Supplement Documents for Financial Results FY12/19

Feb 14, 2020

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

Chiome Bioscience Inc.

Agenda

1．Overview of FY12/19 “Financial results”

2．Overview of FY12/19 “Operation highlights”
- -Business highlights for FY12/19
- -Drug Discovery and Development Business
- -Drug Discovery Support business

3．Outlook for FY12/19

Appendix.　Corporate information

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Overview of FY12/19 “Financial results”

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Financial results: Profit and Loss

(JPY in millions)

	FY2018	FY2019	Increase (decrease)	
Net sales	212	447	234	
Drug Discovery & Development	2	29	27	• Milestone payment for ADCT-701 from ADC Therapeutics Inc. • Option fee for BMAA corresponding to the period of second year.
Drug Discovery Support	210	417	207	• Growth in business with Chugai Pharmaceutical Group and Ono Pharmaceutical.
COS/SGA	1,751	1,849	97	
R&D Expense	1,230	1,299	68	• Costs of preclinical studies and manufacturing of drug substance of CBA-1205.
Other costs	521	550	28	
Operating Loss	(1,539)	(1,401)	137	
Ordinary Loss	(1,533)	(1,410)	123	
Net Loss	(1,533)	(1,403)	129	

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Financial results: Balance Sheet

(JPY in millions)

	As of Dec. 31, 2018	As of Dec. 31, 2019
Current assets	2,609	2,561
(Cash on hand in banks)	2,328	2,105
(Other current assets)	281	456
Non-current assets	221	247
Total assets	2,831	2,808
Current Liabilities	113	145
Non-current liabilities	41	41
Total liabilities	154	186
Total net assets	2,676	2,621
Total liabilities and net assets	2,831	2,808

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Financial results: Cash Flows

(JPY in millions)

	FY12/18	FY12/19
Cash flows from operating activities	(1,688)	(1,537)
Cash flows from investing activities	–	(26)
Cash flows from financing activities	(10)	1,341
Net increase (decrease) in cash and cash equivalents	(1,698)	(222)
Cash and cash equivalents as of the beginning of the year	4,027	2,328
Cash and cash equivalents as of the end of the year	2,328	2,105

【Cash flows from operating activities】
- Expenses for CMC development to manufacture CBA-1205 for clinical development.

【Cash flows from investing activities】
- Payment of security deposit to renew office lease contract.

【Cash flows from financing activities】
- Funds from 14th subscription rights of shares.

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Overview of FY12/19 “Operation highlights”

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Business highlights

Drug Discovery and Development Business

- CBA-1205: Near completion of GLP toxicology study and CMC development (drug substance & drug product); a new patent filed in line with the licensing strategy.
- CBA-1535: CMO has been appointed and CMC development launched as planned.
- Discovery PJs: A new patent for a lead antibody in oncology has been filed.

Drug Discovery Support business

- Growth in transactions with Chugai Pharmaceutical Group and Ono Pharmaceutical.
- Execution of an umbrella agreement with Kyowa Kirin Co., Ltd.
- Fujirebio Inc. has launched a new diagnostic kit in Japan that employs a specific antibody obtained using Chiome's ADLib® system.

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Drug Discovery and Development -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 (6)	Undisclosed	Oncology infectious/ rare diseases	A new patent application for oncology PJ has been filed			–

As of Dec. 31,2019

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Drug Discovery and Development

Progress toward clinical trials

- CBA-1205 : GMP manufacture of drug substance & drug product, and GLP toxicology study have almost completed. IND application is expected to be submitted in the first half of 2020. Filed a new patent application to increase the potential therapeutic uses of CBA-1205.
- CBA-1535 : Switzerland-based Celonic AG was selected as a partner and works toward GMP manufacturing of drug substance and drug product have been initiated.

Status of Licensing activities

- LIV-2008 : Under evaluation for licensing opportunity by multiple pharmaceutical companies.
- BMAA : Under evaluation by SemaThera Inc. based on the Collaboration and Exclusive Option agreement.

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Drug Discovery and Development

Discovery projects

- Filed a new patent application for an oncology project. Feasibility study is being pursued aiming for potential collaboration with pharma companies.
- Research on discovery projects have progressed for compiling preclinical data package for patent application and licensing opportunity.

Technology platforms

- Technology of affinity maturation has been further optimized and utilized in in-house R&D and external services to other pharmaceutical companies.
- Leveraging Tribody technology (multispecific antibody generation technology) to promote drug discovery and technology development.

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Drug Discovery Support

Business with pharmaceutical companies, etc.

- Net Sales increased to 417million yen exceeded initial forecast by 30% (up 96% year-over-year)
- Transactions with Chugai and Ono showed remarkable growth.
- An umbrella agreement with Kyowa Kirin concluded in July and new transactions with several major domestic antibody pharmaceutical companies started.
- Extended the contract research agreement with Mitsubishi Tanabe Pharma Corporation and Tanabe Research Laboratories U.S.A. Inc. and will be automatically renewed every year.

<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

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Launch of a diagnostic kit by Fujirebio Inc.

- Fujirebio Inc. has launched a diagnostic kit ”LUMIPULSE Presto Aldosterone” in Japan that employs a specific antibody obtained using Chiome’s ADLib® system.
- Chiome will receive royalties on the product sales based on the agreement concluded in June 2019.

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Outlook for FY12/20

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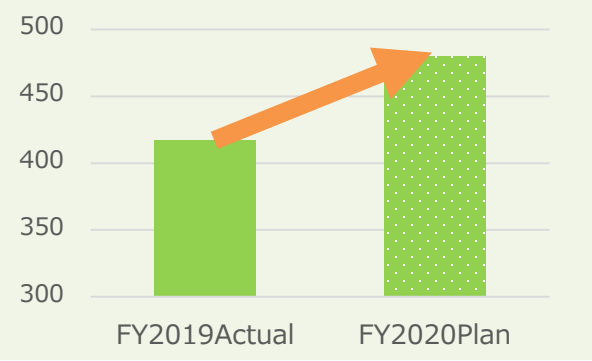
Outlook for FY12/20

Drug Discovery and Development Business

- CBA-1205 : Submit IND application in the first half of 2020.
- CBA-1535 : CMC development is planned with the timeline to submit CTA in the UK in the second half of 2021 onwards.
- BMAA : Decision to exercise/not exercise the option right expected in 2020 by SemaThera.
- LIV-2008 : Aiming for Licensing.
- Discovery projects : Aiming for stage advancement and new patent application.
- ADCT-701: ADC Therapeutics is continuing preparations for an IND.

Drug Discovery Support Business

- Refine services and expand business with the existing clients.
- Invest in facilities and equipment for business expansion.
- Achieve sales target of 480 million JPYen.



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Appendix. Corporate information

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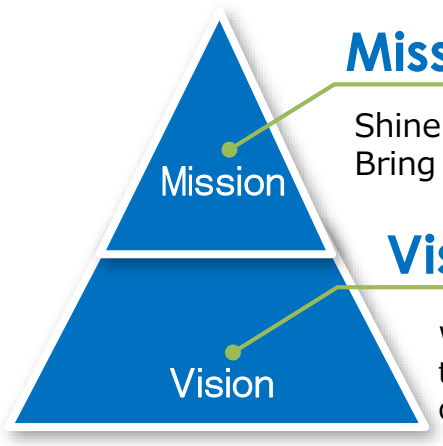
Corporate Overview

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>
2-13-3 Nogawahonchou, Miyamae-ku, Kawasaki-city, Kanagawa

■ Number of Employees :
53 (As of Dec. 31,2019)

■ 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.

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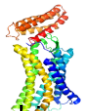
Core competence for developing business

Technology Platform (Chiome's mAb Discovery Engine)

Preparation of recombinant proteins

Expression



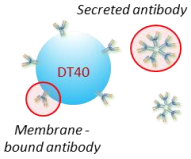
Recombinant proteins

Membrane proteins

Purification

MAb Generation Platform

ADLib®system



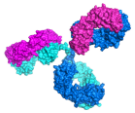
Animal immunization

B cell cloning

Hybridoma

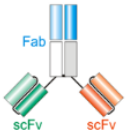
MAb Engineering

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

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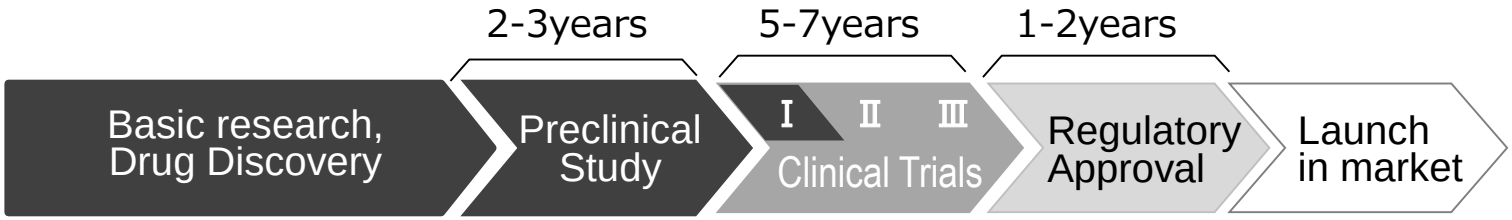
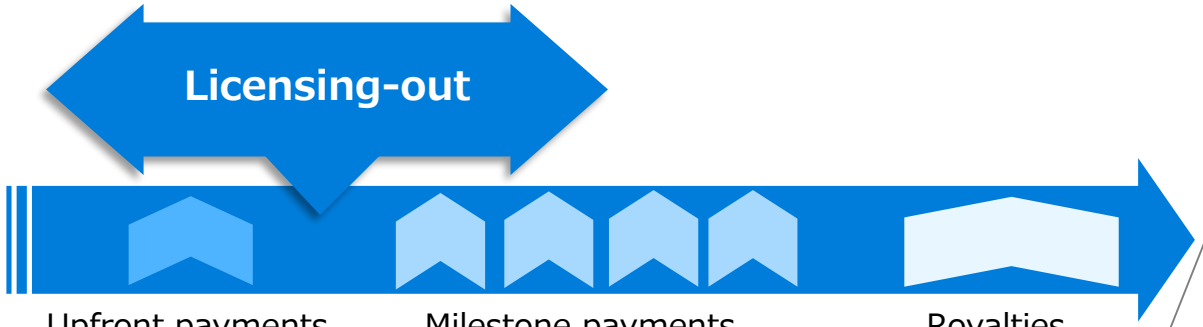
Revenue Model

Drug development process and Chiome's revenue model



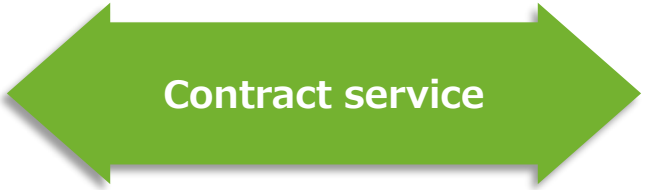
Drug Discovery

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.



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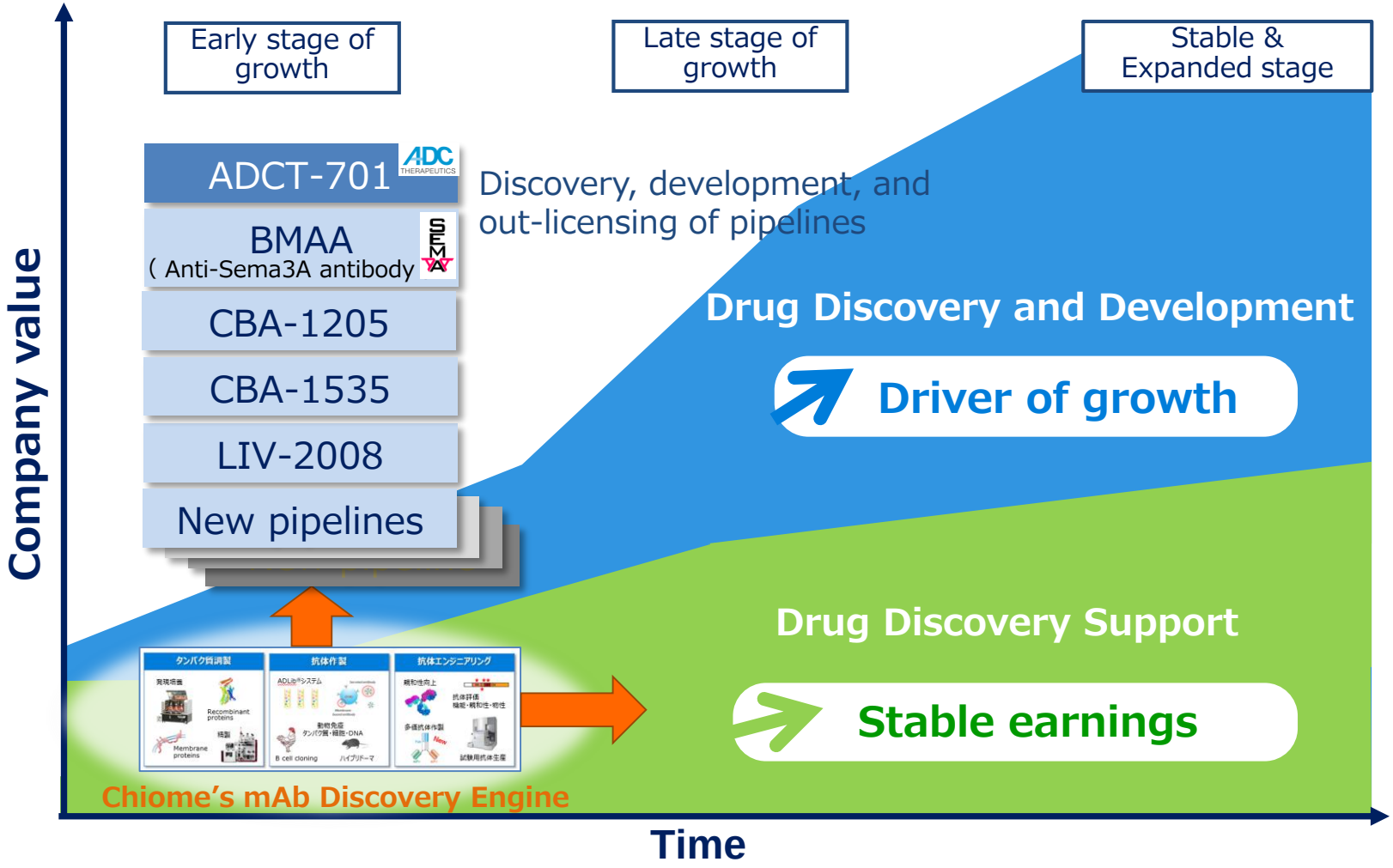
Our stability and growth potential

Core technology will sustain continuous development of therapeutic antibody while offering higher quality of service



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Appendix. Pipeline information

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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.
- ✓ ADCT has completed pharmacology and toxicology studies required for an IND submission and is continuing preparations for an Investigational New Drug Application (IND).

*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

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Pipeline -In-house program-

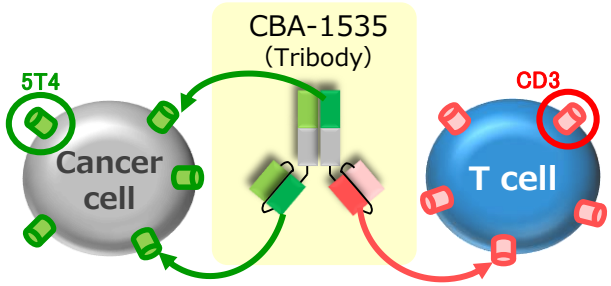
CBA-1205（Humanized afucosylated anti-DLK1 antibody）

First in class

- ✓ A humanized antibody generated by hybridoma technology in Livtech which Chiome acquired in 2015.
- ✓ Therapeutic Area : Liver cancer, lung cancer, neuroblastoma etc.
- ✓ Patent : Granted in Japan, US, Europe, China etc.
- ✓ Unmet needs that we should satisfy : Providing new therapeutics for highly malignant tumors without effective therapeutic drugs including hepatocellular carcinoma.

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

- ✓ 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.
- ✓ Therapeutic Area ：Malignant mesothelioma, small cell lung cancer, non small cell lung cancer, TNBC etc.
- ✓ Patent : Pending in Japan, US, Europe etc.



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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.
- ✓ Therapeutic Area : Breast cancer (TNBC), lung cancer, colorectal cancer etc.
- ✓ Patent : Granted in Japan, US, EU, China etc.

BMAA（Humanized anti-Semaphorin3A antibody）

First in class

- ✓ A humanized antibody generated using the ADLib® System.
- ✓ 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.
- ✓ Therapeutic Area : Diabetic macular edema (DME)
- ✓ Patent : Granted in Japan, US and Europe etc.

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Bring a brighter future to patients.
To accelerate drug discovery and development of mAb
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