Non-consolidated Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2025

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

November 14, 2024

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 file Securities Report:		November 14, 2024	
Scheduled date to commence dividend payment:		-	
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, 2024 (April 1, 2024 – September 30, 2024)

(1) Operating results (% represents year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2024	59	16.6	(414)	-	(427)	-	(495)	-
September 30, 2023	50	7.2	(444)	-	(429)	-	(633)	-

	Basic earnings per share	Diluted earnings per share
Six months ended	yen	yen
September 30, 2024	(35.90)	-
September 30, 2023	(53.87)	-

(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
As of	million yen	million yen	%
September 30, 2024	2,191	1,838	80.3
March 31, 2024	1,693	1,398	78.2

(Reference) Shareholders' equity: As of September 30, 2024: 1,759 million yen As of March 31, 2024: 1,324 million yen

2. Cash dividends

	Dividend				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	yen	yen	yen	yen	yen
FY ended March 31, 2024	-	0.00	-	0.00	0.00
FY Ending March 31, 2025	-	0.00			
FY Ending March 31, 2025 (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, 2025 (April 1, 2024 - March 31, 2025)

Financial results forecast for the fiscal year ending March 31, 2025 is not provided as rational prediction is difficult. As for the detail, please refer to the "1. Qualitative information on quarterly non-consolidated business results (2) Explanation of business results forecast and other forecasts" on page 3.

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, 2024: 14,740,500 shares

As of March 31, 2024: 11,936,400 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024: 50 shares

As of March 31, 2024: 50 shares

(iii) Average number of shares outstanding during the period

As of September 30, 2024: 13,799,736 shares

As of September 30, 2023: 11,759,353 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 has been continuously uncertain due to factors including concerns about the future Chinese economy and situations in Ukraine and the Middle East. In the Japanese economy, mild recovery trend has continued with some stagnation, however, downside risks of price increase and slowdown in overseas economy have lingered.

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 results of each business area is as follows:

1) Drug Discovery

During the six-month period, no sales were recorded from drug discovery, however, the Company has been proceeding with antibody development mainly in cancer field by utilizing its antibody obtaining platforms. The Company has been developing three antibodies against cadherin 3 (CDH3) and transferrin receptor 1 (TfR1) while conducting research and development of other antibodies to be next therapeutic drug candidates following them. The Company has also been continuously proceeding with establishment of antibody obtaining technology for increase in efficiency and improvement of 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}Y), a radioisotope (RI). The antibodies accumulate on the targets on cancer cells and then irradiation from ^{90}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}Y to actinium 225 (^{225}Ac) for out-licensing to an RI medical drug development company and working on the development strategy with an out-licensing candidate.

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 selected polycythemia vera (PV), a disease characterized by excess increase in red blood cells (RBCs), as its first indication and conducted a phase I clinical trial in Japan, which ended in June 2024. As of the submission date of this document, the Company has completed the database lock and has been proceeding with clinical study reports (CSRs) creation.

The Company reported that the primary endpoints of safety and PK have been confirmed and that the secondary endpoint of phlebotomy-free period among the data-locked five subjects was indicated at the 14th JSH International Symposium 2024 in July 2024.

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, PPMX-T003 was administered to the first 2 subjects. The related parties and the Company have established a network of seven clinical

trial locations across the nation, with Hiroshima University Hospital as the main location. This enables the trial team to promptly administer the investigational drug to patients as soon as they are registered.

The Company has also been proceeding with joint research on drug discovery with Nagoya University and other academia 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. ADC is expected to have high clinical effects regardless of immune function status of patients, as it can kill the targeting cells specifically by bringing the connected drug into the cell.

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. As for the promising combination found in the test tube examinations, the Company has confirmed the high anti-tumor effects in experiments on mice as well. The Company has been proceeding with experiments on cynomolgus monkeys, however, it has been taking more time than expected to decide the combination that optimizes the balance between efficacy and toxicity. The Company expects the decision to be made in the fiscal year ending March 2026.

As of the submission date of this document, the Company has been conducting discovery research for various ADCs as well as development of PPMX-T004 with UBE Corporation under the joint research agreement.

2) Antibody Research Support

The sales from antibody research support were 3,788 thousand yen (50.3% decrease year on year) due to delivery delay in certain business deals.

3) Antibody and Reagent Sales

The sales from antibody and reagent sales were 55,602 thousand yen (28.4% increase year on year), staying solid during the period. The Company launched sales of an anti-MMAE antibody as a new product for research, to be followed by new service within this fiscal year. 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, 2024 were 59,390 thousand yen (16.6% increase year on year).

As R&D costs were 304,980 thousand yen due to the investigator-led phase I/II clinical trial of PPMX-T003 ANKL and the phase I clinical trial of PPMX-T003 PV, operating loss was 414,460 thousand yen (444,252 thousand yen in the same period of the previous year). Ordinary loss was 427,243 thousand yen (429,084 thousand yen in the same period of the previous year) as outsourcing service income, etc. of 2,007 thousand yen was recorded as non-operating income while foreign exchange losses of 10,552 thousand yen and taxes and dues, etc. of 4,238 thousand yen were recorded as non-operating expenses. Loss was 495,433 thousand yen (633,487 thousand yen in the same period of the previous year) as impairment losses of non-current assets of 66,959 thousand yen were recorded as extraordinary losses in accordance with the Accounting Standard for Impairment of Fixed Assets.

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

(2) Explanation of business results forecast and other forecasts

In the fiscal year ending March 31, 2025, although the Company expects licensing agreements on PPMX-T002 and PPMX-T003, the amounts of upfront fees and others are yet to be determined. Business results forecasts are not shown as it is difficult to rationally forecast the impact of the agreements on sales and costs in the fiscal year ending March 31, 2025. The Company will announce the forecasts immediately when they become available.

With regards to costs, the Company initially expected R&D expenses of 729 million yen and other administration expenses of 314 million yen. Due to the delay in PPMX-T004 development, however, the Company now expects the former will be 650 million yen and the latter 336 million yen. As a result, SG & A expenses will decrease from the initial figure of 1,043 million yen to 987 million yen.

2. Non-consolidated financial statements

(1) Statement of balance sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,541,419	2,086,449
Accounts receivable - trade	13,660	8,121
Finished goods	1,308	1,396
Supplies	3,098	4,123
Advance payments	3,086	4,862
Prepaid expenses	5,475	14,043
Consumption taxes receivable	70,150	29,428
Other	12,747	36
Total current assets	1,650,947	2,148,462
Non-current assets		
Property, plant and equipment	0	0
Intangible assets	0	0
Investments and other assets	42,862	42,862
Total non-current assets	42,862	42,862
Total assets	1,693,810	2,191,325
Liabilities		
Current liabilities		
Accounts payable-other	53,465	74,587
Accrued expenses	57,486	37,167
Income taxes payable	13,079	14,628
Deposits received	4,946	3,880
Provision for bonuses	—	6,319
Total current liabilities	128,978	136,583
Non-current liabilities		
Long-term deposits received	166,487	216,487
Total non-current liabilities	166,487	216,487
Total liabilities	295,465	353,070
Net assets		
Shareholders' equity		
Share capital	1,971,019	2,436,148
Capital surplus	2,256,908	2,722,038
Retained earnings	(2,903,700)	(3,399,134)
Treasury shares	(21)	(21)
Total shareholders' equity	1,324,205	1,759,031
Total share acquisition rights	74,139	79,223
Total net assets	1,398,344	1,838,254
Total liabilities and net assets	1,693,810	2,191,325

(2) Statement of income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	50,937	59,390
Cost of sales	5,221	4,350
Gross profit	45,716	55,039
Selling, general and administrative expenses		
Research and development expenses	303,635	304,980
Other	186,334	164,518
Total selling, general and administrative expenses	489,969	469,499
Operating loss	(444,252)	(414,460)
Non-operating income		
Interest income	24	232
Foreign exchange gains	15,154	―
Outsourcing service income	―	1,772
Other	0	1
Total non-operating income	15,180	2,007
Non-operating expenses		
Foreign exchange losses	―	10,552
Share issuance costs	―	961
Taxes and dues	―	3,271
Other	11	5
Total non-operating expenses	11	14,790
Ordinary loss	(429,084)	(427,243)
Extraordinary income		
Gain on sale of non-current assets	47	―
Total extraordinary income	47	―
Extraordinary losses		
Impairment losses	134,208	66,959
Head office relocation expenses	69,277	―
Total extraordinary losses	203,486	66,959
Loss before income taxes	(632,523)	(494,203)
Income taxes - current	963	1,230
Total income taxes	963	1,230
Loss	(633,487)	(495,433)

(3) Statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(632,523)	(494,203)
Depreciation and amortization	2,431	2,577
Impairment losses	134,208	66,959
Interest income	(24)	(232)
Share issuance costs	—	4,233
Share-based payment expenses	20,884	6,592
Decrease (increase) in trade receivables	(5,131)	5,539
Decrease (increase) in inventories	114	(1,112)
Increase (decrease) in accounts payable - other	(20,502)	8,799
Increase (decrease) in long-term deposits received	50,000	50,000
Other, net	(12,308)	40,074
Subtotal	(462,851)	(310,773)
Interest received	24	233
Income taxes paid	(1,927)	(1,927)
Income taxes refund	8	6
Net cash provided by (used in) operating activities	(464,745)	(312,460)
Cash flows from investing activities		
Purchase of property, plant and equipment	(135,032)	(52,089)
Purchase of intangible assets	(2,998)	—
Purchase of long-term prepaid expenses	(167)	—
Proceeds from refund of guarantee deposits	8,796	—
Net cash provided by (used in) investing activities	(129,402)	(52,089)
Cash flows from financing activities		
Payments for issuance of shares	—	(4,329)
Payments for issuance of share acquisition rights	—	(4,528)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	—	928,750
Net cash provided by (used in) financing activities	—	919,892
Effect of exchange rate change on cash and cash equivalents	15,222	(10,312)
Net increase (decrease) in cash and cash equivalents	(578,925)	545,029
Cash and cash equivalents at beginning of period	2,444,934	1,541,419
Cash and cash equivalents at end of period	1,866,008	2,086,449