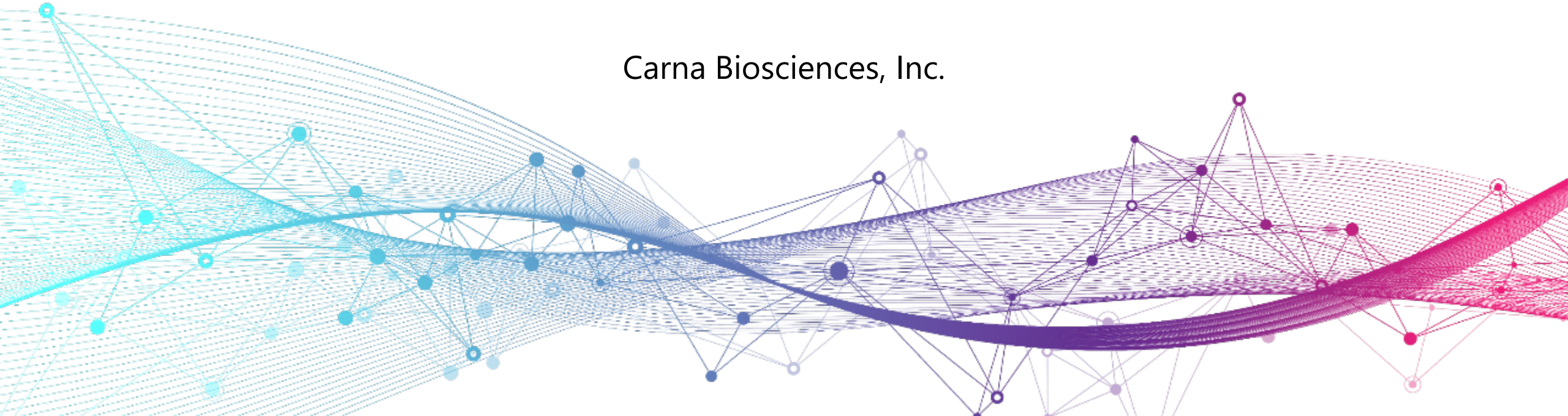
Financial Results
Q2 FY2025

（January to June 2025）

Carna Biosciences, Inc.



Executive Summary

- **Operating loss was within the expected range, while investment related to clinical trials continues.**
- **Presented posters at AACR and EHA on the favorable clinical and preclinical data for our clinical-stage pipelines.**

Financial results summary

(JPY mn))	1H2025 Actual	FY2025 Plan	FY2025 Progress (%)
Operating loss	1,052	2,133	49.3%
R&D expense	903	2,059	43.8%

Continued investments in clinical studies of docirbrutinib (AS-1763) and monzosertib (AS-0141)

Operating loss and R&D spending were in-line with the full year plan

Key events in Q2

AACR Annual Meeting (April)

Poster presentation on new preclinical data on antitumor efficacy of monzosertib in combination therapy

EHA (June)

Poster presentation of promising preliminary data from the ongoing Phase 1b study of docirbrutinib

Presented posters on monzosertib at American Association for Cancer Research (AACR) Annual Meeting 2025 and on docirbrutinib at European Hematology Association (EHA) 2025 Congress

AGENDA

1. Company Overview
2. Updates on Pipelines
3. Financing
4. Appendix

Company Overview

Our Business

Carna leverages its proprietary kinase drug discovery technology across two business areas: Drug Discovery R&D (ddRD) and Drug Discovery Support (ddSP)

Drug Discovery R&D

Aiming to discover and develop innovative drugs

Drug Discovery Support

Providing pharmaceutical companies with new tools to support their kinase inhibitor research

*Kinases are important enzymes that play a crucial role in various cellular signaling pathways, and their dysregulation is associated with numerous diseases

Specializing in small molecule drugs including kinase inhibitors

Proprietary compound library and expertise in drug discovery technologies

Founded as a spin-out from a major pharmaceutical company

Highly experienced team with strong scientific background

Proven track record of partnerships with global pharmaceutical companies

Out-licensed a proprietary program to Gilead Sciences (see P.25)
Ongoing joint research with Sumitomo Pharma (See P.26)

Multiple drug candidates discovered by Carna are in clinical development

Carna is advancing clinical development of three investigational drugs targeting cancer, autoimmune, and inflammatory diseases (See P.12)

Building Long-Term Value

Our goal is to deliver innovative therapies for patients suffering from serious diseases.

2003
A spin-out from Nippon Organon, founded by experts in kinase drug discovery

Started providing kinase proteins and screening services to pharmaceutical companies for kinase inhibitor drug discovery

2010
Drug Discovery Group was established to initiate in-house kinase drug discovery research, focusing on cancer, immune, and inflammatory diseases

2019
Established a clinical development office in South San Francisco, CA

2003 2010 2019 2025

Leading clinical stage biopharmaceutical company

Out-licensing deals

2015	J&J License Deal
2016	Sierra Oncology License Deal
2018	Sumitomo Pharma Collaboration
2019	Gilead License Deal
2020	BioNova License Deal
2022	FRTX License Deal

Pipelines

2020	Initiated FIH study of BTK inhibitor sofnobrutinib (AS-0871)
2021	Initiated FIH study of BTK inhibitor docirbrutinib (AS1763)
	Initiated FIH study of CDC7 inhibitor monzosertib(AS-0141)

2025 Plan

- Actively seek a strategic partner to bring sofnobrutinib into late clinical development stages
- Advance Phase 1 studies of BTK inhibitor docirbrutinib (AS-1763) and CDC7 inhibitor monzosertib (AS-0141)
- Strengthen clinical development capability
- Create next wave of pipeline

Mid- to Long- term strategy

- Advance clinical studies of docirbrutinib (AS-1763) and monzosertib (AS-0141)
- Find strategic partners for late-stage development and commercialization
- Strengthen financial position through revenue from milestone payments and royalties generated by licensees
- Create next wave of pipeline

From Drug Discovery to Monetization

Bringing a drug candidate from discovery phase to commercialization typically takes 10 to 15 years and requires a substantial investment in research and development.

Discovery | **Preclinical** | **Clinical development** | **Registration Commercialization** | **Post-launch**

Costs related to scientists and experiments

Costs increase due to the studies and preparations required to initiate clinical trials

Substantial cost increases driven by clinical trials

Commercialization generate returns

Monetization

Revenue

Investment

Time

Developing and commercializing a new drug takes over a decade and demands major R&D investment

Over 10 years from discovery phase to monetization

Generating drug candidates by optimizing lead compounds
.

Evaluating drug candidates for efficacy, ADME, safety, and toxicity, as well as manufacturing processes and formulation stability

Evaluating safety and efficacy in patients to obtain regulatory approval

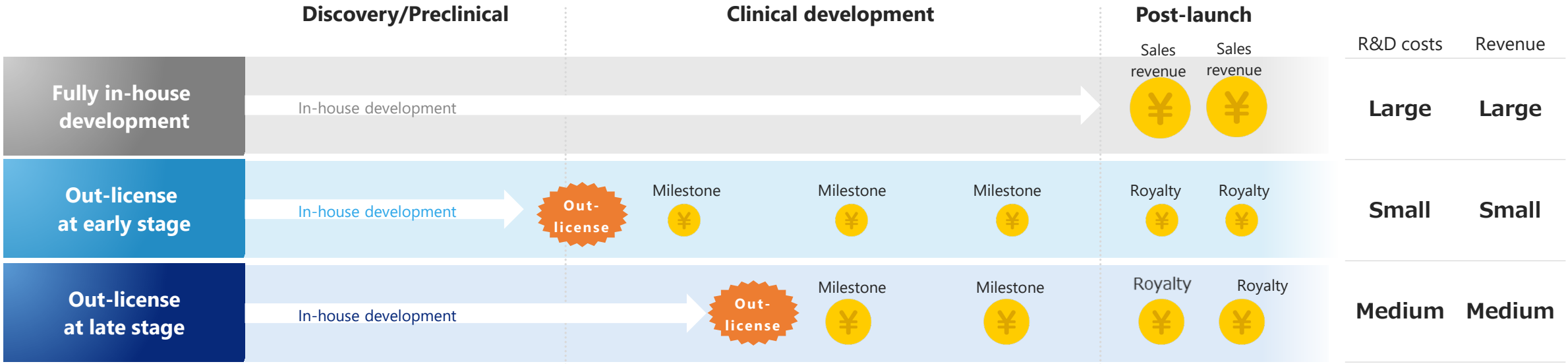
General process of clinical trials

Phase 1	**Phase 2**	**Phase 3**
Safety evaluation	Efficacy evaluation (small cohort)	Efficacy evaluation (large cohort)

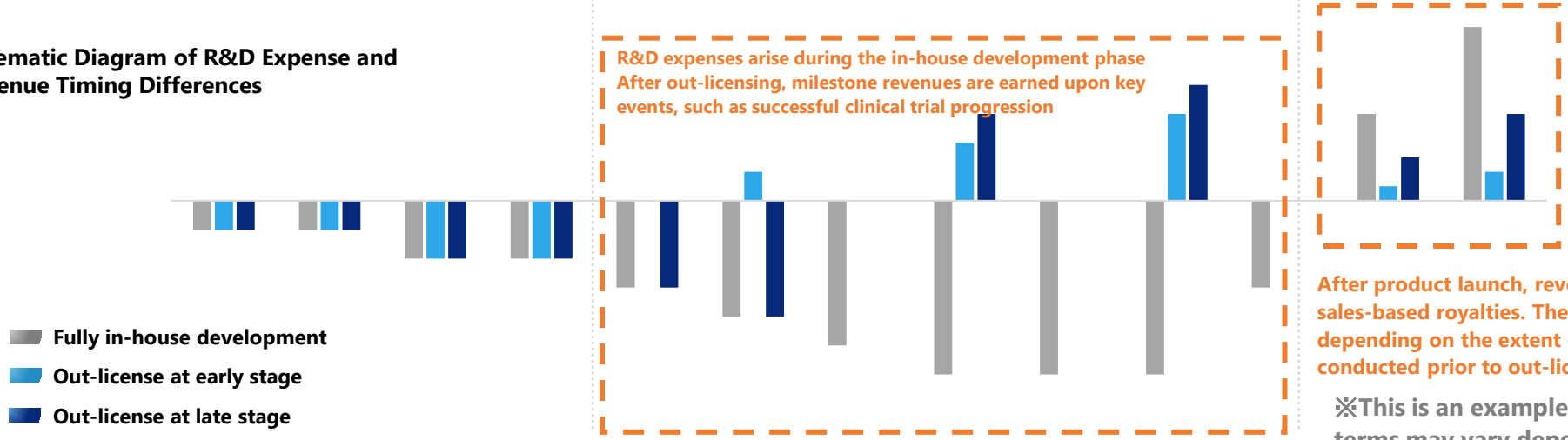
Commercially launched and prescribed to patients for treatment

Business Model of Biotech Startups

Due to the heavy burden of R&D costs, biotech startups may choose to out-license their drug candidates at an early stage to pharmaceutical/biotech companies in return for milestone payments and sales royalties.



Schematic Diagram of R&D Expense and Revenue Timing Differences



After product launch, revenue is generated through sales-based royalties. The royalty rate may vary depending on the extent of in-house development conducted prior to out-licensing

※This is an example revenue structure, and actual terms may vary depending on each drug candidate

Pipeline Development for Corporate Growth

Biotech Startups aim to maximize their corporate value by developing innovative pipelines and enhancing the medium to long term value of each pipeline.

Building a high-value pipeline portfolio

Market size
- ✓ Target indications
- ✓ Potential to expand indications
- ✓ Target product profile

Projected market share
- ✓ Advantages and differentiation over existing drugs

Deal structure
- ✓ Timing of out-license
- ✓ Milestones and royalty rate

Probability of success
- ✓ Reviewing results and progress of clinical Trials

Sustained expansion of the pipeline portfolio

Maximize corporate value

Our Business and Performance Overview

- **We operate two core segments: Drug Discovery R&D (ddRD) and Drug Discovery Support (ddSP)**
- **We have been advancing clinical trials for our proprietary pipelines, which has led to increased costs associated with these trials.**

ddRD

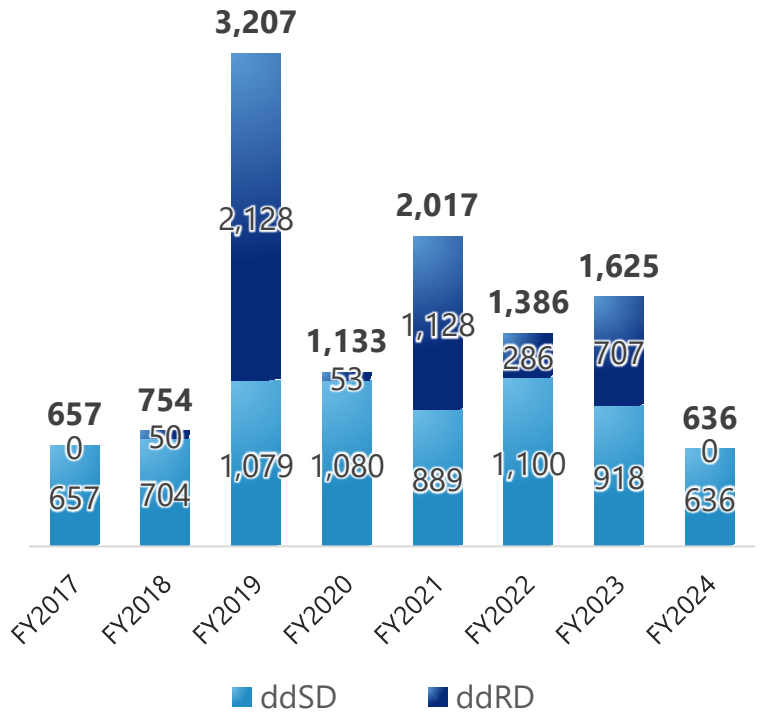
- ✓ ddRD business conducts research and development of innovative small molecule drugs including kinase inhibitors
- ✓ We focus on oncology and inflammatory/immune disorders
- ✓ We develop our oncology pipelines up to Phase 2 to maximize their potential value, while for other therapeutic areas, we typically out-license at an early stage, before entering Phase 2 study, to mitigate development risk

ddSP

- ✓ ddSP business offers research tools for drug discovery, leveraging our proprietary kinase research technology for lead identification and optimization

Sales trend

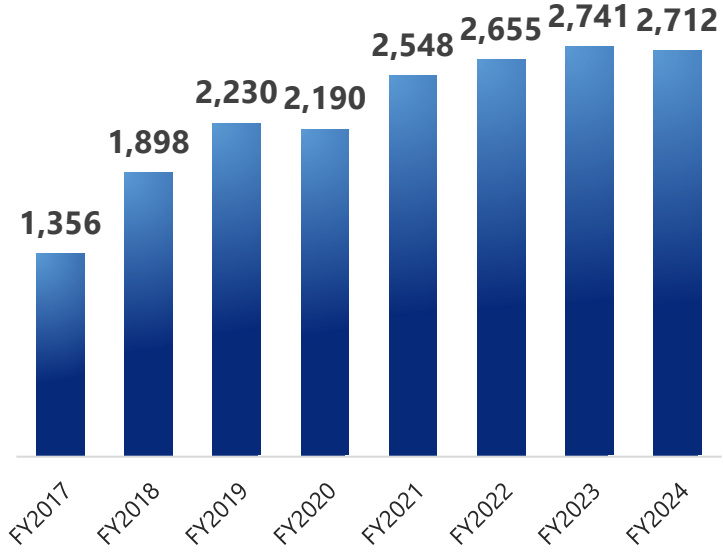
(JPY mn)



- ✓ Sales of ddSP segment declined YoY in FY2024, as our major customers scaled down their R&D budgets

Operating costs trend

(JPY mn)



- ✓ Operating costs have been trending upward since the initiation of clinical trials of our pipelines, including docirbrutinib

Updates on Pipelines in Clinical Development

Clinical Development Pipeline

We are currently advancing the development of three drug candidates: docirbrutinib, sofnobrutinib, and monzosertib.

	Compound	Next milestone	Development status and outlook
1	 **docirbrutinib (AS-1763)**	**Finding a partner to initiate Phase 2 study**	Preclinical → Phase 1 → Phase 2 → Phase 3 → Launch **Phase 1b study is ongoing (Cancer patients, US)** Target: Finding a partner to initiate Phase 2 study 2025 - 2026
2	 **sofnobrutinib (AS-0871)**	**Finding a partner to initiate Phase 2 study**	**Phase 1 study is completed (Health volunteers, the Netherlands)** Target: Finding a partner to initiate Phase 2 study 2025 - 2026
3	 **monzosertib (AS-0141)**	**Complete Phase 1 study (Solid tumors and blood cancers)**	**Phase 1 study is ongoing (Cancer patients, Japan)** Target: Complete Phase 1 study 2026

Status of Clinical Development Pipeline

- **Docirbrutinib and monzosertib: Phase 1 clinical studies are ongoing**
- **Sofnobrutinib: Phase 1 clinical study is completed. Seeking a partner to conduct Phase 2 study**

docirbrutinib

Phase 1b Ongoing
(the U.S. since August 2023)

Key points

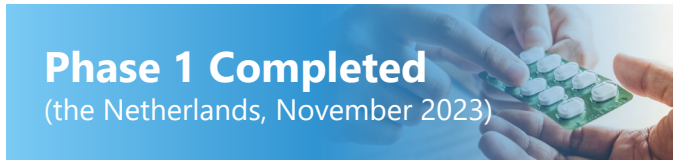
- ✓ **Dr. Nitin Jain, Professor of Leukemia, University of Texas MD Anderson Cancer Center is leading the multi-site clinical study**
- ✓ Initiated the dose expansion part in October 2024

THE UNIVERSITY OF TEXAS
MD Anderson Cancer Center

Update

Preliminary results from the ongoing Phase 1b study, suggesting favorable safety profile and efficacy of docirbrutinib, were presented at EHA2025 in June

sofnobrutinib



Phase 1 Completed
(the Netherlands, November 2023)

Key points

- ✓ Favorable safety and tolerability profile
- ✓ Promising PK/PD profile were confirmed
- ✓ Negative in the EFD study
- ✓ Seeking a strategic partner for further development

Update

–

monzosertib

Phase 1 Ongoing
(Japan, since June 2021)

Key points

- ✓ **Clinical trial is on going at National Cancer Center Hospital, National Cancer Center Hospital East and The Cancer Institute Hospital of JFCR**
- ✓ For solid tumors, the dose escalation part was completed, and the dose expansion part is ongoing
- ✓ For blood cancers, the dose escalation part is in progress

Update

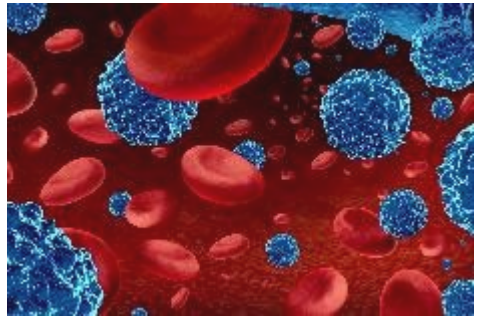
New preclinical data demonstrating significant antitumor effects of monzosertib in triplet combinations were presented at AACR2025

Clinical-Stage Pipeline 1 : docirbrutinib (AS-1763)

docirbrutinib (AS-1763)

Highlights | Market | Profile | Differentiation

Early clinical data suggest that docirbrutinib has the potential to address unmet medical needs in patients who have developed resistance to existing BTK inhibitors. Carna is actively advancing the Phase 1b study and aims to initiate a Phase 2 study as early as possible.

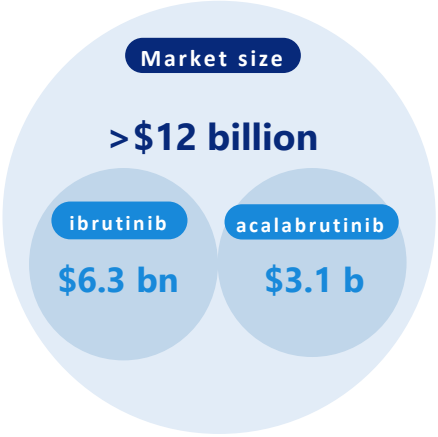


Target Product Profile

- Orally available, small molecule non-covalent inhibitor of Bruton's Tyrosine Kinase (BTK) targeting B-cell malignancies
- Potentially effective in patients who have developed resistance to existing BTK inhibitors
- Potentially effective in patients who are intolerant to existing BTK inhibitors

Potential market size and competitors

- The combined sales of existing BTK inhibitors exceed $12 billion, and the market is expected to expand further.
- Sales of ibrutinib, a BTK inhibitor (AbbVie / Johnson & Johnson), reached $6.3 billion in 2024.
- Sales of acalabrutinib (AstraZeneca) reached $3.1 billion in 2024.



Development timeline and Key Events

2021 — **Phase 1 study in healthy volunteers was conducted in the Netherlands (completed)**
Confirmed safety, tolerability, and favorable pharmacokinetic and pharmacodynamic profile at all dose levels

2023 — **Phase 1b study was initiated in patients in the U.S. (ongoing)**
Primary objective is to determine recommended phase 2 dose and maximum tolerated dose

June 2025 — **Poster presentation at European Hematology Association 2025**
Presented promising tumor responses observed in Phase 1b study

Next milestone

2025 to 2026 — **Finding a partner to initiate Phase 2 study**

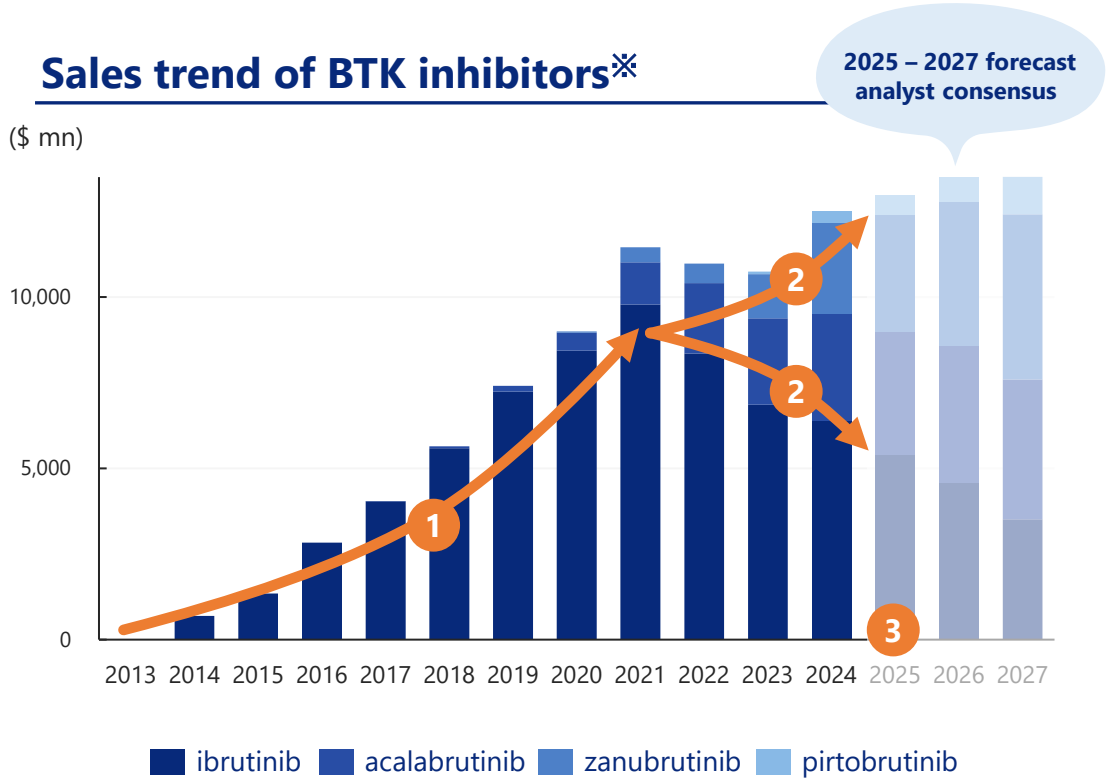
Clinical-Stage Pipeline 1 : docirbrutinib (AS-1763)

docirbrutinib (AS-1763)

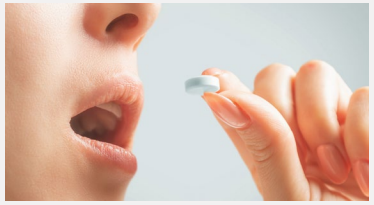
Highlight | **Market** | Profile | Differentiation

Combined sales of BTK inhibitors exceed $12 billion and are expected to expand further in 2025 and beyond.
Significant unmet medical needs remain due to tolerability issues and acquired resistance to existing BTK inhibitors.

Sales trend of BTK inhibitors※



1. Ibrutinib (Imbruvica) was launched in 2013 and created the market as it expanded sales until 2021
2. Recently, acalabrutinib, zanubrutinib, and pirtobrutinib have begun capturing market share from ibrutinib, due to their improved safety profiles.
3. However, the emergence of mutant BTKs that are resistant to ibrutinib, acalabrutinib, zanubrutinib and pirtobrutinib underscore the urgent need for a new treatment option.



BTK inhibitors

BTK inhibitors inhibit the activation of Bruton's tyrosine kinase, an enzyme that plays a crucial role in B cell development. By inhibiting BTK, these drugs prevent the proliferation of cancer cells and treat blood cancers.

※Source: Clarivate

Clinical-Stage Pipeline 1 : docirbrutinib (AS-1763)

docirbrutinib (AS-1763)

Highlight | Market | Profile | Differentiation

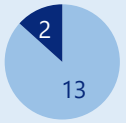
Preliminary data from the ongoing clinical study suggest that docirbrutinib may offer a safer profile, with fewer serious adverse events compared to other BTK inhibitors. Non-clinical studies have demonstrated its strong efficacy against BTK mutants that are resistant to existing BTK inhibitors.

Profile 01 Favorable safety profile

▼ Incidence of severe adverse events (SAEs, Grade≥3)

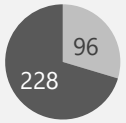
docirbrutinib

SAEs※1 **13.3%**



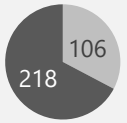
ibrutinib

SAEs※2 **70.4%**



zanubrutinib

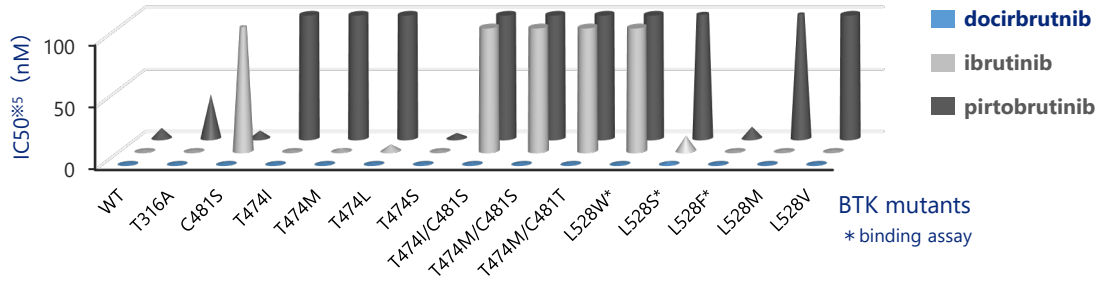
SAEs※2 **67.3%**



- The preliminary clinical data indicate impressive safety profile of docirbrutinib with small number of Grade≥3 adverse events observed. (Note: the number of patients enrolled remains limited)※3
- Many patients have been on long-term treatment, with several receiving docirbrutinib for over a year, suggesting an excellent safety profile. (41% of patients treated with ibrutinib were reported to have discontinued the treatment, with half of those discontinuations attributed to intolerance)※4
- A favorable safety profile is expected to be demonstrated further as the enrollment accelerates in the expansion part.

Profile 02 Potential to address various BTK mutations※4

Inhibitory potency of BTK inhibitors against BTK mutants (IC50)



- In preclinical study, docirbrutinib showed strong inhibitory potency against all resistant BTK mutations, whereas ibrutinib and pirtobrutinib showed only weak inhibitory activity against theses mutations.
- Docirbrutinib is expected to be effective against patients who have developed resistance to the existing BTK inhibitors.

※1 The preliminary data from Phase 1b study of Docirbrutinib
※2 J.R. Brown et al., N ENGL J MED 388;4 Jan 26,
※3 See p. 40 for details of adverse events ※4 See P.42/43

※4 Data from ASH2024 poster presentation ※5 IC50: Refers to the concentration required to inhibit 50% of the activity of a specific enzyme, cell, or receptor; A lower IC50 value indicates higher potency. T316A, C481S etc. : Resistant mutations in BTK, each indicats the types of amino acid and the position of mutations.

Clinical-Stage Pipeline 1 : docirbrutinib (AS-1763)

docirbrutinib (AS-1763)

Highlight | Market | Profile | Differentiation

Docirbrutinib demonstrates strong inhibitory potency against various BTK mutants and exhibits a favorable safety profile, positioning it as a potential best-in-class candidate among BTK inhibitors and degraders currently in development.

Comparative overview of non-covalent BTK Inhibitors and BTK degraders (approved and in clinical development)

Compound	MoA	Effectiveness against resistant mutants	Adverse Event Grade ≥3	Company	Phase
pirtobrutinib (LOXO-305)	Non-covalent BTK inhibitor	Not effective against T474I, L528w	Reported (low frequency)	Lilly (Loxo)	Approved/P3
nemtabrutinib (ARQ 531)	Non-covalent BTK inhibitor	Effective against several mutants	Reported	Merck (ArQule)	P3
NX-5948	BTK degrader	Effective against various mutants	Reported (low frequency)	Nurix	P1
BGB-16673	BTK degrader	Effective against various mutants	Reported	BeOne	P3
docirbrutinib (AS-1763)	**Non-covalent BTK inhibitor**	**Effective against various mutants**	**Refer previous page**	**Carna**	**P1**

Drug resistance: the reduction in effectiveness of a drug during targeted therapies due to alterations of drug targets including the mutation of the target proteins.

Clinical-Stage Pipeline 2: sofnobrutinib (AS-0871)

sofnobrutinib (AS-0871)

Highlights

Following the completion of the Phase 1 study of sofnobrutinib in 2023, we are currently actively seeking a partner for out-licensing or co-development.
We are conducting additional preclinical studies to highlight advantages of sofnobrutinib over other BTK inhibitors.

Target Product Profile

- **Orally available, small molecule non-covalent inhibitor of Bruton's Tyrosine Kinase (BTK) targeting immune-inflammatory diseases**

Potential market size and competitors

- The market for Chronic Spontaneous Urticaria※1 (CSU), one of the most promising indications, is estimated to be $2.8 billion across the major seven markets, with significant growth expected. (See P.46)
- Remibrutinib, a covalent BTK inhibitor (Phase 3), is one of the major competitors
- Many other potential indications including Pemphigus

Development timeline and key events

2023
- **Phase 1 study in healthy volunteers was conducted in the Netherlands (completed)**

2024
- **Key nonclinical studies were conducted**
  The key nonclinical studies provided evidence of a potential advantage of sofnobrutinib over other BTK inhibitors
- **Partnering activity is ongoing**
  Seeking an out-licensing or co-development partner to advance sofnobrutinib into Phase 2 and beyond, as it is being developed outside the oncology area

Next milestone

2025 to 2026
- **Find a partner for out-license or co-development**
- **Initiate Phase 2 study**

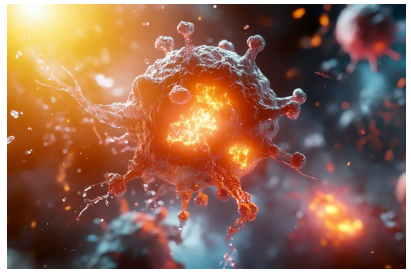
※1 CSU is a debilitating skin disease of chronic itch, hives and angioedema, lasting six weeks or more.

Clinical-Stage Pipeline 3: monzosertib (AS-0141)

monzosertib (AS-0141)

Highlights | Profile | Update 1 | Update 2

Monzosertib is currently being investigated for its efficacy across various cancer types in a Phase 1 study. Synergistic antitumor effects of monzosertib in combination with other drugs have been demonstrated in nonclinical studies.

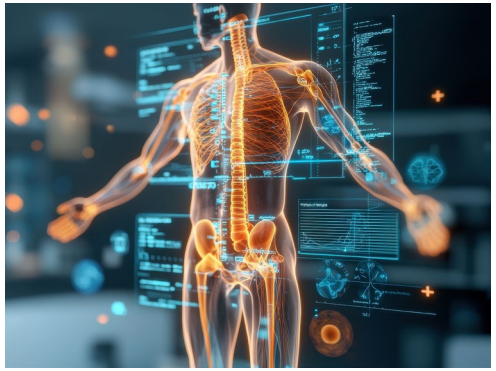


Target Product Profile

- **Orally available, small molecule inhibitor of Cell Division Cycle 7 (CDC7) Kinase targeting solid tumors and blood cancers**

Potential market size and competitors

- We are currently exploring cancer types that respond to monzosertib treatment in the ongoing Phase 1 study
- Monzosertib is a potential first-in-class CDC7 inhibitor, as no drugs targeting CDC7 kinase have been approved to date



Development timeline and key events

2021 ✓ **Phase 1 study was initiated in Japan targeting solid tumors**

✓ **Protocol was amended to include patients with blood cancers**

2024 ✓ **Dose escalation part was initiated targeting blood cancers**

Primary objective is to assess safety and to determine recommended Phase 2 dose.

2024 ✓ **New preclinical data presented at AACR, demonstrating the synergistic antitumor efficacy of monzosertib in triplet combination therapy**

Next milestone

2026 **Complete Phase 1 study**

Clinical-Stage Pipeline 3: monzosertib (AS-0141)

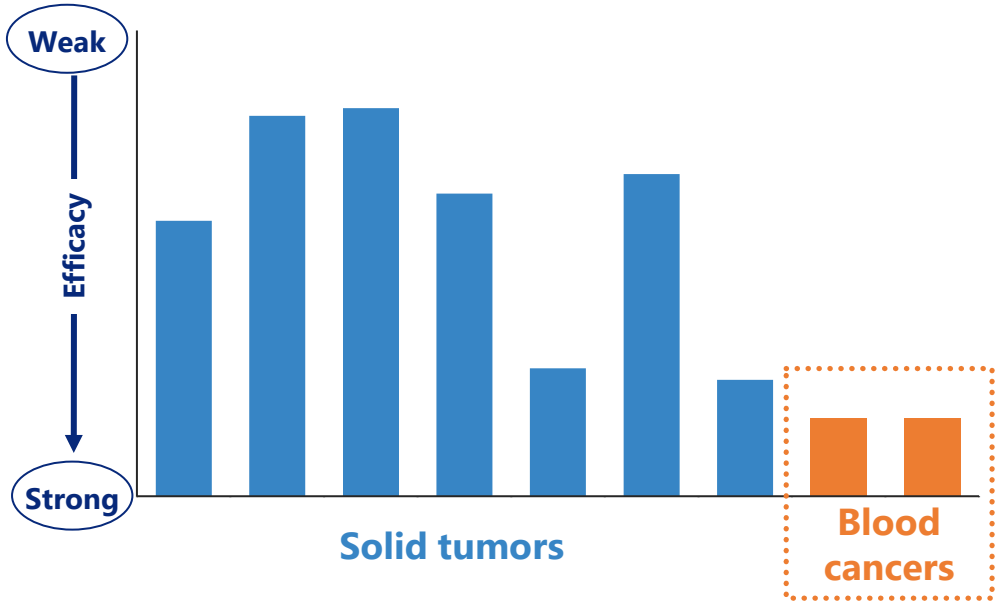
monzosertib (AS-0141)

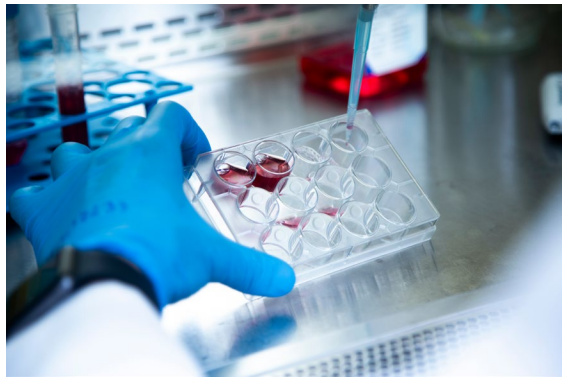
Highlights | **Profile** | Update 1 | Update 2

In nonclinical studies, monzosertib demonstrated potent anti-proliferative activity across various cancer cell-lines and exhibited robust antitumor efficacy against blood cancers in animal models.

Profile Robust antitumor efficacy against blood cancers

Antiproliferative effects of monzosertib on 35 human cancer cell lines
Each bar is presented as mean of different cell lines (N = 1 – 7)





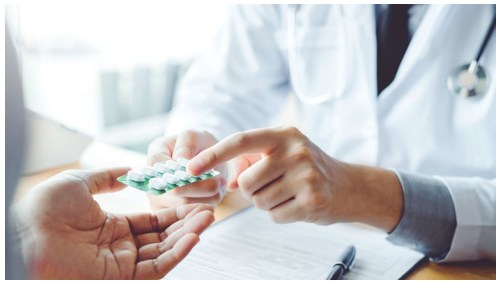
Monzosertib demonstrated significant antitumor activity in a human AML xenograft mouse model.

Clinical-Stage Pipeline 3: monzosertib (AS-0141)

monzosertib (AS-0141)

Highlights | Profile | Update 1 | Update 2

Monzosertib is being evaluated as a monotherapy, targeting solid tumors (dose expansion part) and blood cancers (dose escalation part) .
For blood cancers, a combination therapy with other drugs is also being explored.



Solid tumors — Monotherapy

Blood cancers — Monotherapy / Combination

For blood cancers, clinical trials of combination therapy with other drugs are also planned based on nonclinical data.

Phase 1 study		Phase 2 study
Dose escalation part	**Dose expansion part**	
A small number of patients are administered monzosertib with gradually increasing doses to assess safety and tolerability. The maximum tolerated dose and recommended dose is determined.	More patients are administered monzosertib at the dose level selected during dose escalation to determine the recommended Phase 2 dose (RP2D).	Patients receive monzosertib at the RP2D to evaluate efficacy and safety.

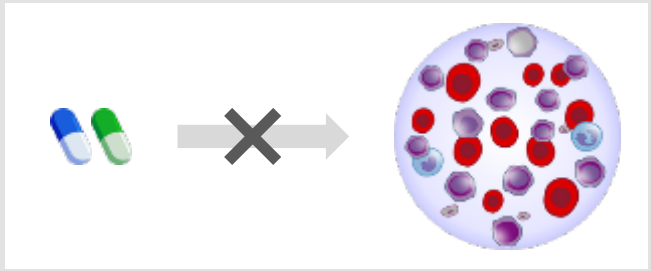
Clinical-Stage Pipeline 3: monzosertib (AS-0141)

monzosertib (AS-0141)

Highlights | Profile | Update 1 | **Update 2**

Nonclinical data presented at AACR Annual Meeting in April 2025 demonstrated significant antitumor effects of monzosertib in combination with DNMT inhibitors and BCL-2 inhibitors in AML models.

Current Therapy

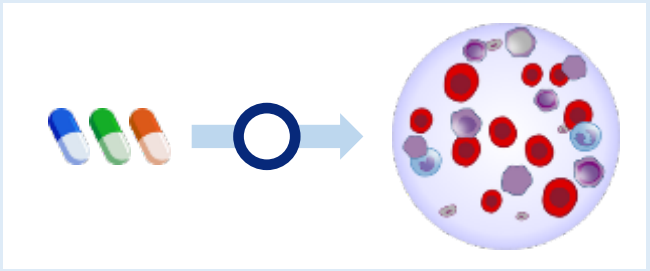


DNMT inhibitor + BCL-2 inhibitor

Combination therapy

Standard treatment for AML patients who are unfit for intensive chemotherapy. However, **resistance to this regimen has become a major concern**.

Our Findings



Monzosertib + DNMT inhibitor + BCL-2 inhibitor

Triplet therapy

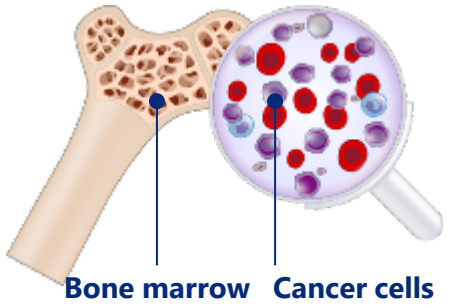
The triplet combination enhanced apoptosis and demonstrated significant antitumor effects ※

※Human AML cell lines and human AML xenograft mouse models

Triplet therapy may offer a new treatment option for patients with AML

Acute Myeloid Leukemia (AML)

- ✓ A type of blood cancer that is highly malignant and difficult to treat.
- ✓ The most prevalent form of acute leukemia. The market for AML treatment exceeds $3.8 billion.※



※Source: BCC Research「Global Acute Myeloid Leukemia (AML) Treatment Market」https://www.bccresearch.com/market-research/pharmaceuticals/acute-myeloid-leukemia-market.html

Updates on Licensed Pipelines

Out-licensed Pipeline

GS-9911 (DGKα inhibitor): currently undergoing Phase 1 clinical trials conducted by Gilead Sciences
Joint research with Sumitomo Pharma: currently evaluating a potential development candidate

	Compound／Partner	Status	Deal Summary	Upfront payment	Milestones
1	 DGKα inhibitor (GS-9911) GILEAD	Phase 1	● Out-licensed in June 2019 ● Worldwide rights ● Royalties on future net sales	$20M	Total milestone payments expected $450M Milestone payments received Received twice, totaling $15M
2	 Joint Research with Sumitomo Pharma Sumitomo Pharma	Late discovery	● Joint Research Agreement in March 2018 ● Worldwide rights ● Royalties on future net sales	JPY80M Upfront payment + Research milestone	Total milestone payments expected JPY10.6B

Out-licensed Pipeline 1: DGKα Inhibitor

DGKα Inhibitor

Partner Gilead Sciences, Inc.

Out-licensed in June 2019
Phase 1 study in patients with solid tumors is ongoing.

About Gilead Sciences

- ✓ Gilead Sciences, Inc. is one of the leading research-based biopharmaceutical companies, operating in more than 35 countries worldwide, with headquarters in Foster City, California.
- ✓ Gilead is a pioneer in the development of antiviral drugs, including viral hepatitis, AIDS and influenza.
- ✓ In recent years, Gilead has committed to advancing its innovations in oncology.

Deal size

- **Upfront payment $20 million**
- **Maximum of $450 million** potential milestone payments upon achievement of certain development and commercial milestones

Royalties

- Royalties on future net sales

Overview

Code	GS-9911
Indication	Cancer (immuno-therapy)
Region	Worldwide

Development timeline and key events

Jun. 2019 — **Out-lisenced to Gilead**
Worldwide development and commercialization rights

Jan. 2024 — **Introduced at J.P. Morgan Annual Healthcare Conference**
Gilead introduced DGKα as next generation target in oncology and presented GS-9911 as the DGKα inhibitor in Phase 1 study.

Dec. 2024 — **Phase 1 study in patients with solid tumors is ongoing.**
The development of GS-9911 is on track, according to a progress report from Gilead Sciences

Refer Gilead's website for details of the study.
https://www.gileadclinicaltrials.com/study?nctid=NCT06082960

Out-licensed Pipeline 2: Joint Research with Sumitomo Pharma

Joint Research with Sumitomo Pharma

Partner Sumitomo Pharma Co., Ltd.

Carna entered into a joint research agreement with Sumitomo Pharma to develop novel kinase inhibitors for the treatment of psychiatric and neurological disorders in March 2018. A potential development candidate is currently being evaluated.

Deal size

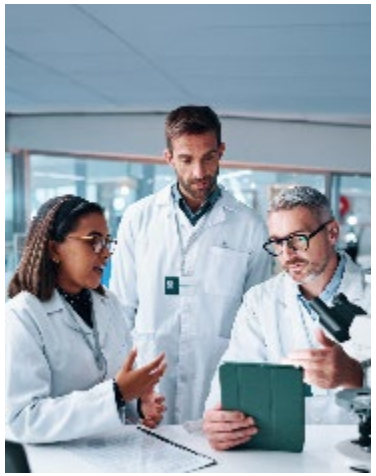
- Upfront payment + Research milestone JPY80 million
- Maximum of JPY10.6 billion potential milestone payments upon achievement of certain development and commercial milestones

Royalties

- Royalties on future net sales

Joint research overview

Modality※1	Orally available small molecule
Indication	Psychiatric and neurological disorders
Region	Worldwide



Development timeline and key events

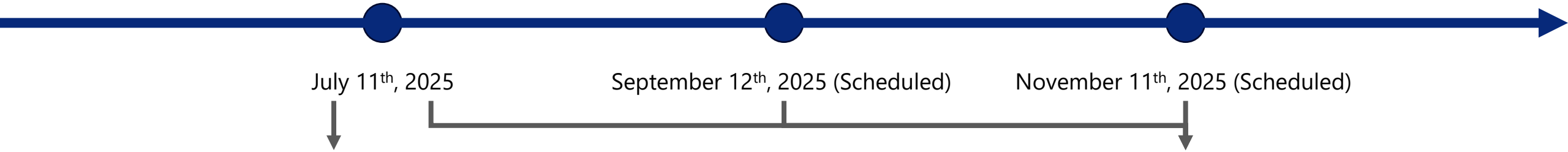
- **Mar. 2018** — Entered into a joint research agreement with Sumitomo Pharma
- **Dec. 2021** — The term of the joint research was extended until March 27, 2025
- **Mar. 2025** — The term of the joint research was extended further until March 27, 2027 to evaluate a potential development candidate
- **Current** — Evaluation of a development candidate is ongoing

※1 "Modality refers to the classification of therapeutic approaches, such as small molecule drugs, antibody drugs, and nucleic acid drugs.

Financing Overview and Use of Proceeds (Announcement on July 11th, 2025)

Financing Overview

We resolved to enter into a comprehensive issuance agreement for convertible bonds totaling JPY 675 million, and to issue the first series unsecured convertible bonds through a third-party allotment.



Bond Name	Carna Biosciences, Inc. First Series Unsecured Convertible Bonds
Issue Price of Bonds and Stock Acquisition Rights	Bonds: JPY225,000,000 Stock Acquisition Rights: No cash payment required
Total Proceeds	Total JPY225,000,000
Payment Date	July 28th, 2025
# of Underlying Shares	791,389 shares (40 units, Dilution※1: 3.97%)
Conversion Price	JPY315.9 (90% of the closing price on July 10th; no reset of Conversion Price)
Interest Rate	1.0% per annum
Maturity Date	July 28th, 2028
Method of Offering	Third-party Allotment
Designated Allottee	Cantor Fitzgerald Europe

※1: Number of newly issued shares / Total number of issued shares after the full dilution by newly issued shares (rounded down to the second decimal place)

Comprehensive issuance program agreement for convertible bonds

	Allotment Resolution Date	Payment Date	Total Proceeds
1st (Resolved this time)	July 11th, 2025	July 28th, 2025	JPY225,000,000
2nd	September 12th, 2025 (scheduled)	September 29th, 2025 (scheduled)	JPY225,000,000 (Max※)
3rd	November 11th, 2025 (scheduled)	November 27th, 2025 (scheduled)	JPY225,000,000 (Max※)
		Total	JPY675,000,000 (Max※)

※To ensure that the total number of shares to be delivered upon conversion of all the convertible bonds issued in three separate series does not exceed 4,700,000 shares at their respective conversion prices, provisions have been made to either reduce the subscription amount or cancel the issuance of such bonds.
These conditions are designed to limit the dilutive impact of this program. At the same time, if our share price trends upward, it enables us to raise up to JPY675,000,000 while minimizing dilution through this third-party allotment.

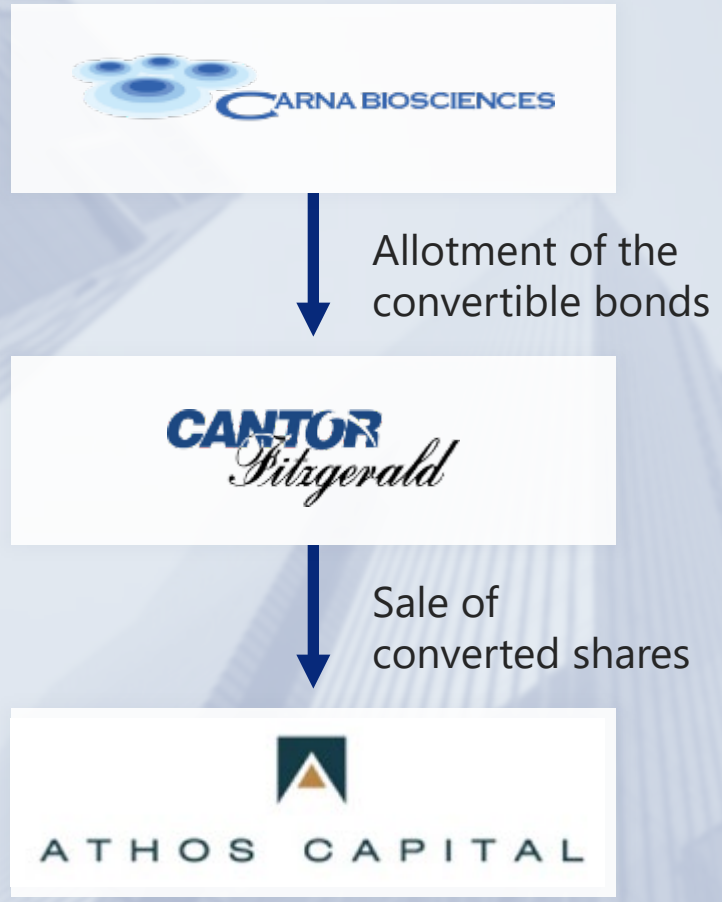
Key Merits of This Financing

Following a comprehensive evaluation of other financing options, we determined that this financing method provides the most strategic benefits, leading to the execution of the agreement.

	Merit of This Financing	Consideration on other financing options
① **High fundraising certainty**	Given that the issuance terms for all tranches were predefined at the time of establishment of the program and the agreement was executed based on those terms, **this structure can be considered to enhance the certainty of fundraising relative to conducting individual issuances**.	Considering the potential risk of failing to raise the required capital, we have excluded financing methods such as the issuance of stock acquisition rights—whose exercise depends on investor discretion—and public offerings, which are susceptible to market conditions and our financial situation.
② **Reduced immediate dilution**	The program **is designed to limit market impact from dilution** by setting a cap of 4,700,000 shares in principle for the total number of underlying shares and by dividing the issuance into three tranches.	Although public offerings enable us to raise funds in a single round, we have excluded this option in light of the considerable market impact such transactions may entail.
③ **Limited stock price impact**	Given that the conversion price of the convertible bonds is fixed, **conversions will generally not take place if the market price falls below the conversion price**. This structure is therefore expected to mitigate any adverse impact on our share price.	Financing methods that include conversion price adjustment clauses were excluded, as they may have a prolonged impact on the market until the share price drops below the predetermined floor conversion price.
④ **Supply-demand management**	Cantor Fitzgerald Europe, the designated allottee, **is expected to indicate its intention to sell the shares obtained through conversion of the convertible bonds to Athos Asia Event Driven Master Fund in principle**. We remain committed to maintaining transparent and appropriate communication.	
⑤ **Flexible capital strategy**	In the event that capital enhancement through conversion of the convertible bonds is no longer necessary, or if we secure access to more advantageous financing options, **it reserves the right, at its sole discretion, to redeem the remaining bonds at 100% of face value.**	Due to the inherent challenges in evaluating credit risk within the drug discovery sector and the absence of adequate physical collateral to offset such risks, we have concluded that borrowing-based financing is not feasible.
⑥ **Stable long-term capital**	Under this program, no provisions of mandatory redemption based on the choice of allottee are stipulated. In the event that the convertible bonds are not converted, **We will continue to enjoy the benefit of the full term until maturity at its discretion**.	

Designated Allottee & Indicated Shares Purchaser

Cantor Fitzgerald Europe, the designated allottee of the convertible bonds, is expected to indicate its intention to sell the shares obtained through conversion of the convertible bonds to Athos Asia Event Driven Master Fund, which was the allottee of our third-party allotments in May and October 2024.



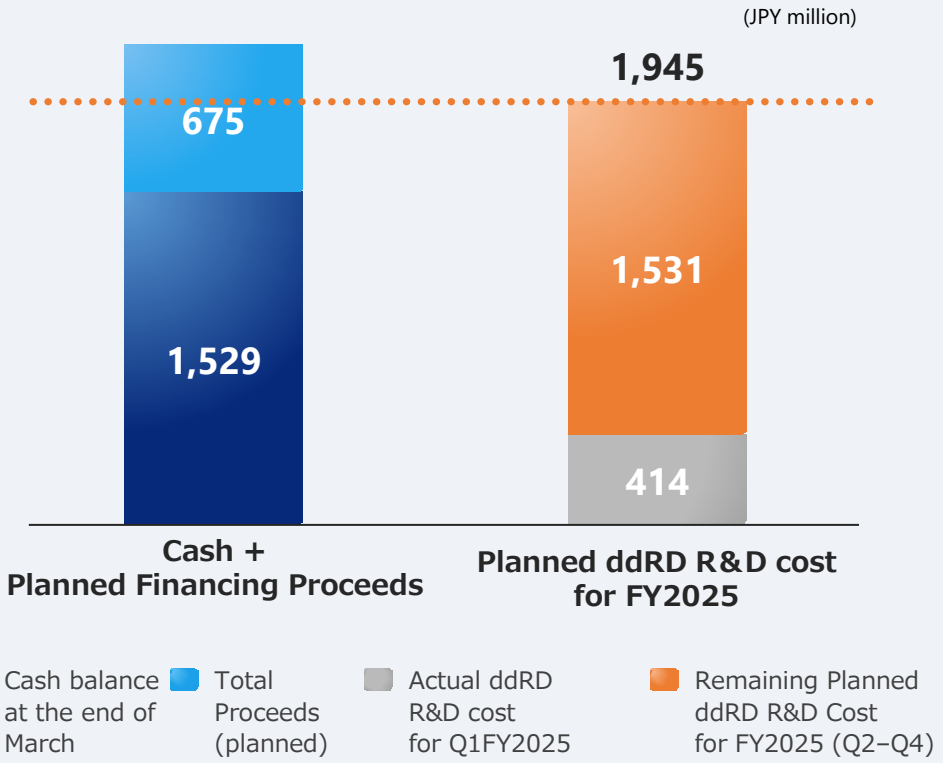
About Athos Capital	
Investor Name	The intended purchase of the converted shares is expected to be made via Athos Asia Event Driven Master Fund, a fund managed by Athos Capital Limited.
Established	October 2011
Location	Hong Kong
License	SFC Type 9 (Asset Management)
Source of Funds	U.S., Canadian, and European pensions and endowments, fund of funds that manages assets on behalf of U.S. pension and endowments, Japanese financial institution, etc.
Investment Activity	✓ Invests across major markets in Europe, the United States, Japan, and other parts of Asia. ✓ With a dual focus on fundamental and market analysis, maintains a high risk-tolerance and has a diverse track record of investments in leading markets worldwide, including Japan. ✓ Possesses a certain level of expertise in biotech and healthcare sectors, with a strong history of investments in companies within these industries.
Track record in Japan	SanBio (4592), Healios (4593), etc.

Financing Background and Use of Proceeds

As a result of this financing, we believe we are now in a position to fully cover its R&D expenses for the fiscal year ending December 2025 with existing cash on hand. The proceeds are intended to be allocated primarily to clinical trial-related costs for two high-potential in-house pipeline candidates.

Planned ddRD R&D Cost and Cash Overview for FY2025

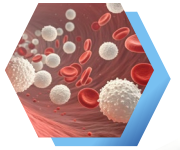
ddRD : Drug Discovery R&D business



1 Docirbrutinib Clinical Trial Costs

- Proceeds will be used for Phase 1b clinical trial costs expected during H2 FY2025–H1 FY2026.
- Docirbrutinib has the potential to become a blockbuster, given the existing BTK inhibitor market already exceeds approximately USD10 billion. and preliminary data suggest potential differentiation from current therapies.

2 Monzosertib Clinical Trial Costs



- Proceeds will be used for Phase 1 clinical trial costs expected during H2 FY2025–H1 FY2026.
- The AML therapy market, a key area of focus for monzosertib, exceeded USD3.8 billion in 2023 and is expected to continue expanding.

As a result of this financing, we are able to maintain its R&D activity in the absence of milestone income from the out-licensed pipeline assets, etc.

FY2025 Q2 Results

FY2025 Q2 Results by Business Segment

(JPY million)	Q2FY2024 Actual	**Q2FY2025 Actual**	YoY Change	FY2025 Plan	
Total Sales	315	**251**	-64 -20.4%	722	
ddSP business	315	**251**	-64 -20.4%	722	・Sales of proteins in the U.S. and China remained solid. ・Sales in Japan is weak.
ddRD business	—	**—**	—	—	
Total Operating Loss	(1,095)	**(1,052)**	+42	(2,133)	
ddSP business	(24)	**(51)**	-26	83	
ddRD business	(1,070)	**(1,001)**	+69	(2,216)	・Continued investment in the clinical-stage programs.
Ordinary Loss	(1,087)	**(1,055)**	+32	(2,137)	
Net Loss	(1,094)	**(1,056)**	+38	(2,147)	
R&D cost	992	**903**	-89	2,059	・Phase 1b study of docirbrutinib (AS-1763) is on track. ・Continued investment in the clinical-stage programs including costs related to clinical studies and manufacturing of investigational new drugs for docirbrutinib (AS-1763) and monzosertib (AS-0141).

Business plan for FY2025 dose not include potential milestone payments or upfront payments as the timing or the amounts are difficult to predict.

ddRD: Drug Discovery R&D business　ddSP: Drug Discovery Support business

Note : Rounded down to the nearest million yen

Consolidated Balance Sheet

(JPN million)	As of Dec. 31,2024	As of Jun. 30,2025	Change	Reason for changes
Current assets	2,737	1,589	-1,148	• Cash and deposits -1,047
Cash and deposits	2,108	1,060	-1,047	
Non-current Assets	34	46	+12	
Total assets	2,772	1,635	-1,136	
Current liabilities	222	184	-38	• Accounts payable -21
Non-current liabilities	73	60	-13	
Total liabilities	296	244	-52	
Total net assets	2,475	1,391	-1,084	• Net loss -1,056
Total liabilities and net assets	2,772	1,635	-1,136	

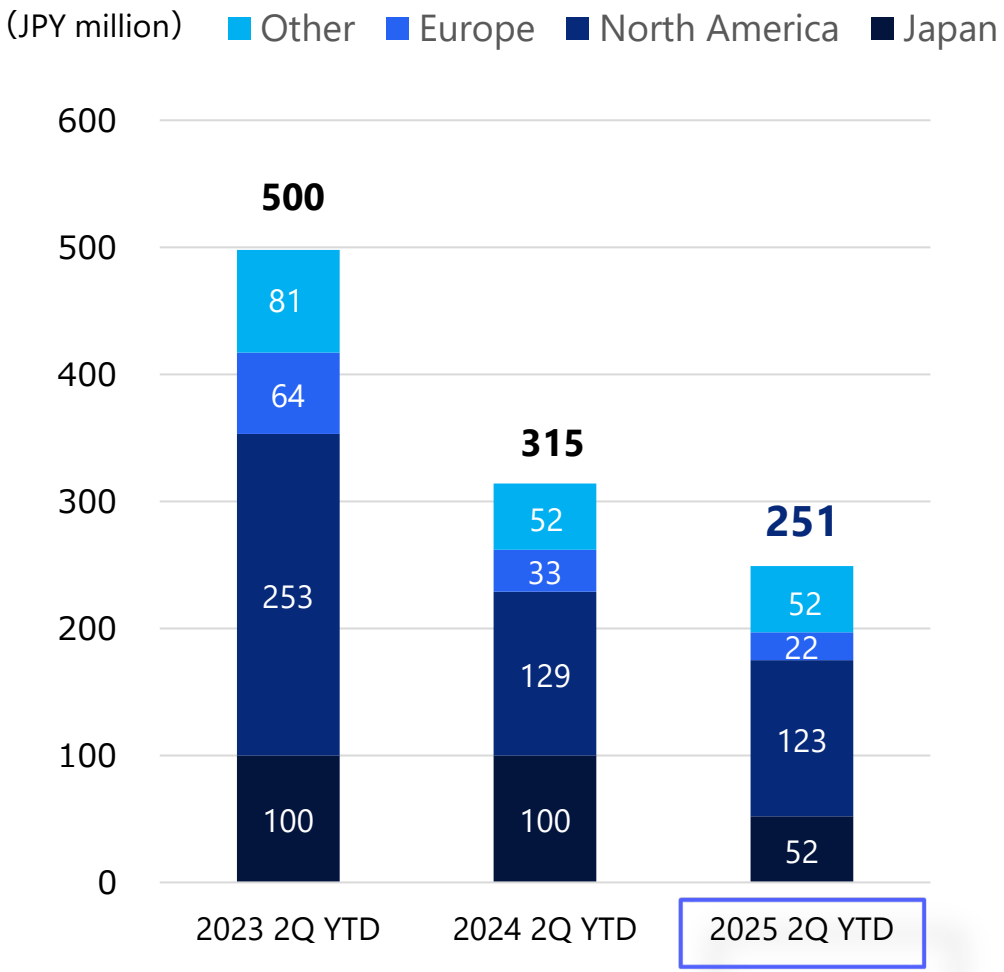
Shareholders' equity ratio	89.3%	85.1%
BPS	129.62yen	72.82yen
PBR	2.3x	4.8x
Share price of Carna	300yen	347yen

Note: Share price is the closing price of the term end.

Financing
Additional financing may be considered as necessary in order to accelerate the clinical trials of docirbrutinib (AS-1763), our most important asset.

FY2025 Q2 YTD Drug Discovery Support Business Sales Trend

Drug Discovery Support Business Sales Trend by Region (Consolidated)



Japan

Decreased 47.3% YoY

- Sales to pharmaceutical companies remained weak due to their budget consumption conditions.
- Accompanied with the advancement of projects of AI-driven drug discovery companies, our major customers, sales of profiling services declined.

North America

Decreased 4.9% YoY

- Following the acquisition of several major orders, protein sales continued to perform steadily.
- Sales of profiling services to AI-driven drug discovery companies remained strong.

Europe

Decreased 31.9% YoY

- Overall sales remained weak. Accompanied with our major customers' projects progress in the previous year, the needs of kinase protein declined.

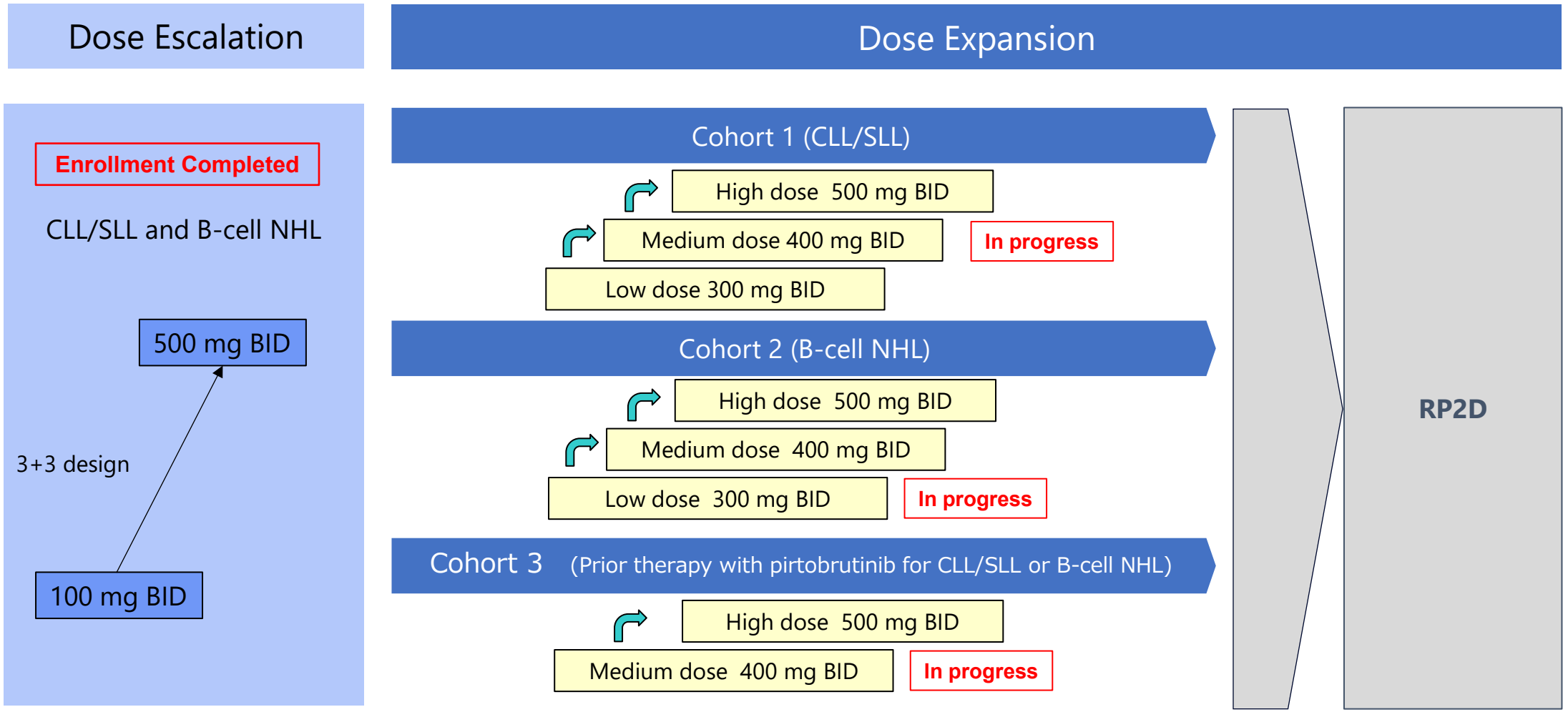
Other

Decreased 0.1% YoY

- Sales of proteins to Chinese CROs, our major customers, remained stable.

Appendix

Docirbrutinib (AS-1763): Phase 1b Trial Design



RP2D: Recommended phase 2
BID: Twice a day
BTKi: BTK inhibitor

Patients with CLL/SLL or B-cell NHL who have failed or intolerant to at least two lines of systemic therapy. Prior therapy with a covalent BTKi is permitted.

Docirbrutinib Ph 1b study: Clinical sites

Clinical sites（As of July 31, 2025）

- UC Irvine Health
- Mount Sinai Comprehensive Cancer Center
- Moffitt Cancer Center
- Northwestern Memorial Hospital
- University of Maryland Medical Center-Greenebaum Comprehensive Cancer Center
- University of Massachusetts Memorial Medical Center
- Clinical Research Alliance, Inc.
- University of Texas MD Anderson Cancer Center
- The Medical College of Wisconsin
- Taylor Cancer Research Center (newly opened)
- Duke Cancer Institute

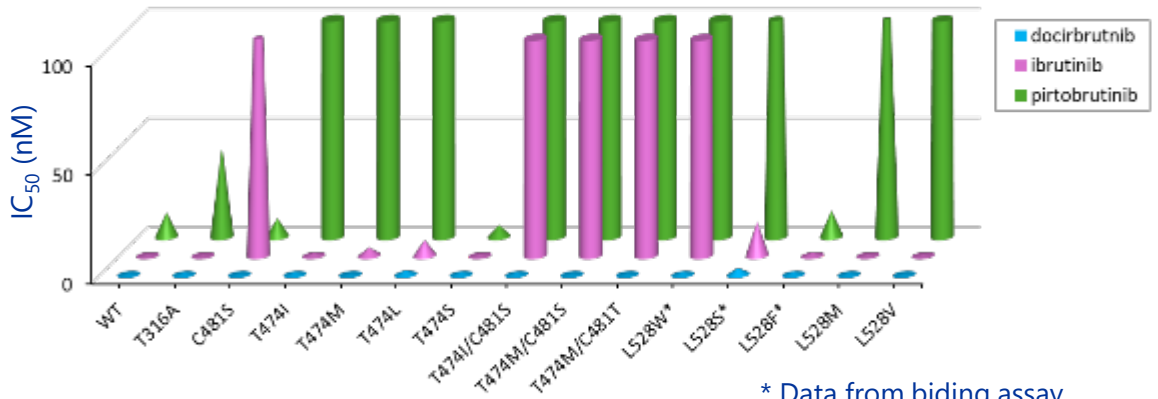
✓ **Phase 1b study is ongoing at eleven clinical sites in the US.**
✓ **Planning to activate additional clinical sites to accelerate the development timeline.**

Docirbrutinib: Potential to address various BTK mutations

Data from ASH2024 poster presentation

Preclinical study

Inhibitory potency of BTK inhibitors against BTK mutants



* Data from biding assay

BTK mutants [a)]

[a)] Patients are reported to develop resistance during the treatment with covalent BTK inhibitors including ibrutinib due to substitution of cysteine residue at 481 position with serine (C481S mutation) in BTK, which reduces the efficacy of covalent BTK inhibitors. In addition, the emergence of other types of mutations, such as T474x and L528x, has been reported during the treatment with pirtobrutinib.

In vitro study using recombinant BTK mutant proteins

The bar charts show the comparison of the inhibitory potency of BTK inhibitors against various BTK mutants. A shorter bar indicates stronger potency.

- Ibrutinib and pirtobrutinib showed weak inhibitory potency against many resistant BTK mutants.
- Docirbrutinib showed strong inhibitory potency against all resistant BTK mutants.

Docirbrutinib is expected to be effective against patients who have developed resistance to the existing BTK inhibitors.

Drug resistance: the reduction in effectiveness of a drug during targeted therapies due to alterations of drug targets including the mutation of the target proteins.

Safety profile of docirbrutinib

Preliminary data from Phase 1b study

Data from ASH2024 poster presentation

Treatment-Emergent Adverse Event (TEAE)	All Doses and Pts (n=15)			
	Any		Treatment-related	
	Any Grades n (%)	Grade ≥3 n (%)	Any Grades n (%)	Grade ≥3 n (%)
≥15%				
Dizziness	9 (60%)	0	2 (13%)	0
Headache	6 (40%)	0	1 (7%)	0
Nausea	5 (33%)	0	2 (13%)	0
Neutrophil count decreased	5 (33%)	2 (13%)	4 (27%)	2 (13%)
Blood creatinine increased	4 (27%)	0	0	0
Fatigue	4 (27%)	0	1 (7%)	0
Abdominal pain	3 (20%)	0	0	0
Anemia	3 (20%)	0	1 (7%)	0
Constipation	3 (20%)	0	1 (7%)	0
Cough	3 (20%)	0	0	0
Fever	3 (20%)	0	0	0
Myalgia	3 (20%)	0	0	0
TEAEs of Special Interest				
Bruising[a]	2 (13%)	0	1 (7%)	0
Hemorrhage[b]	1 (7%)	0	1 (7%)	0

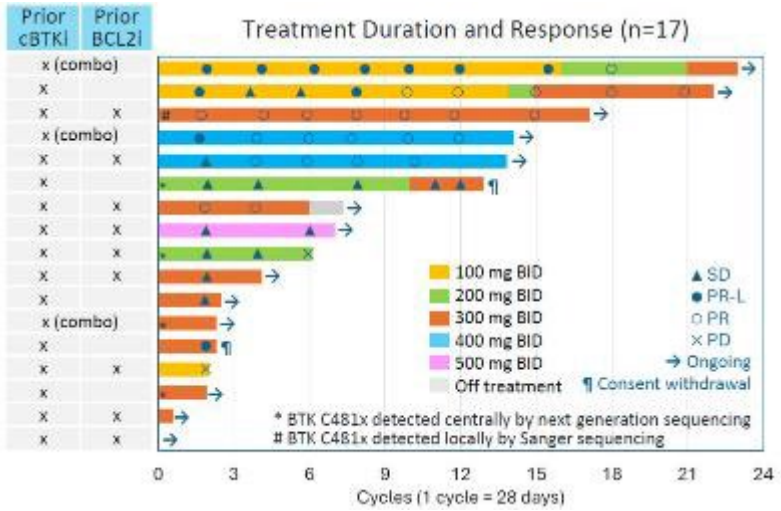
[a] Contusion (G1), [b] Epistaxis (G1).

The preliminary data from the Phase 1b study indicates impressive safety profile of docirbrutinib.

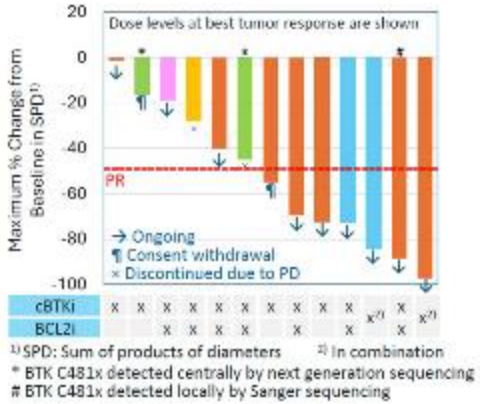
Tumor Response

◆ CLL/SLL

- Treatment duration and response (17 pts)

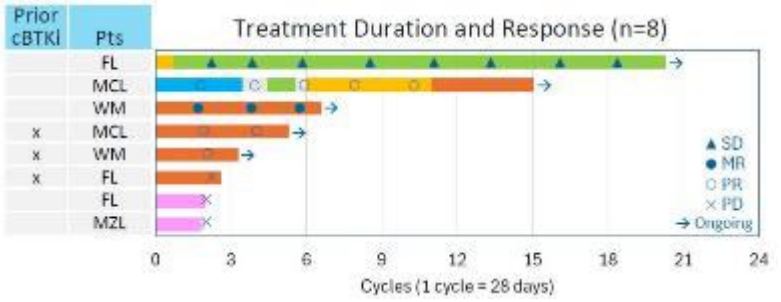


- Tumor response (13 pts)
  (lymph node size)

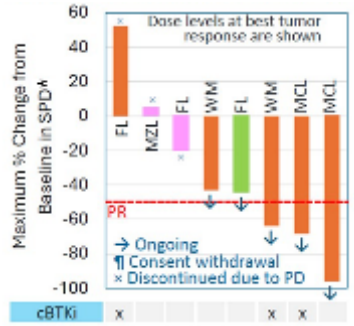


◆ NHL

- Treatment duration and response (8 pts)



- Tumor response (13 pts)
  (lymph node size*)



*Maximum % change in serum IgM levels for WM

Efficacy of Docirbrutinib (data cut-off: May 7, 2025)

- Among CLL patients who were refractory or intolerant to covalent BTK inhibitors and BCL2 inhibitors, 7 out of 13 evaluable patients (54%) achieved PR or PR-L.
- In NHL patients, 2 out of 2 (100%) MCL patients achieved PR. Among WM patients, 1 out of 2 (50%) achieved PR and the other showed MR.

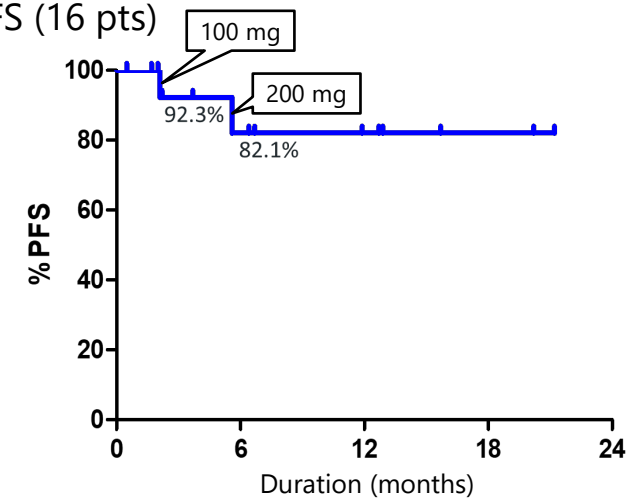
More patients are expected to achieve PR or CR as responses continue to deepen.

These preliminary outcomes indicate encouraging efficacy of docirbrutinib

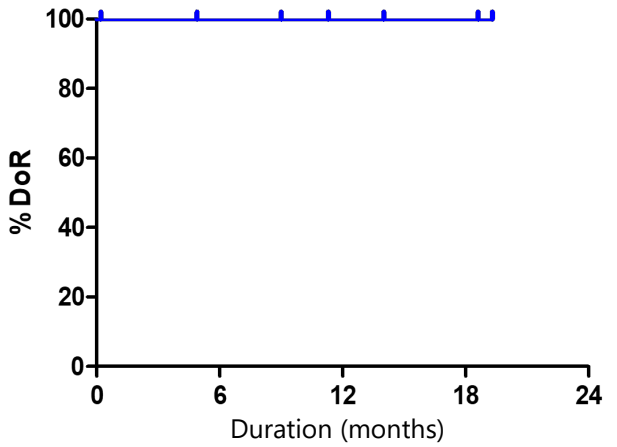
Adapted from EHA2025 poster presentation
EHA2025: European Hematology Association 2025, June 12 – 15, 2025

Progression-Free Survival and Duration of Response

- Progression-Free Survival (PFS) and Duration of Response (DoR) of CLL patients
  - PFS (16 pts)



  - DoR (7 pts, including PR/PR-L)



Adapted from EHA2025 poster presentation

EHA2025: European Hematology Association 2025, June 12 – 15, 2025

■ Median PFS has not reached yet as of median follow-up period of 6.7 months

Patients have been responding to docirbrutinib for a long time

- ✓ Only patients who discontinued due to PD are 2 patients in lower dose levels (100, 200 mg BID)
- ✓ All patients in ≥300 mg dose levels are still on treatment (12 months and 18 months PFS 82.1%)

■ Patients who have achieved PR/PR-L are continuing to respond without diseases progression

- ✓ All patients who have responded to docirbrutinib are still on treatment without diseases progression
- ✓ 3 CLL patients have achieved DoR exceeding 12 months, and all remain on treatment

These preliminary data suggest that docirbrutinib may be a suitable option for sustained treatment, given its low toxicity and reduced risk of resistance mutations

Adverse Events Were the Most Common Reason for Ibrutinib Discontinuation

CARNA BIOSCIENCES

Discontinuation of ibrutinib treatment is commonly due to intolerance

The discontinuation rate of ibrutinib treatment was 41% in the US, and the majority reasons of discontinuation was AEs.

Reasons for ibrutinib discontinuation	Ibrutinib in front-line	Ibrutinib in relapse
Toxicity	63.1%	50.2%
CLL Progression	15.8%	20.9%
Others	21.1%	28.9%

Data cited from Mato AR, et al., Haematologica. 2018;103(5):874-879

Docirbrutinib (AS-1763) in Phase 1b :

No discontinuation due to adverse events so far

Docirbrutinib demonstrates safer profiles,

suggesting better option for effective therapy

Sofnobrutinib (AS-0871) : Potential best-in-class

Embryo-Fetal Development (EFD) toxicity study was performed to prove potential advantages of sofnobrutinib over other BTK inhibitors.

Sofnobrutinib showed "No Teratogenic Effect“ in the EFD study, suggesting it is suitable for the treatment of dermatologic diseases including CSU.

As most BTK inhibitors approved are teratogenic, their use should be limited especially for women.
Sofnobrutinib is confirmed to be non-teratogenic in the EFD toxicity study, providing a treatment option for a wider range of patients.

Sofnobrutinib is the only BTK inhibitor having a non-covalent inhibitory mechanism of action with no teratogenic effect.

Sofnobrutinib (AS-0871) : CSU is a skin disease with unmet medical needs

Chronic Spontaneous Urticaria (CSU) is a distressing skin disorder that is characterized by itching and hives lasting for more than 4 weeks with unknown causes. The symptoms can last months or years, affecting QoL of patients.

Challenges of CSU

- A significant number of patients having uncontrolled CSU by existing drugs.
- High socio-economic costs for patients with high disease activity*
- Large number of patients; approximately 1% of the global population is affected*

High unmet medical needs with potential large market

＊Br J Dermatol 2021;184:226-36.

Competitors

Compound	Company	Development Phase
Remibrutinib (LOU064)	Novartis	P3

The Phase III trials met the primary endpoints and showed rapid symptom control in CSU, supporting the potential of BTK inhibitors as a new treatment option for those uncontrolled by first-line H1-antihistamines.*

＊https://www.novartis.com/news

Opportunity

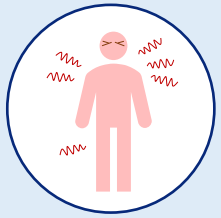
- Approval of new treatment options may trigger the expansion of CSU market.
- We plan to pursue the clinical implications of sofnobrutinib (non-covalent BTK inhibitor) to provide clinical benefits by minimizing potential adverse events associated with covalent BTK inhibitors including remibrutinib.

Chronic Spontaneous Urticaria (CSU)

CSU is a debilitating disease of chronic itch, hives and angioedema, lasting six weeks or more.

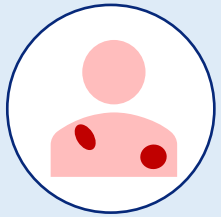
Symptoms

There is no specific external trigger for CSU, but the autoimmune system may play a role

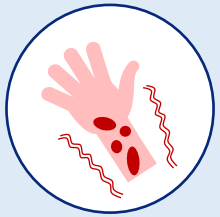


Spontaneously present & re-occur

Lack of Energy
Depression/Anxiety
Chronic (Lasting for at least six weeks)



Red swollen hives



Itch

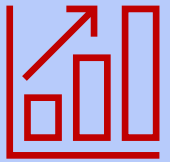
Number of Patients

2.8 million

diagnosed prevalent cases in major seven markets

- ✓ Approximately 1% of the population worldwide is affected.
- ✓ Approximately 50% of CSU patients don't respond to H1-antihistamine.
- ✓ Curative treatment is not available.
- ✓ High socio-economic costs for patients with high disease activity.

Market Size



$2,844 million

in 2020 in seven major markets

- ✓ The market size of CSU in major seven countries is expected to reach $8,043 mn by 2030.

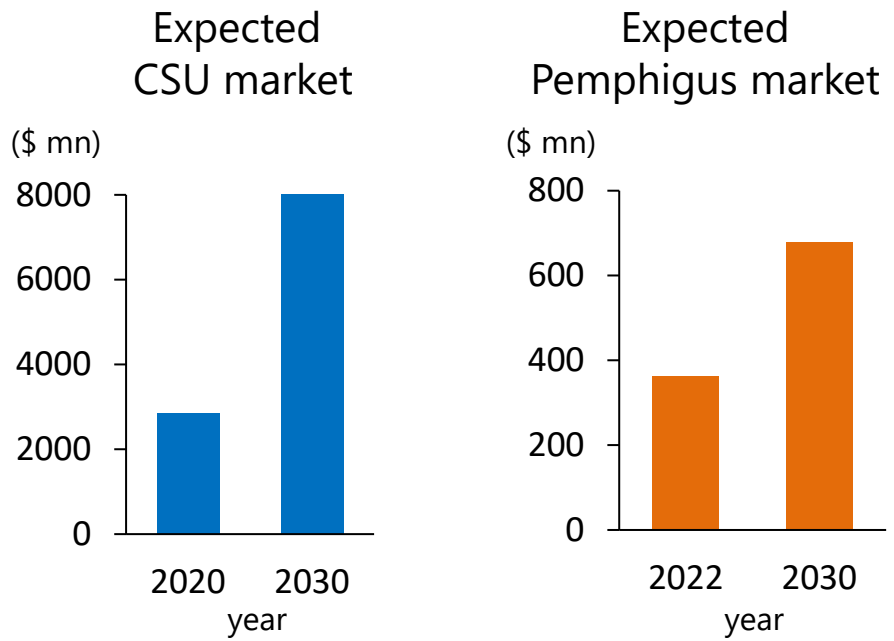
https://www.delveinsight.com/
Source : Clarivate

Potential Market Size for Sofnobrutinib (AS-0871)

Initial focus

Diseases	Number of patients
CSU	• Diagnosed prevalent cases : 2.8 mn* • WW population affected: 76 mn
Pemphigus	• Diagnosed prevalent cases : 40,000*

*in major 7 markets



Other potential therapeutic area

Diseases	Number of patients	Market size in value
Systemic lupus erythematosus (SLE)	Global SLE prevalence is estimated to be 15.87 to 108.92 per 100,000 people	expected to reach $3,517 mn by 2030
Multiple sclerosis (MS)	In 2016, an estimated 2.2 million people worldwide had MS, corresponding to a prevalence of 30.1 cases per 100,000 population	expected to reach $34 bn by 2031
Rheumatoid arthritis (RA)	18 million people worldwide were living with RA	expected to reach $70 bn by 2030

https://www.delveinsight.com/
https://www.databridgemarketresearch.com/
https://ard.bmj.com/
https://straitsresearch.com/
https://www.skyquestt.com/
https://www.who.int/
Ann Rheum Dis 2023;82:351–356
Lancet Neurol 2019 ; 18: 269–85
Source : Clarivate

Glossary

Types of cancer
CLL: Chronic Lymphocytic Leukemia, SLL: Small Lymphocytic Lymphoma, NHL: non-Hodgkin Lymphoma, FL: Follicular Lymphoma, MCL: Mantle cell lymphoma, WM: Waldenström macroglobulinemia, MZL: Marginal zone lymphoma

Terms	Meaning*
CR (Complete Response)	Indicates that all signs of cancer, including lymph nodes, has disappeared. **
PR (Partial Response)	Indicates that the size of lymph nodes has decreased ≥50%, and other parameters for PR, such as reduction in the number of lymphocytes, have been met.**
PR-L (PR-Lymphocytosis)	Indicates that the size of lymph nodes has decreased ≥50% but the reduction in the number of lymphocytes has not met the criteria for PR.
MR (Minor Response)	Indicates that serum IgM level of WM patients decreased ≥25% and <50%.
SD (Stable Disease)	Indicates that the disease remains stable.
PD (Progressive Disease)	Indicates that the diseases has progressed.
PFS (Progression-Free Survival)	The length of time from the initiation of treatment to disease progression.
DoR (Duration of Response)	The length of time from the initial response (PR/PR-L or better) until diseases progression.
PFS rate	The proportion of patients who remain alive without disease progression.
Median PFS	The length of time that half of the patients in the trial live without diseases progression.
BID (bis in die)	Twice daily
cBTKi	Covalent BTK inhibitor
BCL2i	BCL2 inhibitor

*Refer to response evaluation criteria for each individual disease for detailed guidelines.
**Serum IgM level is a primary criterion used to evaluate treatment responses in patients with WM.

"Carna" is a goddess of Roman mythology who takes care of human health, protecting the human heart and other organs as well as everyday life, and is said to be the root for the word "cardiac."

The word "biosciences" is derived from the words 'biology' and 'life sciences.'

Carna Biosciences has created contemporary Carna goddess with protein kinase.

Carna Biosciences, Inc.

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