses	28,633	42,199
Income taxes payable	12,731	11,774
Deposits received	2,950	5,068
Asset retirement obligations	12,800	-
Provision for bonuses	-	5,874
Total current liabilities	111,117	96,856
Non-current liabilities		
Long-term deposits received	58,987	108,987
Total non-current liabilities	58,987	108,987
Total liabilities	170,105	205,844
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,939,252	1,939,252
Capital surplus	2,225,142	2,225,142
Retained earnings	(1,799,240)	(2,432,727)
Treasury shares	(20)	(20)
Total shareholders' equity	2,365,134	1,731,647
Share acquisition rights	31,411	52,295
Total net assets	2,396,545	1,783,942
Total liabilities and net assets	2,566,650	1,989,786

## (2) Statement of income

(Thousand yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	47,500	50,937
Cost of sales	2,834	5,221
Gross profit	44,665	45,716
Selling, general and administrative expenses		
Research and development cost	214,034	303,635
Other	137,320	186,334
Total selling, general and administrative expenses	351,354	489,969
Operating loss	(306,688)	(444,252)
Non-operating income		
Interest income	26	24
Subsidy income	285	-
Foreign exchange gains	17,791	15,154
Other	1	0
Total non-operating income	18,103	15,180
Non-operating expenses		
Other	19	11
Total non-operating expenses	19	11
Ordinary loss	(288,604)	(429,084)
Extraordinary income		
Gain on sale of non-current assets	-	47
Total extraordinary income	-	47
Extraordinary losses		
Impairment losses	73,481	134,208
Head office relocation expenses	-	69,277
Total extraordinary losses	73,481	203,486
Loss before income taxes	(362,085)	(632,523)
Income taxes – current	963	963
Total income taxes	963	963
Loss	(363,049)	(633,487)

### (3) Statement of cash flows

(Thousand yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(362,085)	(632,523)
Depreciation and amortization	2,081	2,431
Impairment losses	73,481	134,208
Interest income	(26)	(24)
Share-based payment expenses	10,470	20,884
Decrease (increase) in trade receivables	(5,161)	(5,131)
Decrease (increase) in inventories	(23)	114
Increase (decrease) in accounts payable - other	(7,883)	(20,502)
Increase (decrease) in long-term deposits received	25,000	50,000
Other, net	10,137	(12,308)
Subtotal	(254,009)	(462,851)
Interest received	26	24
Income taxes paid	(1,927)	(1,927)
Income taxes refund	3	8
Net cash flows provided by (used in) operating activities	(255,906)	(464,745)
Cash flows from investing activities		
Purchase of property, plant and equipment	(153,635)	(135,032)
Purchase of intangible assets	(1,980)	(2,998)
Purchase of long-term prepaid expenses	(122)	(167)
Payments of guarantee deposits	(270)	-
Proceeds from refund of guarantee deposits	-	8,796
Net cash flows provided by (used in) investing activities	(156,007)	(129,402)
Cash flows from financing activities		
Purchase of treasury shares	(20)	-
Net cash flows provided by (used in) financing activities	(20)	-
Effect of exchange rate change on cash and cash equivalents	17,252	15,222
Net increase (decrease) in cash and cash equivalents	(394,681)	(578,925)
Cash and cash equivalents at beginning of period	3,214,852	2,444,934
Cash and cash equivalents at end of period	2,820,171	1,866,008