Supplement Documents for Financial Results Q3 FY12/19

November 12, 2019

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

Chiome Bioscience Inc.

Agenda

1．Overview of Q3 FY12/19 “Financial results”

2．Overview of Q3 FY12/19 “Operation highlights”

Appendix.

- Corporate information
- Pipeline information

Overview of Q3 FY12/19 “Financial results”

Financial results: Profit and Loss

(JPY mn)

	Q3 FY2018	Q3 FY2019	Increase (decrease)	
Net sales	142	282	139	
Drug Discovery & Development	2	2	0	• Option fee for BMAA corresponding to the period of second year.
Drug Discovery Support	140	280	139	• Growth in business with Chugai Pharmaceutical Group and Ono Pharmaceutical.
COS/SGA	1,075	1,451	376	
R&D Expense	685	1,043	357	• Costs of preclinical studies and manufacturing of drug substance of CBA-1205.
Other costs	389	408	18	
Operating Loss	(932)	(1,169)	(236)	
Ordinary Loss	(927)	(1,177)	(249)	
Net Loss	(927)	(1,170)	(242)	

Financial results: Balance Sheet

(JPY mn)

	As of Dec. 31,2018	As of Sep. 30, 2019
Current assets	2,609	2,806
(Cash on hand and in banks)	2,328	2,468
Non-current assets	221	241
Total assets	2,831	3,048
Current liabilities	113	154
Non-current liabilities	41	41
Total liabilities	154	195
Total net assets	2,676	2,853
Total liabilities and net assets	2,831	3,048

Overview of Q3 FY12/19 “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				Developing in-house
CBA-1535 (Tribody)	5T4×CD3 ×5T4	Oncology				Developing in-house
LIV-2008 /2008b	TROP-2	Oncology				Licensing opportunity
BMAA	SEMA3A	DME, Others				SemaThera (Exclusive option agreement)
Discovery PJ (5)	Undisclosed	Oncology infectious/ rare diseases				–

Pipeline

CBA-1205 Humanized afucosylated anti-DLK1 antibody	• Phase 1 study is scheduled to initiate in 2020 or afterwards. • Manufacture of drug substance under GMP has completed. • GLP study is expected to finish around the end of 2019.
CBA-1535 Humanized anti 5T4/WAIF1 antibody, multi-specific antibody	• CMO has been appointed. • Launched the CMC development as planned. • Aiming to submit IND in the second half of 2021.
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	• Compiling Preclinical data package for patent application and for licensing opportunity.
ADCT-701 Out-Licensed Product	• The final stage of pre-clinical study is about completing. • IND is expected to be submitted in 2020 or afterwards.

Drug Discovery Support

Business with pharmaceutical companies, etc.

- ✓ Significant growth in Net Sales （**an increase of 99% year on year**）
  - ✓ Transactions with Chugai and Ono showed remarkable growth.
  - ✓ Basic entrusting service agreement with Kyowa Kirin concluded in July, and business has been grown.
- ✓ Started offering services to new customer accounts in October

Revision of sales forecast for the fiscal year ending December 2019
Revised forecast 400 million JPY (25% increase)

<Key business accounts>

Name of accounts	Year of contracts
Chugai Pharmaceutical Co., Ltd.	June 2011
Chugai Pharmabody Research Pte. Ltd.	August 2012
Mitsubishi Tanabe Pharma Corporation Tanabe Research Laboratories U.S.A., Inc.	December 2016
Ono Pharmaceutical Co., Ltd.	October 2018
Kyowa Kirin Co., Ltd.	July 2019

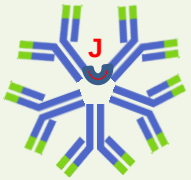
Technology platform

Continuous improvements of technology platform such as antibody generation, antibody engineering, and protein preparation enables us to promote Drug Discovery Development and Drug Discovery Support Business.

Poster presentation on 14th PEACe *1 in September 2019

Title :

A Two-step Purification Strategy to Prepare High Purity Recombinant Chicken IgM*2 Pentamer



Abstract :

In human serum, the predominant form of IgM is pentamer. Hexameric IgM activates the complement system more efficiently, but its strong reactivity may result in self-tissue damage. We presented a two-step purification procedure to prepare recombinant chicken IgM pentamer with high purity.

(https://www.conferium.com/downloads/Program_PEACe.pdf)

*1 14th PEACe(the 14th conference on Protein Expression in Animal Cells) was held in September 2019, New Port, Rhode Island, USA. It is an international conference held every 2 years. It brings together the scientists from academia and industry to share the latest developments in protein expression, purification, analysis and cell line development, including highlights on CHO cells, which are the most commonly used for industrial production of recombinant antibodies.

*2 IgM is well known to have important immune and homeostasis related roles, such as providing the first defense against pathogens, activation of the complement system and recognition of tumor-specific antigens. Therefore, IgM is considered to be a promising candidate for therapeutic and diagnostic uses. However, the effective purification strategy is not determined.

Result of Financing through third-party allotment

- Exercise of series 14th subscription rights issued On Jan.8 2019.was completed on Aug. 27 2019. As a result, JPY 1,336 million was raised.
- Based on the funds raised, we will promote CMC development and initial clinical development of CBA-1535, which aims IND submission for the second half of 2021 and beyond.

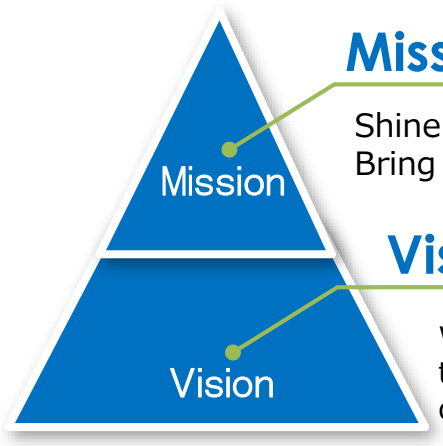
Total number of shares exercised	6,428,000 shares
Total value exercised	1,336 million JPY

- Use of funds

Use of funds	Cost(million JPY)	Scheduled period of spending
① Pre-IND submission and early-phase clinical trials for CBA-1535	1,200	Apr.2019～ Dec.2021
② Expansion and licensing-in of new pipelines	282	Jan.2019～ Dec.2020

Appendix. Corporate information

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:
Dec.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>
907 Nogawa, Miyamae-ku, Kawasaki-city, Kanagawa

■ Number of Employees :
53 (As of Sep 30,2019)

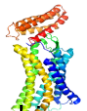
■ Business :
Chiome Bioscience (4583.T), is a public company leveraging a proprietary monoclonal antibody generating technology, for drug discovery and development, as well as providing drug discovery supports.

Core competence for developing business

Technology Platform (Chiome's mAb Discovery Engine)

Preparation of recombinant proteins

Expression



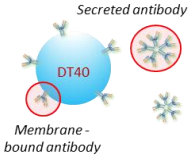
Recombinant proteins

Membrane proteins

Purification

MAb Generation Platform

ADLib®system



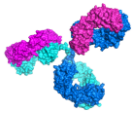
Animal immunization

B cell cloning

Hybridoma

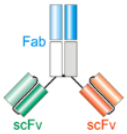
MAb Engineering

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

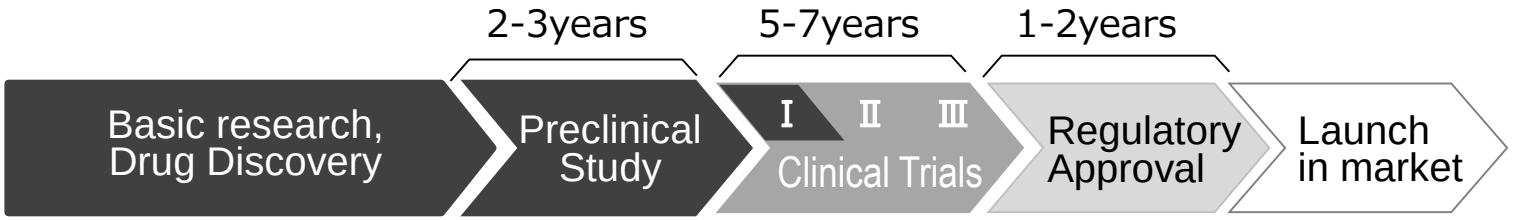
Development of therapeutic drug and diagnostic agent

Drug Discovery Support

Contract service for drug discovery

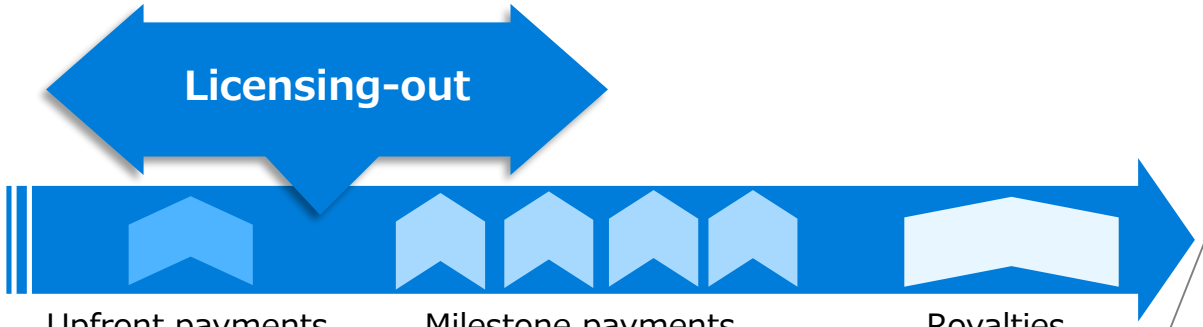
Revenue Model

Drug development process and Chiome's revenue model



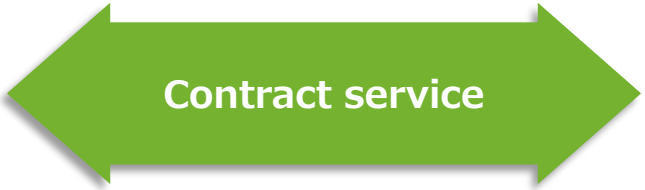
Drug Discovery

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



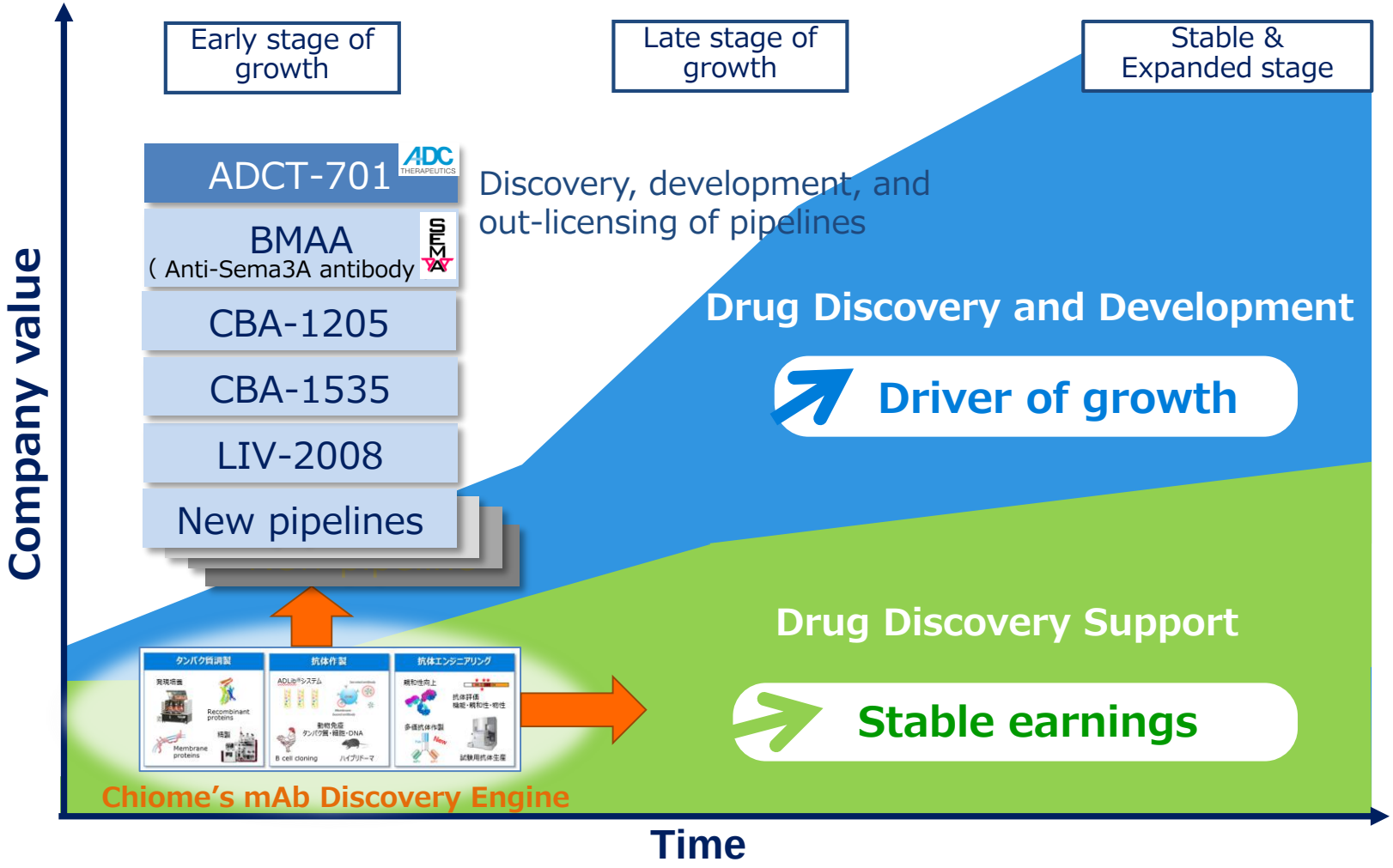
Drug Discovery Support

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



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.
- ✓ Its development is on track where the final stage of pre-clinical study is about completing.
- ✓ An Investigational New Drug Application (IND) is expected to be submitted in 2020 or afterwards.

*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）

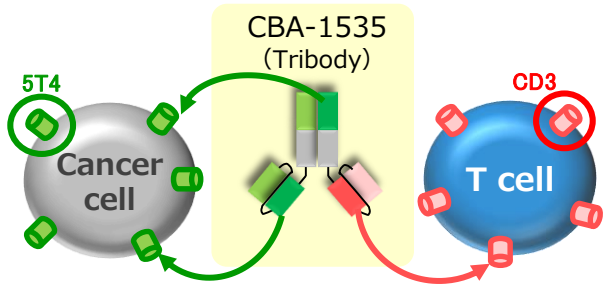
First in class

- ✓ An ADCC enhanced antibody by applying glyco-engineering technology.
- ✓ GMP production of the drug substance for Phase 1 study has completed.
- ✓ Manufacture of the clinical study drug is scheduled for 2020.
- ✓ GLP study to support regulatory filings is expected to finish around the end of 2019.
- ✓ Based on the preclinical data and timeline of clinical study drug manufacturing, Phase 1 study is scheduled to initiate in 2020 or afterwards.

CBA-1535（Humanized anti 5T4/WAIF1 antibody, multi-specific antibody）

First in class

- ✓ 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.
- ✓ We expect to submit an Investigational New Drug Application (IND) in the second half of 2021.



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.
- ✓ The patent was granted in the US in October 2018. (Patents have become effective in a total of five countries and region, including Japan, EU, and China.)
- ✓ Licensing activities continue based on the pre-clinical testing data obtained thus far. A couple of pharma companies are evaluating this antibody.

BMAA* (Humanized anti-Semphorin3A antibody)

First in class

- ✓ Being evaluated by SemaThera Inc. which will decide whether or not to exercise the option right by the end of the evaluation period specified in the Agreement.
- ✓ Following US, Patent has been issued in Japan (Jun., 2018) and in Europe (Oct., 2018).

*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 for diabetic macular edema and other diabetic complications including non-ophthalmic diseases.


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.