

# Chiome Bioscience (TYO: 4583)

**CBA1205 clinical trial progressing well**  
Starting out-licensing activities following the PCDC patent information disclosure

▷ **FY12/2021Q2 financial results: Sales increased by 122% YoY, losses shrank**  
Chiome Bioscience's financial results for FY12/2021Q2 were net sales of ¥384mn (up ¥211mn YoY), operating loss of ¥415mn (operating loss of ¥735mn in 12/2020Q2), ordinary loss of ¥409mn (ordinary loss of ¥735mn in 12/2020Q2), and net loss of ¥408mn (net loss of ¥736mn in 12/2020Q2). Net sales increased 122% and the losses shrank at all levels.

In the Drug Discovery Business, an up-front income for the out-licensing contract of LIV-2008 / 2008b was recorded in Q1, resulting in the sales of ¥103mn (¥1mn in 12/2020Q2). Sales of the Drug Discovery Support Business was ¥281mn, increasing by ¥110mn due to stable expansion of the sales to existing customers. R&D expenses were ¥459mn and decreased by ¥149mn. This is thanks to the declines in the cost of CMC development for CBA-1205 from the previous fiscal year.

As per BS, cash decreased by ¥385mn from the end of December 2020, and total assets were ¥3,328mn (¥3,494mn at the end of December 2020).

▷ **Pipeline progress: (see the figure in the next page)**

\* CBA-1205; The first half of the Phase I trial at the National Cancer Center is progressing well. The Company has changed the development plan and will acquire a larger amount of safety data than originally planned. The second half of the Phase I trial is scheduled to begin some time between the end of 2021 and the first half of 2022.

\* CBA-1535; The investigational drug substance is being manufactured by CMO. Although CMC development was delayed from the initial schedule due to COVID-19, the Company maintains that there will be no impact on the clinical trial application schedule. They are considering a change to a clinical trial application in Japan instead of the UK, which they originally planned.

\* BMAA: The Company focuses on in-house research and development, as the option contract with SemaThera terminated in May 2021. They will consider diseases other than diabetic macular edema.

\* PCDC: In July 2021, the World Intellectual Property Organization published the patent information, and the Company is progressing the out-licensing activities. The target molecule is CDCP1, a first-in-class antibody that targets solid cancers (lung cancer, head and neck cancer, esophageal cancer, colorectal cancer and cervical cancer, etc.).

▷ **Utilisation and improvement of ADLib® system :**

The Company participated in the Grant Program of the Japan Agency for Medical Research and Development (AMED). By continuing to work on the core technology development utilising and improving the ADLib® system, the company should be able to improve the technology related to the Drug Discovery Support Business and strengthen the in-house Drug Discovery pipeline.

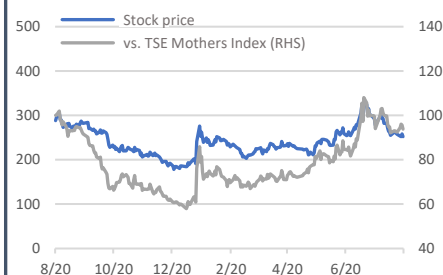
## Q2 financial result update

### Healthcare

As of August 23, 2021

<b>Share price (8/20)</b>	<b>¥244</b>
52 weeks high/low	¥328/178
ADVT (¥ mn, monthly)	¥187 mn
Mkt cap	¥9.8 bn
Shrs out	40.291 mn shrs
PER (12/21 CE)	- X
PBR (12/20 act)	3.46 X
ROE (12/20 act)	-45.6 %
Shr eqty ratio (6/21)	85.3 %
Listed market	TSE Mothers

### Stock price performance



%	Jan.	Mar.	Dec.
Stock price	-20.0%	9.1%	-12.5%
Relative stock price	-8.4%	16.5%	-6.2%

### Points of interest


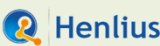
A bio-venture company that challenges to unmet needs by developing its own antibody drug discovery. 11 products in pipeline, and one of which is in the clinical stage. Drug Discovery and Development Business is steadily progressing with the company aiming at first-in-class drug discovery.

This report is prepared at the request of Chiome Bioscience. For details, refer to the disclaimer on the last page.

JPY, mn, %	Net sales	YoY %	Oper. profit	YoY %	Ord. profit	YoY %	Profit ATOP	YoY %	EPS (¥)
12/2017	259	3.0	-887	-	-883	-	-882	-	-33.48
12/2018	212	-18.1	-1,539	-	-1,533	-	-1,533	-	-57.26
12/2019	447	110.3	-1,401	-	-1,410	-	-1,403	-	-44.61
12/2020	480	7.4	-1,283	-	-1,291	-	-1,293	-	-39.06
12/2021 (CE)	-	-	-	-	-	-	-	-	-
12/2020 Q2	173	23.1	-735	-	-735	-	-736	-	-22.01
12/2021 Q2	384	122.1	-415	-	-409	-	-408	-	-10.16

## 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	[Progress bar]			
LIV-2008 /2008b	TROP-2	Oncology	[Progress bar]			

### Pipelines

★ First in class

Project	Target	Therapeutic Area	Basic research, Drug Discovery	Preclinical Study	Clinical Trials	Status
★ CBA-1205 (ADCC enhanced)	DLK-1	Oncology	[Progress bar]			Phase 1
CBA-1535 (Tribody™)	5T4×CD3 ×5T4	Oncology	[Progress bar]			Preparing for Phase 1
★ BMAA	SEMA3A	DME, Others	[Progress bar]			Licensing opportunity
★ PCDC	CDCP1	Oncology /ADC	[Progress bar]			Licensing opportunity
Discovery PJ (5)	Undisclosed	Oncology infectious/ rare diseases	[Progress bar]			—

Note) As of August 13, 2021. [Green bar] is new progress in Q2.  
Source: Company materials

About the new progress in Q2 ;

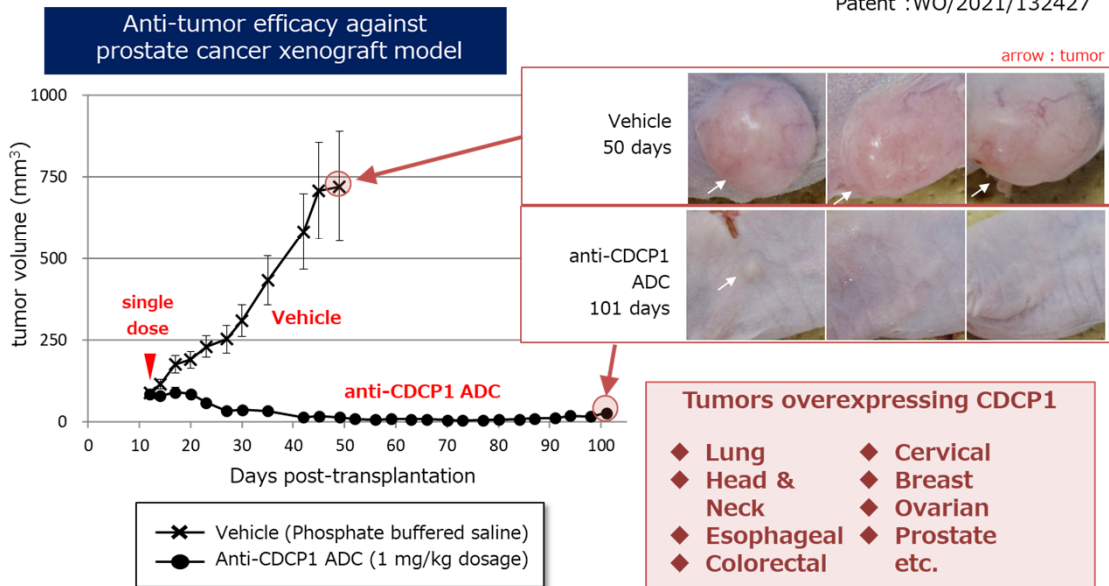
\* For the out-licensed product LIV-2008 / 2008b, a development plan has been formulated and is in progress at the out-licensing company Shanghai Henlius.

\* For PCDC, the progress is as mentioned above. See the figure below for the evaluation of the efficacy of PCDC. It shows the antitumor effect of prostate cancer and the mice with Anti-CDCP1 ADC shows suppression of tumor . The Company is planning the derivation as an antibody for ADC.

## A patent application for PCDC "Anti-CDCP1 antibody" is published

~The antibody for highly effective antibody-drug conjugate against various solid tumors ~

Patent :WO/2021/132427



Source: Company materials

## Financial data

FY, (¥mn)	12/2019				12/2020				12/2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>[Statements of income]</b>										
<b>Net sales</b>	<b>64</b>	<b>77</b>	<b>142</b>	<b>165</b>	<b>91</b>	<b>82</b>	<b>139</b>	<b>169</b>	<b>246</b>	<b>139</b>
Drug Discovery and Development Business	0	1	1	28	1	1	0	1	103	0
Drug Discovery Support Business	63	76	142	137	90	82	138	168	143	138
Cost of sales	27	26	58	52	61	46	59	70	64	62
Gross profit	37	51	84	113	30	36	80	99	182	77
SG&A expenses	464	374	503	346	456	346	424	303	337	337
<b>R&amp;D expenses</b>	<b>363</b>	<b>273</b>	<b>407</b>	<b>256</b>	<b>343</b>	<b>266</b>	<b>342</b>	<b>206</b>	<b>216</b>	<b>243</b>
Operating loss	-426	-324	-419	-233	-426	-310	-344	-204	-155	-260
Non-operating income	0	1	4	0	2	0	3	0	7	0
Non-operating expenses	6	4	4	0	0	2	10	1	1	0
Ordinary loss	-432	-327	-418	-233	-425	-311	-351	-205	-150	-259
Extraordinary income	2	1	6	0			0	0		
Extraordinary expenses										
Loss before income taxes	-430	-326	-412	-233	-425	-310	-351	-205	-150	-247
Total income taxes	1	0	1	0	1	0	1	1	11	1
Net loss	-431	-326	-413	-234	-425	-311	-352	-206	-161	-248
<b>[Balance Sheets]</b>										
Current assets	3,048	3,206	2,807	2,561	2,309	2,805	3,316	3,249	3,294	3,088
<b>Cash equivalents and ST marketable securities</b>	<b>2,776</b>	<b>2,899</b>	<b>2,469</b>	<b>2,106</b>	<b>1,967</b>	<b>2,472</b>	<b>2,881</b>	<b>2,686</b>	<b>2,580</b>	<b>2,302</b>
Non-current assets	219	217	242	247	247	249	249	246	244	241
Tangible assets	15	14	12	11	10	9	8	7	6	6
Investments and other assets	204	204	230	236	237	240	241	239	237	235
<b>Total assets</b>	<b>3,267</b>	<b>3,423</b>	<b>3,049</b>	<b>2,808</b>	<b>2,556</b>	<b>3,054</b>	<b>3,566</b>	<b>3,495</b>	<b>3,537</b>	<b>3,329</b>
Current liabilities	177	207	154	145	315	427	378	343	378	428
Short-term borrowings					142	199	199	180	180	190
Non-current liabilities	41	41	41	41	42	42	42	42	42	42
<b>Total liabilities</b>	<b>219</b>	<b>248</b>	<b>196</b>	<b>187</b>	<b>357</b>	<b>469</b>	<b>420</b>	<b>385</b>	<b>420</b>	<b>470</b>
<b>Total net assets</b>	<b>3,048</b>	<b>3,175</b>	<b>2,853</b>	<b>2,622</b>	<b>2,199</b>	<b>2,585</b>	<b>3,146</b>	<b>3,110</b>	<b>3,118</b>	<b>2,859</b>
Total shareholders' equity	3,048	3,175	2,853	2,622	2,199	2,585	3,146	3,110	3,118	2,859
Capital stock	5,856	6,084	6,132	6,132	6,133	846	1,303	1,388	1,471	1,471
Legal capital reserve	5,846	6,074	6,122	6,122	6,123	2,446	2,903	2,987	3,071	3,071
Retained earnings	-8,682	-9,008	-9,421	-9,655	-10,080	-736	-1,088	-1,294	-1,455	-1,703
Subscription rights to shares	28	26	20	22	24	30	28	29	30	19
<b>Total liabilities and net assets</b>	<b>3,267</b>	<b>3,423</b>	<b>3,049</b>	<b>2,808</b>	<b>2,556</b>	<b>3,054</b>	<b>3,566</b>	<b>3,495</b>	<b>3,537</b>	<b>3,329</b>
<b>[Statements of cash flows]</b>										
Cash flow from operating activities		-677		-1,537		-528		-1,360		-560
Loss before income taxes		-755		-1,401		-734		-1,290		-396
Cash flow from investing activities		-		-26		-		3		-
Purchase of investment securities		-		-		-		-		-
Cash flow from financing activities		1,248		1,341		894		1,944		176
<b>Proceeds from issuance of common shares</b>		<b>1,249</b>		<b>1,345</b>		<b>697</b>		<b>1,769</b>		<b>166</b>
Net increase in cash and cash equiv.		570		-222		366		580		-384
Cash and cash equiv. at beginning of period		2,328		2,328		2,105		2,105		2,686
Cash and cash equiv. at end of period		<b>2,899</b>		<b>2,105</b>		<b>2,472</b>		<b>2,686</b>		<b>2,301</b>

Note) For the cash flow statement, Q2 is the cumulative of Q1 to Q2, and Q4 is the cumulative of Q1 to Q4. Therefore, the beginning balance will be the beginning balance of Q1 for both Q2 and Q4.

Source: Omega Investment from Company materials



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