

## Non-consolidated Summary of Financial Results for the Fiscal Year Ended March 31, 2022

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

May 13, 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  
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 Scheduled date of ordinary shareholders' meeting: June 23, 2022  
 Scheduled date to commence dividend payment: -  
 Scheduled date to file Annual Securities Report: June 23, 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 year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

#### (1) Operating results

(% represents year-on-year changes.)

FY ended	Net sales		Operating income		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2022	71	5.9	(472)	-	(481)	-	(599)	-
March 31, 2021	67	(20.8)	(411)	-	(410)	-	(413)	-

FY ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	yen	%	%	%
March 31, 2022	(54.47)	-	(28.3)	(21.8)	(656.4)
March 31, 2021	(59.03)	-	(52.8)	(49.2)	(606.0)

(Note) Diluted earnings per share are not shown although the Company has potential dilutive shares. This is because net losses per share were recorded.

#### (2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	million yen	million yen	%	Yen
March 31, 2022	3,300	3,152	95.5	268.05
March 31, 2021	1,118	1,083	96.6	128.86

(Reference) Shareholders' equity: As of March 31, 2022: 3,152 million yen As of March 31, 2021: 1,080 million yen

#### (3) Cash flows

FY ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	million yen	million yen	million yen	million yen
March 31, 2022	(476)	(33)	2,647	3,214
March 31, 2021	(422)	(2)	1,011	1,069

### 2. Cash dividends

FY ended	Dividend					Total amount of dividends	Dividend payout ratio	Dividends to net asset ratio
	Q1-end	Q1-end	Q3-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
March 31, 2021	-	0.00	-	0.00	0.00	-	-	-
March 31, 2022	-	0.00	-	0.00	0.00	-	-	-
FY ending March 31, 2023 (Forecast)	-	0.00	-	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)

(Notes) 1. Revision from the most recently announced financial results forecast: No

Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
  - As of March 31, 2022: 11,759,400 shares
  - As of March 31, 2021: 8,386,400 shares
- (ii) Number of treasury shares at the end of the period
  - As of March 31, 2022: - shares
  - As of March 31, 2021: - shares
- (iii) Average number of shares outstanding during the period
  - As of March 31, 2022: 10,996,671 shares
  - As of March 31, 2021: 6,999,814 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. Overview of business results

### (1) Overview of business results of the fiscal year ended March 31, 2022

The global economy in this fiscal year has been continuously affected by the COVID-19 pandemic. Although recovery of economy has been seen in some of the developed countries, re-expansion of the disease by variants has been concerns to the society. In Japan, with high vaccination coverage, the economy has seen gradual recovery, however, unpredictable situation has continued.

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

The business results of each business area are as follows:

#### 1) Drug discovery

The Company has been proceeding with antibody development mainly in cancer field by utilizing its efficient antibody obtaining platforms including its phage libraries and screening method to fulfill unmet medical needs. The Company has been developing antibodies against GPC3, CDH3 and transferrin receptor and has a number of 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 antibody targeting CDH3, which is considered to be a cell adhesion factor, bound with <sup>90</sup>Y, radioisotope (RI). FUJIFILM Corporation (FUJIFILM), the licensee, has been conducting the phase I expansion clinical trial in the USA and the phase I clinical trial in Japan respectively. In March 2022, the license was returned to the Company according to the transfer of the radiopharmaceutical business of a subsidiary of FUJIFILM to other company. FUJIFILM will end the development of PPMX-T002 after finishing the ongoing clinical trials. The Company will discuss the development of PPMX-T002 with PDRadiopharma Inc (PDRadiopharma), the successor of the business, and will promote the development as a new therapeutic candidate on its own or with PDRadiopharma.

In the phase I clinical trial conducted in the USA, safety of PPMX-T002 and its accumulation on cancer cells of patients were confirmed. Also, its efficacy was confirmed as solid tumor size was decreased in one case. In the future, the Company will acquire all the results obtained from the development so far including clinical trials data and will study the change of RI to lutetium (<sup>177</sup>Lu) or actinium (<sup>225</sup>Ac) with high effectiveness expected. To bring this into reality, the Company will promote collaboration with a radiopharmaceutical company to develop excellent medical drug.

##### b. PPMX-T003

PPMX-T003 is a unique human antibody, which was obtained from our own phage library utilizing the patented screening technology, ICOS method, through a phage display method. It targets transferrin receptor (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 focusing on its development.

Other than cancer cells, TfR is highly expressed on erythroblasts, nucleated cells in bone marrow from which red blood cells derive. Therefore, the Company selected polycythemia vera (PV), a disease where red blood cells increase abnormally, as its first indication, expecting the effect to normalize the number of red blood cells. The Company started the phase I study in Japan in November 2019 and confirmed its safety and pharmacological effect among healthy volunteers in March 2021. Currently the Company has been recruiting PV patients to be administered with this antibody. The Company has reviewed the inclusion criteria of the PV patients and has amended the protocol to expand the criteria. There has been a slight delay in recruitment from the initial plan, however, there is no change in the finishing time of the phase I study among the PV patients.

Also, the joint research with Tokai University found the potential for utilization of its functionality of iron uptake inhibition in therapeutic drug 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. The Company will aim at an investigator-led clinical trial and practical application of the research findings with the research group of Tokai university.

Also, the Company has been proceeding with joint research on drug discovery with Nagoya University, Fujita Health University and Gunma University, to clarify its 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), which the Company licensed out to FUJIFILM in 2015. Along with the transfer of the radiopharmaceutical business of its subsidiary to other company, however, the license was also returned to the Company in March 2022. This is because its target is the same CDH3 as PPMX-T002. ADC is expected to have high clinical effects regardless of immune function status of patients, as it can kill or damage the targeting cells specifically by letting the labelled drug in cells. Also, there is no restriction in facilities as it uses no RI. The Company will promote development through the change of the labelled drug to that with higher effectiveness.

d. PPMX-T001

PPMX-T001 targets GPC3 which is highly expressed on liver cancer. Chugai Pharmaceutical Co., Ltd. was provided the rights to register the patents in 2006 and has been developing it in 2 different forms of a drug for liver cancer: GC33 and ERY974, however, the patent which is a subject of the agreement will expire on June 20, 2022. Accordingly, the agreement will terminate on the same date. There is no impact on the future income/profit of the Company from PPMX-T001 and the Company does not estimate any impact in its plan.

2) Antibody Research Support

In this fiscal year, sales increased from the previous fiscal year due to the order increase from universities.

3) Antibody and Reagent sales

As the impact from COVID-19 pandemic was limited in this fiscal year, sales of antibody and reagent for research turned to recovery. The Company has also signed an agreement with Wakunaga Pharmaceutical Co., Ltd. to develop quick detection kit of pentraxin3 in the blood for determining exacerbation risk of diseases associated with inflammation of blood vessels including pneumonia caused by COVID-19 and has been proceeding with the development.

As a result, sales of the fiscal year ended March 31, 2022 were 71,932 thousand yen (5.9% increase year on year). There were no sales booked from drug discovery, however, sales from both antibody and reagent sales and antibody research support increased from the previous fiscal year, meeting the target.

Profits were almost as planned, with operating loss of 472,195 thousand yen (operating loss of 411,749 thousand yen in previous year), ordinary loss of 481,681 thousand yen (ordinary loss of 410,107 thousand yen in previous year), and net loss of 599,023 thousand yen (net loss of 413,216 thousand yen in previous fiscal year). Sales, general and administrative expenses were 539,943 thousand yen, almost as planned because external standard taxation due to public share offering and patents fee increased while research and development costs decreased from the plan due to recruitment delay in PPMX-T003 phase I clinical trial. There is no impact on financial results caused by application of "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, revised on March 31, 2020), etc. from the first quarter of this fiscal 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 are some uncertain factors including the timing of COVID-19 pandemic settlement and the economic turmoil triggered by Russian invasion of Ukraine, however, the Company will continuously promote research and development activities aiming at antibody drug development with high efficacy.

In the fiscal year ending March 31, 2023, the Company expects sales of 77,278 thousand yen, almost the same amount year on year. As for profits, operating loss of 703,827 thousand yen and ordinary loss of 736,040 thousand yen are expected as research and development costs will increase due to the phase I clinical trial of PPMX-T003 among PV patients, development of ANKL therapeutic drug and the pipeline projects returned to the Company, and others. Net loss of 854,012 thousand yen is estimated as impairment loss will be booked from capital expenditure for improvement of efficiency of obtaining antibodies.

The business results forecasts above are calculated based on the information currently available and actual results may differ from the forecasts due to various factors.

## 2. Non-consolidated financial statements

### (1) Statement of balance sheet

(thousand yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,069,300	3,214,852
Accounts receivable - trade	8,750	10,115
Finished goods	879	783
Supplies	1,036	2,504
Advance payments	-	22,172
Prepaid expenses	4,554	4,866
Consumption taxes receivable	21,907	35,299
Other	2,473	211
Total current assets	1,108,901	3,290,806
Non-current assets		
Property, plant and equipment		
Buildings	8,034	13,860
Accumulated depreciation	(8,034)	(13,860)
Buildings, net	0	0
Tools, furniture and fixtures	114,952	278,388
Accumulated depreciation	(114,952)	(278,387)
Tools, furniture and fixtures, net	0	0
Total property, plant and equipment	0	0
Intangible assets		
Other	0	0
Total intangible assets	0	0
Investments and other assets		
Long-term prepaid expenses	0	0
Other	9,724	9,724
Total investments and other assets	9,724	9,724
Total non-current assets	9,724	9,724
Total assets	1,118,626	3,300,530

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable-other	21,906	114,569
Accrued expenses	8,588	11,548
Income taxes payable	2,774	19,672
Deposits received	1,643	2,585
Total current liabilities	34,912	148,375
Total liabilities	34,912	148,375
<b>Net assets</b>		
Shareholders' equity		
Share capital	604,000	1,939,252
Capital surplus		
Legal capital surplus	889,889	2,225,142
Total capital surplus	889,889	2,225,142
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(413,216)	(1,012,240)
Total retained earnings	(413,216)	(1,012,240)
Total shareholders' equity	1,080,673	3,152,154
Share acquisition rights	3,040	-
Total net assets	1,083,713	3,152,154
Total liabilities and net assets	1,118,626	3,300,530

(2) Statement of income

(thousand yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	67,947	71,932
Cost of sales	3,847	4,184
Gross profit	64,099	67,747
Selling, general and administrative expenses	475,849	539,943
Operating loss	(411,749)	(472,195)
Non-operating income		
Interest income	24	49
Subsidy income	11,140	234
Foreign exchange gains	1,788	9,085
Other	87	24
Total non-operating income	13,040	9,393
Non-operating expenses		
Commission expenses	4,433	-
Taxes and dues	3,527	9,346
Listing expenses	3,436	9,531
Other	0	0
Total non-operating expenses	11,397	18,878
Ordinary loss	(410,107)	(481,681)
Extraordinary income		
Gain on reversal of share acquisition rights	-	2,398
Total extraordinary income	-	2,398
Extraordinary losses		
Impairment losses	1,182	117,813
Total extraordinary losses	1,182	117,813
Loss before income taxes	(411,289)	(597,096)
Income taxes – current	1,927	1,927
Total income taxes	1,927	1,927
Loss	(413,216)	(599,023)

(3) Statement of cash flows

(thousand yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Loss before income taxes	(411,289)	(597,096)
Depreciation and amortization	55	2,955
Impairment losses	1,182	117,813
Interest income	(24)	(49)
Share issuance costs	-	17,446
Decrease (increase) in trade receivables	1,083	(1,364)
Decrease (increase) in inventories	565	(1,372)
Decrease (increase) in advance payments - trade	10,770	(22,172)
Increase (decrease) in accounts payable - other	(23,171)	10,408
Other, net	(153)	(1,536)
Subtotal	(420,982)	(474,968)
Interest received	24	49
Income taxes paid	(1,927)	(1,927)
Income taxes refund	48	3
Net cash flows provided by (used in) operating activities	(422,836)	(476,842)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,824)	(33,868)
Net cash flows provided by (used in) investing activities	(2,824)	(33,868)
Cash flows from financing activities		
Proceeds from issuance of shares	1,008,000	2,623,975
Proceeds from issuance of share acquisition rights	3,040	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	28,440
Other, net	-	(4,868)
Net cash flows provided by (used in) financing activities	1,011,040	2,647,548
Effect of exchange rate change on cash and cash equivalents	1,456	8,714
Net increase (decrease) in cash and cash equivalents	586,835	2,145,552
Cash and cash equivalents at beginning of period	482,464	1,069,300
Cash and cash equivalents at end of period	1,069,300	3,214,852