# Consolidated Financial Results for the Nine months Ended September 30, 2025 (IFRS)

October 31, 2025

Company name: Nxera Pharma Co., Ltd — Listing: Tokyo Stock Exchange
Security code: 4565 — URL: https://www.nxera.life
Representative: Christopher Cargill, Representative Executive Officer, CEO
Contact person: Hironoshin Nomura, Executive Officer, CFO — Tel: +81-3-5962-5718
Scheduled date of dividend payments: -
Supplementary materials for financial results: None
Financial results briefing session: None

(Rounded million yen)

1. Consolidated Financial Results for the 9 month period ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (cumulative)

(Percentages are shown as year-on-year changes)

| | Revenue | | Core operating profit | | Operating profit | | Profit before income taxes | | Net profit | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| 9 month period ended September 30, 2025 | 21,848 | (0.6) | (986) | - | (5,907) | - | (6,838) | - | (4,809) | - |
| 9 month period ended September 30, 2024 | 21,983 | 301.6 | 4,425 | - | (2,846) | - | (2,293) | - | (3,503) | - |

| | Net profit attributable to owners of the parent | | Total comprehensive income | | Earnings per share – basic | Earnings per share – diluted |
|---|---|---|---|---|---|---|
| | Million yen | % | Million yen | % | Yen | Yen |
| 9 month period ended September 30, 2025 | (4,809) | - | (4,287) | - | (53.31) | (53.31) |
| 9 month period ended September30, 2024 | (3,503) | - | (72) | - | (39.06) | (39.06) |

*(2) Consolidated Financial Position*

| | Total assets | Total equity | Equity attributable to owners of the parent | Ratio of equity attributable to owners of the parent to total assets |
|---|---|---|---|---|
| | Million yen | Million yen | Million yen | % |
| At September 30, 2025 | 144,178 | 65,656 | 65,656 | 45.5 |
| At December 31, 2024 | 151,498 | 68,518 | 68,518 | 45.2 |

2. Dividends

| | Dividends per share | | | | |
|---|---|---|---|---|---|
| | End Q1 | End Q2 | End Q3 | End Q4 | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2024 | - | 0.00 | - | 0.00 | 0.00 |
| FY2025 | - | 0.00 | - | | |
| FY2025 (E) | | | | 0.00 | 0.00 |

(Note) There is no change in the dividend forecast from the previous disclosure.

3. Forecast for the year from January 1, 2025 to December 31, 2025

A financial results forecast for the year ending December 31, 2025 has not been provided because it is difficult to forecast a reasonable estimate of the full-year results. Details concerning the reasons thereof, business policy and cost estimates are provided in “1. Analysis of Operating Results and Financial Position (3) Future outlook“ on page 13 of this document.

* Notes

(1) Significant changes in the scope of consolidation for the nine month period ended September 30, 2025: None

(2) Changes in accounting policies, changes in accounting estimates

1) Changes in accounting policies required by IFRS: None
2) Changes due to changes in accounting policies other than those of item 1: None
3) Changes in accounting estimates: None

(3) Number of common shares issued

| | | | | |
|---|---|---|---|---|
| 1) Number of shares issued at period end (including treasury shares) | At September 30, 2025 | 90,496,735 shares | At December 31, 2024 | 89,902,858 shares |
| 2) Number of treasury shares at period end | At September 30, 2025 | 1,961 shares | At December 31, 2024 | 1,915 shares |
| 3) Average number of shares in issue in period | 9 month period ended September 30, 2025 | 90,203,295 shares | 9 month period ended September 30, 2024 | 89,675,295 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

** Explanation regarding the appropriate use of forecasts of business results and other points to be noted*

Note concerning forward-looking statements:

The financial forecast is based on judgements and estimates that have been prepared on the basis of information available as of the time of disclosure of this material. The actual business results may differ materially from our forecasts due to various factors.

○ Contents of Attached Materials

# 1. Analysis of Operating Results and Financial Position

## (1) Analysis of operating results

Nxera Pharma ("the Group" or "the Company") is a biopharma company aiming to lead the next era of medicine from Japan, for Japan, and to the world. The Group engages in business from drug discovery to early clinical development in the UK, and from late-stage clinical development and product commercialization in Japan and South Korea, through its wholly owned subsidiaries, as well as late-stage clinical development in other Asia-Pacific (APAC, ex-China) markets through business partners.

In drug discovery conducted in the UK, the Group's NxWave™ platform technology, which leverages cutting-edge drug target structural analysis, IT and AI technology, has enabled the Group to become a world leader in drug discovery mainly targeting G Protein-Coupled Receptors (GPCRs) and to develop an extensive pipeline of over 30 programs in-house and with leading global pharmaceutical companies.

In late-stage clinical development and commercialization, the Group sells PIVLAZ® (clazosentan) for cerebral vasospasm and QUVIVIQ® (daridorexant) for insomnia in Japan, and daridorexant is in late-stage development for insomnia in South Korea and APAC.

In addition, the Group generates royalty revenues from the global sales of respiratory disease products Seebri® Breezhaler®, Ultibro® Breezhaler® and Enerzair® Breezhaler® from Novartis International AG ("Novartis").

The Group aims to achieve ambitious strategic growth by leveraging its NxWave™ platform technology, pipeline and discovery, development and commercialization capabilities. This strategy is based on two key strategic pillars:

*(i)* *Delivering Life-Changing Medicines to Patients in Japan and APAC*
Leveraging the Group's extensive experience in clinical development and commercialization in Japan to deliver new medicines developed in-house or in-licensed from other companies to patients in Japan and APAC.

*(ii)* *Progressing its Extensive Portfolio of Novel Drug Programs Designed using NxWave™ Platform Technology*
Advancing programs in-house and with partners targeting large and fast-growing disease areas with a significant need globally.

The Group's progress across these two key areas during the first nine months of 2025 is as follows:

### (i) Delivering Life-Changing Medicines to Patients in Japan and APAC

The Group's two priorities for 2025 in Japan and APAC are as follows:

A) Maximizing PIVLAZ® and QUVIVIQ® sales as marketed products
B) Acquiring and/or in-licensing assets and conducting late-stage clinical development and commercialization in Japan and APAC

The Group forecasts PIVLAZ® sales in the range of JPY 13,000 to JPY 14,000 million, QUVIVIQ® revenue in the range of JPY 4,000 million to JPY 5,000 million, and anticipates in-licensing late-stage clinical assets for Japan and APAC in 2025.

On February 28, 2025, the Group announced that it had entered an assignment agreement with Viatris Inc. ("Viatris"), a global healthcare company, and Idorsia Pharmaceuticals Ltd. ("Idorsia"), regarding the development and commercialization of cenerimod, a clinical-stage immunology candidate for autoimmune diseases, in Japan, South Korea, and certain countries in the APAC region (excluding China). The agreement was signed concurrently with the Group's assignment of its option to these same rights from Idorsia under its agreement in July 2023 to acquire Idorsia Pharmaceuticals Japan Ltd. and Idorsia Pharmaceuticals Korea Co., Ltd. The Group received an upfront payment of US$10 million from Viatris and is eligible to receive a milestone payment upon regulatory approval of cenerimod in Japan plus royalties on net sales should it be commercialized in the assigned territories. The Group is not required to pay an option exercise fee nor make any other future payments to Idorsia in relation to cenerimod.

On February 28, 2025, the Group announced that it had entered a license, supply and commercialization agreement with Holling Bio-Pharma Corp. ("Holling") for daridorexant in Taiwan. Under the terms of the agreement, the Group will be responsible for the supply of drug product and Holling will be responsible for regulatory, commercial and distribution activities and will hold all regulatory approvals. Holling has submitted a New Chemical Entity (NCE) filing to the Taiwan Food and Drug Administration (TFDA) which, if approved, would lead to an expected launch in mid-2026. The Group received an upfront payment on signing and is eligible for near-term regulatory and sales milestones plus royalties on net sales from Holling, as well as revenue on the supply of drug product to Holling.

### (ii) Progressing its Extensive Portfolio of Novel Drug Programs Designed using NxWave™ Platform Technology

The Group's three priorities are as follows:

A) Executing new partnerships and licensing agreements with major pharmaceutical companies
B) Advancing clinical development of in-house assets
C) Executing partnerships and investment to further enhance and extend the capabilities of the NxWave™ platform technology

The Group's plans for 2025 were to execute at least one new major partnership and initiate at least one new in-house Phase 2 study.

On January 14, 2025, the Group reported on progress being made by its partner Neurocrine Biosciences ("Neurocrine") regarding the clinical development of its partnered muscarinic agonist portfolio. These updates were presented by Neurocrine at the 43rd Annual J.P. Morgan Healthcare Conference. The update presented by Neurocrine included the following information:

- An End of Phase 2 meeting with the US Food and Drug Administration (FDA) for NBI-1117568 (NBI-'568, an oral, muscarinic M4 selective agonist) had been completed, and Neurocrine reiterated its intentions to begin Phase 3 registrational studies in schizophrenia in the first half of 2025. See further update below.
- Neurocrine is expected to initiate a Phase 2 study with NBI-'568 in bipolar mania, a mental health condition that causes extreme mood swings, before the end of the year.
- Neurocrine is expected to initiate a Phase 2 study with NBI-'570 (a dual M1 / M4 agonist) in schizophrenia before the end of the year.

- Neurocrine is advancing three other muscarinic agonist programs originating from the Group's proprietary NxWave™ platform targeting neurological and neuropsychiatric conditions in Phase 1 trials and anticipates receiving data readouts for all three studies during 2025. These compounds are:
    - NBI-1117570 (a dual M1 / M4 agonist)
    - NBI-1117567 (an M1-preferring agonist)
    - NBI-1117569 (an M4-preferring agonist)

In February 2025, Centessa Pharmaceuticals (UK) Limited ("Centessa") notified Nxera that the first human subject in a Phase 2 clinical trial of ORX750, a novel orexin receptor 2 (OX2R) agonist, had been dosed, giving rise to a £2.7 million development milestone fee payable to Nxera.

On March 25, 2025, the Group announced that its partner Tempero Bio, Inc. ("Tempero Bio") had initiated a Phase 2 trial of TMP-301, a potent, selective and orally available mGluR5 negative allosteric modulator (NAM), for the treatment of alcohol use disorder. The Phase 2 study will assess the safety, tolerability and effect on alcohol use of TMP-301 compared to placebo in patients with alcohol use disorder. See further comment below.

On May 1, 2025, the Group announced that Neurocrine had initiated a Phase 3 registrational program to evaluate the efficacy, safety and tolerability of NBI-'568 as a potential treatment for schizophrenia. The Phase 3 study is a global double-blind, placebo-controlled trial evaluating NBI-'568 in adults with a primary diagnosis of schizophrenia who are experiencing acute exacerbation or relapse of symptoms. The study is expected to enroll approximately 280 patients. The primary endpoint of the study is a reduction from baseline in the Positive and Negative Syndrome Scale (PANSS). The key secondary endpoint is improvement in the Clinical Global Impression of Severity (CGI-S) scale.

On June 2, 2025, the Group announced that it had achieved a development milestone under its multi-target collaboration and license agreement with Eli Lilly and Company ("Lilly") targeting diabetes and metabolic diseases, resulting in a milestone fee becoming payable to the Group. This payment from Lilly was fully recognized as revenue in the second quarter of 2025 (the payment amount has not been disclosed).

On June 3, 2025, the Group announced that Neurocrine had dosed the first patient in its Phase 3 registrational program of NBI-'568. This resulted in a milestone payment of US$15 million to the Group which was fully recognized as revenue in the second quarter of 2025.

On July 4, 2025, the Group announced that it would receive US$4.8 million in milestone payments from Centessa as a result of Centessa receiving clearance from the FDA to initiate a Phase 1 clinical study of ORX142 in healthy volunteers – its second novel OX2R agonist discovered using Nxera technology – and subsequently initiating the study. The milestone receipt was fully recognized as revenue in the third quarter of 2025.

On August 6, 2025, the Group announced the launch of a broad new pipeline strategically focused on advancing next-generation therapies for obesity and associated metabolic disorders. Independent of our productive drug discovery collaborations with Pfizer and Eli Lilly, the Group has established, expanded and accelerated drug discovery efforts of its own proprietary pipeline across a broad range of validated GPCR targets in these major disorders.

Central to this pipeline is the Group's new, wholly owned oral small molecule GLP-1 agonist program, focused on differentiated chemistry, which is distinct, independent and developed separately from Pfizer's PF-06954522, allowing the Group full control to drive rapid progress. Complementing this program, the Group is simultaneously accelerating the advancement of an additional six established GPCR-targeted programs focused on obesity and chronic weight management.

It is noted that Pfizer has discontinued development of its Phase 1 candidate PF-06954522, which was discovered under a strategic drug discovery collaboration with the Group. This discontinuation by Pfizer was due to a portfolio decision and not because of any adverse safety findings. The Group intends to enter discussions with Pfizer regarding potential opportunities to advance GLP-1 molecules discovered by Pfizer under the collaboration.

On September 17, 2025, the Group announced that the first patient had been dosed in a Phase 2a clinical trial evaluating its investigational immunotherapy drug HTL0039732 (also known as NXE0039732) for advanced solid tumors under an agreement with Cancer Research UK.

The decision to advance to Phase 2a follows the successful completion of the Phase 1 part of the trial, which identified a safe and well-tolerated dose of HTL0039732 – a novel EP4 antagonist – in combination with checkpoint inhibitor atezolizumab that achieves good engagement of the intended target EP4, without significantly engaging EP2.

Study participants had advanced solid tumors that were resistant or refractory to standard therapy, and the Phase 1 trial showed encouraging early efficacy including two confirmed partial responses in two distinct tumor types when administered in combination use with atezolizumab.

Cancer Research UK's Centre for Drug Development is sponsoring and managing the Phase 2a trial, which will be expanded to four cohorts of patients with microsatellite stable colorectal cancer (MSS CRC), gastric or gastroesophageal junction (GOJ) adenocarcinoma, clear cell renal cell carcinoma, and metastatic castration-resistant prostate cancer. The Group holds a license to the results generated under the trial to continue the clinical development and commercialization of HTL0039732.

On September 30, 2025, the Group announced that it had reached a second important R&D milestone under its multi-target discovery collaboration with AbbVie focused on neurological diseases, resulting in a payment of US$10 million to Nxera.

The Group and AbbVie entered this multi-target collaboration in 2022 to leverage the Group's NxWave™ platform to discover novel medicines targeting GPCRs associated with neurological disease. This current milestone relates to the identification of validated and differentiated 'hit' molecules against a neurology target.

Under the terms of the agreement, the Group is eligible to receive up to US$40 million in near-term research milestones, as well as further potential option, development and commercial milestones totalling up to US$1.2 billion, plus tiered royalties on global sales. This is the second milestone received in this collaboration, following the first milestone which was achieved in June 2024.

## Employees

As of September 30, 2025, the Group had a total of 384 employees (an increase of 10 employees vs. the end of the prior year).

## Operational highlights after the period under review (nine month period ended September 30, 2025)

On October 21, 2025, the Group announced that Cancer Research UK presented data from the successfully completed Phase 1 part of the ongoing Phase 1/2a clinical trial (NCT05944237) of Nxera's immunotherapy drug HTL0039732 (also known as NXE0039732) at the European Society for Medical Oncology Congress (ESMO) 2025.

The first-in-human trial is evaluating the safety, tolerability, pharmacokinetics, pharmacodynamics and anti-tumor activity of HTL'732 as a monotherapy (n=13) and in combination with the checkpoint inhibitor atezolizumab (n=22), in patients with advanced solid tumors that were resistant or refractory to standard therapy.

Key data from the Phase 1 portion of the trial presented at ESMO in an ePoster included:

- The primary objectives of this Phase1 study were safety and the determination of a RP2D to support progression into the expansion phase.
- HTL'732 was well tolerated with no grade 4/5 treatment-related adverse events and no dose limiting toxicities in monotherapy or in combination. Grade 3 treatment-related adverse events occurred in 14% of combination patients (3 of 22), similar to established atezolizumab monotherapy data, demonstrating an encouraging profile for combination treatment and suggesting that safety data may be a differentiating factor among drugs with the same mechanism of action.
- Confirmed partial responses to the combination of HTL'732 and atezolizumab – as determined by RECIST criteria and showing >30% tumor reduction – were seen in two patients. One with metastatic renal cell cancer (ccRCC) who had experienced previously experienced progressive disease on checkpoint inhibitor therapy and a 2nd patient with microsatellite stable colorectal cancer (MSS-CRC), a disease subgroup that does not benefit from monotherapy checkpoint inhibitors. We were encouraged to see partial responses in 1 out of 2 ccRCC patients (50%) and 1 out of 11 MSS-CRC patients (~9%) in this Phase1 study.
- Based on the data presented the recommended Phase 2 dose for progression into cohort expansion studies was selected as 160mg QD in combination with atezolizumab.

In October 2025, Tempero Bio paused the TMP-301 program and is currently evaluating options.

On October 31, 2025, the Group announced that Nxera Pharma Japan Co., Ltd. (a wholly owned subsidiary of the Company) had received a manufacturing approval partial amendment with respect to QUVIVIQ® (daridorexant) 25 and 50 mg ("the Product"). Daridorexant was launched in Japan as QUVIVIQ® for the treatment of adults with chronic insomnia in December 2024, an application for approval has been submitted for regulatory review in Taiwan, and it is undergoing Phase 3 trials in South Korea.

To address the expected growth in demand for QUVIVIQ® in Japan and more broadly across the

Aisa-Pacific (APAC) region as it becomes available in new markets, The Group submitted an application to Japan's Ministry of Health, Labour and Welfare for an approval partial amendment regarding the addition of a manufacturing site in Asia. This approval will enable the Group to establish a second API manufacturing site in Asia, in addition to its primary API manufacturing site in Europe. The Asian facility will commence operations in phases, with the aim of reducing manufacturing costs through economies of scale and optimized API procurement. Cost reductions for the Product are expected to improve profitability from 2027 onwards.

The Group has planned three major projects as cost reduction measures to maximize profits for the Product, and one of the three projects has been completed with this approval. The cost reduction effect is expected to begin contributing gradually starting in 2027, and we plan to complete the remaining two projects by the end of 2028. The Group has established its 2030 Vision (sales exceeding JPY 50 billion with a profit margin exceeding 30%), and these cost reduction measures are expected to contribute to the Group achieving this vision. Furthermore, the Company plans to continue implementing new cost reduction initiatives beyond 2029.

## Financial Results

As a result of the above activities, the Group reported the following financial results for the nine month period ended September 30, 2025:

- Revenue of JPY 21,848 million (a decrease of JPY 135 million vs. the prior corresponding period)
- Core operating loss (alternative performance measure) of JPY 986 million (vs. a core operating profit of JPY 4,425 million in the prior corresponding period)
- IFRS operating loss of JPY 5,907 million (vs. an IFRS operating loss of JPY 2,846 million in the prior corresponding period)
- Loss before income taxes of JPY 6,838 million (vs. a loss before income taxes of JPY 2,293 million in the prior corresponding period)
- Net loss of JPY 4,809 million (vs. a net loss of JPY 3,503 million in the prior corresponding period)

| | **9 month period ended September 30, 2025 ¥m** | 9 month period ended September 30, 2024 ¥m | Change |
|---|---|---|---|
| **Revenue** | **21,848** | 21,983 | (135) |
| Cost of sales | **(6,146)** | (5,489) | (657) |
| Research and development expenses | **(11,200)** | (8,517) | (2,683) |
| Selling, general and administrative expenses | **(11,410)** | (11,717) | 307 |
| **Operating expenses** | **(28,756)** | (25,723) | (3,033) |
| Net other income | **1,001** | 894 | 107 |
| **Operating loss** | **(5,907)** | (2,846) | (3,061) |
| Net finance (cost) income | **(931)** | 553 | (1,484) |
| **Loss before income tax** | **(6,838)** | (2,293) | (4,545) |
| Income tax benefit (expense) | **2,029** | (1,210) | 3,239 |
| **Net loss** | **(4,809)** | (3,503) | (1,306) |
| | | | |
| *Alternative performance measure* | | | |
| **Core operating profit / loss** (Note 1) | | | |
| **Operating loss** (as stated above) | **(5,907)** | (2,846) | (3,061) |
| *Adjustments:* | | | |
| Depreciation | **1,203** | 1,205 | (2) |
| Amortization | **2,080** | 1,776 | 304 |
| Share-based payments (Note 2) | **1,315** | 1,025 | 290 |
| Restructuring (Note 2) | **225** | 28 | 197 |
| Integration costs (Note 3) | **98** | 836 | (738) |
| Cost of sales adjustment (Note 4) | **-** | 2,401 | (2,401) |
| **Core operating (loss) profit** | **(986)** | 4,425 | (5,411) |
| | | | |
| **Average exchange rate during period** | | | |
| USD:JPY | **148.18** | 151.14 | (2.96) |
| GBP:JPY | **194.65** | 192.92 | 1.73 |

Notes 1. Core operating profit/loss is defined as IFRS Operating profit/loss + material non-cash costs + material non-recurring costs and highlights the underlying recurring cash generating capability of the business.

2. Accelerated share-based payment expenses are included in Restructuring.
3. Incremental one-off integration costs including IT system integration and corporate rebranding.
4. Cost of sales adjustment represents a non-cash accounting adjustment to the cost of inventory sold which was originally acquired as part of the Idorsia transaction in July 2023. This adjustment ceased in September 2024.

The Group operates as a single business segment and, therefore, segmental information has been omitted. Further explanation of the Group's financial performance is detailed below.

*Revenue*

| | **9 month period ended September 30, 2025 ¥m** | 9 month period ended September 30, 2024 ¥m | Change ¥m | Change % |
|---|---|---|---|---|
| Marketed Products | **13,784** | 10,002 | 3,782 | 37.8 |
| PIVLAZ® | **8,965** | 8,370 | 595 | 7.1 |
| QUVIVIQ® | **3,149** | - | 3,149 | - |
| Respiratory | **1,605** | 1,562 | 43 | 2.8 |
| Other | **65** | 70 | (5) | (6.8) |
| Research and Development | **8,064** | 11,981 | (3,917) | (32.7) |
| Upfront fee revenue | **1,571** | 1,392 | 179 | 12.9 |
| Milestone revenue | **4,662** | 8,502 | (3,840) | (45.2) |
| Deferred revenue releases | **1,802** | 2,055 | (253) | (12.3) |
| Other | **29** | 32 | (3) | (9.4) |
| | **21,848** | 21,983 | (135) | (0.6) |

**Revenue relating to Marketed Products** in the nine month period under review totaled JPY 13,784 million (an increase of JPY 3,782 million vs. the prior corresponding period). The breakdown is described below.

PIVLAZ®

The Group sells PIVLAZ® for the prevention of cerebral vasospasm in Japan using its in-house salesforce. PIVLAZ® revenue increased by 7.1% vs the prior corresponding period due to sales volume growth.

QUVIVIQ®

The Group earns royalty revenue on sales of QUVIVIQ® by Shionogi & Co., Ltd. ("Shionogi"), as well as product sales revenue on the supply of QUVIVIQ® to Shionogi. As sales of QUVIVIQ® began in the fourth quarter of the prior year, there were no sales for the prior corresponding period.

Respiratory

The Group earns royalty revenue on global sales of a portfolio of Respiratory products by Novartis[1]. This portfolio comprises Seebri®, Ultibro® and Enerzair®. Respiratory royalty revenue increased by 2.8% vs the prior corresponding period.

**Revenue relating to Research and Development** in the nine month period under review totaled JPY 8,064 million (a decrease of JPY 3,917 million vs. the prior corresponding period).

Upfront fee revenue

The Group earns upfront fees from entering R&D collaborations with new partners. Upfront fees increased by JPY 179 million vs the prior year. In the nine month period under review two new agreements were signed vs. one in the prior corresponding period.

[1] Seebri®, Ultibro® and Enerzair® are registered trademarks of Novartis AG.

Milestone revenue

The Group earns milestone revenue as a result of the progress of R&D with existing collaboration partners. Milestone revenue tends to be variable in nature and decreased by JPY 3,840 million vs. the prior corresponding period. The decrease was due to the smaller size of individual milestone receipts compared to the prior corresponding period, despite there being more milestone events: there were six milestone events in the period under review vs. five milestone events in the prior corresponding period.

Deferred revenue releases

In some contracts, compensation for performing research and development services is included within upfront fees or milestone receipts, and recorded initially as deferred revenue in the balance sheet. Such income is transferred from deferred revenue to the revenue line in the income statement as a result of the performance of R&D activity in the period under review. Deferred revenue releases decreased by JPY 253 million vs. the prior corresponding period due to the stage of progression of relevant projects as at the end of the current quarter. Deferred revenue recorded in the balance sheet as at September 30, 2025 totaled JPY 5,909 million and will be transferred to revenue in the future as R&D activity is completed.

## *Operating expenses*

*Cost of sales*

Cost of sales in the nine month period under review totaled JPY 6,146 million (an increase of JPY 657 million vs. the prior corresponding period). This was primarily due to the inclusion of costs relating to QUVIVIQ® in the nine month period under review following its launch in December 2024, offset by a decrease in the cost of sales of PIVLAZ® and a decrease in the cost of providing contracted research and development services to customers. This decrease in the cost of sales of PIVLAZ® was due to the cessation of an IFRS accounting adjustment that was required to be applied to the value of inventory acquired in July 2023 from Idorsia up to September 2024 when it had all been sold.

*Research and development expenses*

Research and development ("R&D") expenses in the nine month period under review totaled JPY 11,200 million (an increase of JPY 2,683 million vs. the prior corresponding period). This increase primarily reflects an increased investment in R&D and the impact of the weaker Yen. In the period under review, 88% of R&D spend related to the Group's UK operations.

*Selling, general and administrative expenses*

Selling, general and administrative ("SG&A") expenses in the nine month period under review totaled JPY 11,410 million (a decrease of JPY 307 million vs. the prior corresponding period). This decrease was primarily due to lower selling related costs as a result of targeted cost savings, partially offset by incremental spend on personnel to strengthen organizational capabilities.

*Net other income*

Net other income in the nine month period under review totaled JPY 1,001 million (an increase of JPY 107 million vs. the prior corresponding period). This was primarily due to an increase in projected tax refunds, including the UK R&D expenditure-related tax credit as a result of the increased investment in R&D.

*Operating loss*

Operating loss in the nine month period under review totaled JPY 5,907 million (vs. an operating loss of JPY 2,846 million in the prior corresponding period). The increase in operating loss reflects the combined effect of all of the movements explained above.

*Net finance costs*

Net finance costs in the nine month period under review totaled JPY 931 million (vs. net finance income of JPY 553 million in the prior corresponding period). This change was primarily due to recording a charge in the current period for the increase in the fair value of contingent consideration payable to the former shareholders of an acquired business following the progression of relevant R&D programs.

*Loss before income taxes*

Loss before income taxes in the nine month period under review totaled JPY 6,838 million (vs. a loss before income taxes of JPY 2,293 million in the prior corresponding period). This change reflects the combined effect of all of the movements explained above.

*Income tax benefit*

Income tax benefit in the nine month period under review totaled JPY 2,029 million (vs. an income tax expense of JPY 1,210 million in the prior corresponding period). The tax benefit reflects the application of the estimated full year effective tax to the year-to-date results for each taxable entity.

*Net loss*

Net loss in the nine month period under review totaled JPY 4,809 million (vs. a net loss of JPY 3,503 million in the prior corresponding period). The increase in net loss reflects the combined effect of all of the movements explained above.

*Alternative performance measure: Core operating profit / loss*

Core operating profit / loss is an alternative performance measure which adjusts for material non-cash costs and one-off costs in order to provide insights into the recurring cash generating capability of the core business.

Core operating loss in the nine month period under review totaled JPY 986 million (vs. a core operating profit of JPY 4,425 million in the prior corresponding period). In calculating core operating loss, the following adjustments to the IFRS operating loss have been made:

- Depreciation totaled JPY 1,203 million (a decrease of JPY 2 million vs. the prior corresponding period).
- Amortization totaled JPY 2,080 million (an increase of JPY 304 million vs. the prior corresponding period).
- Share-based payments totaled JPY 1,315 million (an increase of JPY 290 million vs. the prior corresponding period).
- Restructuring totaled JPY 225 million (an increase of JPY 197 million vs. the prior corresponding period). These costs relate to management restructuring programs at subsidiary companies (including JPY 109 million of accelerated share-based payment expenses vs. nil in the prior corresponding period).
- Integration costs totaled JPY 98 million (a decrease of JPY 738 million vs. the prior corresponding period). These costs represent one-off incremental integration costs, including IT system integration costs and the cost of the rebranding the Group under the

Nxera Pharma name in 2024. The IT system integration was completed by February 2025.

- There was no cost of sales adjustment in the nine month period under review (vs. JPY 2,401 million in the prior corresponding period). The cost of sales adjustment represents a non-cash accounting adjustment to the cost of inventory sold in the period which was originally acquired as part of the Idorsia transaction in July 2023. As all of this inventory had been sold by the end of September 2024 no further adjustment is required.

## (2) Analysis of financial position

### 1) Assets, liabilities and equity

*Assets*

Total assets as at September 30, 2025 were JPY 144,178 million (a decrease of JPY 7,320 million vs. December 31, 2024, the end of the prior financial year). This decrease is primarily due to the use of cash to settle liabilities.

*Liabilities*

Total liabilities as at September 30, 2025 were JPY 78,522 million (a decrease of JPY 4,458 million vs. December 31, 2024, the end of the prior financial year). This decrease is primarily due to the repayment of bank borrowings, and a decrease in deferred tax liabilities, offset by an increase in contingent consideration payable to the former shareholders of an acquired business following the progression of relevant R&D programs.

*Equity*

Total equity as at September 30, 2025 was JPY 65,656 million (a decrease of JPY 2,862 million vs. December 31, 2024, the end of the prior financial year). This decrease was primarily due to the net loss of JPY 4,809 million.

The ratios of Cash and cash equivalents, Interest-bearing debt and Equity attributable to the owners of the parent company to total assets were 19.7%, 43.8% and 45.5%, respectively.

### 2) Cash flows

Cash and cash equivalents as at September 30, 2025 decreased by JPY 3,807 million from the beginning of the year and amounted to JPY 28,461 million. The main drivers of each cash flow in the nine month period ended September 30, 2025 were as follows:

*Cash flows from operating activities*

Net cash used through operating activities during the period under review totaled JPY 2,543 million. This was primarily due to cash operating costs exceeding cash receipts relating to revenue.

*Cash flows from investing activities*

Net cash generated through investing activities during the period under review totaled JPY 3,466 million. This was primarily due to the maturity in the current period of a bank time deposit with a term of 3 to 6 months.

*Cash flows from financing activities*

Net cash used in financing activities in the period under review totaled JPY 5,024 million. This was primarily due to the repayment of long-term bank borrowings.

*Effects of exchange rate changes on cash and cash equivalents*
The effect of exchange rate changes on cash and cash equivalents during the period under review was JPY 294 million. This positive impact was primarily due to the weakness of JPY against GBP since December 31, 2024.

## (3) Future outlook

A substantial proportion of the Group's revenue is derived from upfront payments from new partnerships and milestone payments resulting from R&D progress by existing partners. These payments are dependent on multiple factors, including negotiations with (potential) partners, R&D policies of partners and clinical trial results of development candidates, and these factors are difficult for the Group to control. Therefore, a consolidated financial results forecast has not been provided because it is difficult to forecast such revenue.

The Group aims to further improve efficiency and add value to its business and will continue to make sufficient R&D investments in 2025. Management will continue to target a balance between capital and investments in the pursuit of growth in corporate value.

Anticipated developments / initiatives and cost estimates for our business in 2025 are as follows:

- Forecast PIVLAZ® sales in the range of JPY 13,000 to JPY 14,000 million (unchanged).
- Forecast QUVIVIQ® revenue in the range of JPY 4,000 to JPY 5,000 million[2] (unchanged).
- Forecast R&D expenses in the range of JPY 12,000 to JPY 14,000 million[3] (unchanged).
- Forecast SG&A expenses in the range of JPY 15,000 to JPY 17,000 million[3] (unchanged).
- We expect to receive upfront payments relating to one or more new partnerships.
- We expect to receive multiple milestone payments resulting from R&D progress by existing partners.
- We anticipate starting Phase 2 clinical trials of development candidates for which the Group has rights.
- We anticipate identifying one or more late-stage clinical candidates to acquire or in-license and develop for the Japanese market.
- We anticipate expanding drug discovery efforts into novel drug targets to enhance our pipeline.

[2] QUVIVIQ® revenue comprises product sales and royalties.
[3] The assumed USD:JPY FX rate in 2025 is 152 and the GBP:JPY FX rate is 193.

## 2. Interim Condensed Consolidated Financial Statements and Primary Notes (IFRS)

### 1) Interim Condensed Consolidated Balance Sheet

| | September 30, 2025 (Unaudited) ¥m | December 31, 2024 (Audited) ¥m |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | **6,595** | 7,468 |
| Goodwill | **25,869** | 25,693 |
| Intangible assets | **49,940** | 51,911 |
| Deferred tax assets | **5,933** | 4,021 |
| Other financial assets | **4,491** | 4,518 |
| Other non-current assets | **23** | 32 |
| **Total non-current assets** | **92,851** | 93,643 |
| **Current assets** | | |
| Trade and other receivables | **7,597** | 6,695 |
| Inventories | **9,632** | 8,838 |
| Income taxes receivable | **2,230** | 2,394 |
| Other current assets | **3,407** | 3,725 |
| Time deposits | **-** | 3,935 |
| Cash and cash equivalents | **28,461** | 32,268 |
| **Total current assets** | **51,327** | 57,855 |
| **Total assets** | **144,178** | 151,498 |
| | | |
| **Liabilities and Equity** | | |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Deferred tax liabilities | **815** | 1,857 |
| Contingent consideration in business combinations | **1,003** | - |
| Corporate bonds | **31,055** | 30,838 |
| Bank borrowings | **22,555** | 26,889 |
| Lease liabilities | **2,862** | 3,483 |
| Provisions | **502** | 493 |
| Other non-current liabilities | **3,389** | 3,788 |
| **Total non-current liabilities** | **62,181** | 67,348 |
| **Current liabilities** | | |
| Trade and other payables | **4,976** | 4,052 |
| Income taxes payable | **879** | 255 |
| Current portion of long-term bank borrowings | **5,798** | 5,798 |
| Lease liabilities | **870** | 892 |
| Other financial liabilities | **5** | - |
| Other current liabilities | **3,813** | 4,635 |
| **Total current liabilities** | **16,341** | 15,632 |
| **Total liabilities** | **78,522** | 82,980 |
| **Equity** | | |
| Capital stock | **47,450** | 47,172 |
| Capital surplus | **21,600** | 35,074 |
| Treasury stock | **(3)** | (3) |
| Retained earnings | **(11,130)** | (20,942) |
| Other components of equity | **7,739** | 7,217 |
| Equity attributable to owners of the parent | **65,656** | 68,518 |
| **Total equity** | **65,656** | 68,518 |
| **Total liabilities and equity** | **144,178** | 151,498 |

## 2) Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Nine month period ended September 30, 2025 (Unaudited) ¥m | Nine month period ended September 30, 2024 (Unaudited) ¥m |
|---|---|---|
| **Revenue** | **21,848** | 21,983 |
| Cost of sales | **(6,146)** | (5,489) |
| **Gross profit** | **15,702** | 16,494 |
| Research and development expenses | **(11,200)** | (8,517) |
| Selling, general and administrative expenses | **(11,410)** | (11,717) |
| Other income | **1,013** | 970 |
| Other expenses | **(12)** | (76) |
| **Operating loss** | **(5,907)** | (2,846) |
| Finance income | **780** | 1,132 |
| Finance costs | **(1,711)** | (579) |
| **Loss before income taxes** | **(6,838)** | (2,293) |
| Income tax benefit (expense) | **2,029** | (1,210) |
| **Net loss** | **(4,809)** | (3,503) |
| **Other comprehensive income:** | | |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income | **(52)** | 836 |
| Total items that will not be reclassified subsequently to profit or loss | **(52)** | 836 |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translating foreign operations | **574** | 2,595 |
| Total items that may be reclassified subsequently to profit or loss | **574** | 2,595 |
| **Total other comprehensive income** | **522** | 3,431 |
| **Total comprehensive income** | **(4,287)** | (72) |
| **Net loss for the period attributable to:** | | |
| Owners of the parent | **(4,809)** | (3,503) |
| | **(4,809)** | (3,503) |
| **Total comprehensive income for the period attributable to:** | | |
| Owners of the parent | **(4,287)** | (72) |
| | **(4,287)** | (72) |
| **Earnings per share (yen)** | | |
| Basic loss per share | **(53.31)** | (39.06) |
| Diluted loss per share | **(53.31)** | (39.06) |

## 3) Interim Condensed Consolidated Statement of Changes in Equity

| | Capital stock ¥m | Capital surplus ¥m | Treasury stock ¥m | Retained earnings ¥m | Other components of equity ¥m | Equity attributable to owners of the parent ¥m | Total equity ¥m |
|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2025** | **47,172** | **35,074** | **(3)** | **(20,942)** | **7,217** | **68,518** | **68,518** |
| Net loss | - | - | - | (4,809) | - | (4,809) | (4,809) |
| Other comprehensive income | - | - | - | - | 522 | 522 | 522 |
| Total comprehensive income | - | - | - | (4,809) | 522 | (4,287) | (4,287) |
| Issuance of new shares | 278 | (278) | - | - | - | - | - |
| Share-based payments | - | 1,425 | - | - | - | 1,425 | 1,425 |
| Purchases of treasury stock | - | - | (0) | - | - | (0) | (0) |
| Transfer from capital surplus to retained earnings | - | (14,621) | - | 14,621 | - | - | - |
| Total transactions with owners | 278 | (13,474) | (0) | 14,621 | - | 1,425 | 1,425 |
| **Balance at September 30, 2025 (Unaudited)** | **47,450** | **21,600** | **(3)** | **(11,130)** | **7,739** | **65,656** | **65,656** |
| | | | | | | | |
| **Balance at January 1, 2024** | 46,807 | 34,048 | (1) | (16,104) | 2,060 | 66,810 | 66,810 |
| Net loss | - | - | - | (3,503) | - | (3,503) | (3,503) |
| Other comprehensive income | - | - | - | - | 3,431 | 3,431 | 3,431 |
| Total comprehensive income | - | - | - | (3,503) | 3,431 | (72) | (72) |
| Issuance of new shares | 365 | (365) | - | - | - | - | - |
| Share-based payments | - | 1,025 | - | - | - | 1,025 | 1,025 |
| Purchases of treasury stock | - | - | (2) | - | - | (2) | (2) |
| Early redemption of corporate bonds | - | (1) | - | - | - | (1) | (1) |
| Total transactions with owners | 365 | 659 | (2) | - | - | 1,022 | 1,022 |
| **Balance at September 30, 2024 (Unaudited)** | 47,172 | 34,707 | (3) | (19,607) | 5,491 | 67,760 | 67,760 |

## 4) Interim Condensed Consolidated Statement of Cash Flows

| | Nine month period ended September 30, 2025 (Unaudited) ¥m | Nine month period ended September 30, 2024 (Unaudited) ¥m |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss before income taxes | **(6,838)** | (2,293) |
| Adjustments for: | | |
| Depreciation and amortization | **3,283** | 2,981 |
| Share-based payments | **1,424** | 1,025 |
| Change in fair value of contingent consideration | **1,003** | (38) |
| Net foreign exchange gain | **(10)** | (197) |
| Interest income | **(780)** | (1,079) |
| Interest expenses | **639** | 573 |
| Research and development expenditure related tax credits | **(1,002)** | (935) |
| (Increase) decrease in trade and other receivables | **(986)** | 1,020 |
| (Increase) decrease in inventories | **(793)** | 1,272 |
| Increase (decrease) in trade and other payables | **1,042** | (1,384) |
| (Decrease) increase in deferred revenue | **(1,079)** | 2,006 |
| Other | **52** | (187) |
| Subtotal | **(4,045)** | 2,764 |
| Interest received | **877** | 1,015 |
| Interest paid | **(368)** | (299) |
| Income tax paid | **(238)** | (386) |
| Income tax refunded | **1,231** | 158 |
| **Net cash (used in) provided by operating activities** | **(2,543)** | 3,252 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | **(301)** | (373) |
| Purchase of intangible assets | **(156)** | (9) |
| Proceeds from withdrawal of time deposits | **3,893** | - |
| Proceeds from contingent consideration receivable | **-** | 379 |
| Other | **30** | 184 |
| **Net cash provided by investing activities** | **3,466** | 181 |
| **Cash flows from financing activities** | | |
| Repayments of long-term bank borrowings | **(4,350)** | (4,350) |
| Repayment of lease liabilities | **(674)** | (678) |
| Payments for early redemption of corporate bonds | **-** | (150) |
| Other | **(0)** | (2) |
| **Net cash used in financing activities** | **(5,024)** | (5,180) |
| Effects of exchange rate changes on cash and cash equivalents | **294** | 1,550 |
| **Net decrease in cash and cash equivalents** | **(3,807)** | (197) |
| Cash and cash equivalents at the beginning of the period | **32,268** | 49,065 |
| **Cash and cash equivalents at the end of the period** | **28,461** | 48,868 |

## 5) Notes of Interim Condensed Consolidated Financial Statements

### *5.1 Notes related to going concern assumptions*

Not applicable.

### *5.2 Operating segments*

The Group operates a single business segment being the pharmaceutical business.

### *5.3 Significant subsequent events*

Not applicable.