

December 14, 2022

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Revision of Results Forecast for the Fiscal Year Ending December 31, 2022

Carna Biosciences, Inc. (“Carna”) announced today its revised forecast for the fiscal year ending December 31, 2022.

1. Revised consolidated results forecast

The consolidated results forecast for the fiscal year ending December 31, 2022 (January 1, 2022 to December 31, 2022) has been revised as below. The previous forecast was announced on May 10, 2022.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net profit per share
Previous Forecast (A)	1,186	(1,672)	(1,685)	(1,740)	(128.46) yen
Revised Forecast (B)	1,363	(1,451)	(1,451)	(1,513)	(111.26) yen
Change from Previous Forecast (B-A)	176	220	234	227	17.2 yen
Change from Previous Forecast (%)	14.9%	—	—	—	
(Ref.) December 31, 2021 Results (Previous Year)	2,017	(531)	(522)	(534)	(42.10) yen

2. Reason of the revision

Carna has upwardly revised its consolidated sales forecast for the fiscal year ending December 31, 2022 to reflect the recent robust sales at the Drug Discovery Support business, particularly in the U.S. and China. In the U.S., the demand for kinase protein products from biopharmaceutical companies is strong and the sales have been increasing year-on-year in US dollars, expected to beat the previous forecast. In China, sales of kinase protein products have been robust, and overall sales in China are likely to beat the previous forecast. Sales in Japan and Europe are expected to be in line with the previous forecast. The company upwardly revised its sales forecasts for the Drug Discovery support business by JPY176 million or 19.6% to JPY1,077 million yen (up 21.1% yoy)

At the Drug Discovery and Development business, the company entered into a licensing agreement with Fresh Tracks Therapeutics, Inc. (formerly known as Brickell Biotech, Inc.) in February 2022 to out-license Carna’s portfolio of STING antagonists and received an upfront payment of USD2 million (JPY227 million). In March 2022, the company received a milestone payment of USD500,000 (JPY58 million) from BioNova Pharmaceutical Limited (China), the licensee of AS-1763 in Greater China. As a result, sales for the Drug Discovery and Development business are expected to be JPY286 million, unchanged from the previous forecast.

R&D expense is expected to be JPY2,046 million, down 120 million or 5.5% from the previous forecast. As a result, the company currently estimates that the consolidated operating loss to be JPY1,451 million, JPY220 million decrease in loss, consolidated ordinary loss to be JPY1,451 million, JPY234 million decrease in loss, and loss attributable to owners of parent to be JPY1,513 million, JPY227 million decrease in loss.

* The forward-looking statements in this document have been prepared based on information available at the time of the issuance of this release as well as on the certain assumptions considered by the management to be reasonable. Actual results may differ from this forecast due to variety of factors.