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## Consolidated Financial Report for the First Quarter 2024 (Unaudited)(Japan GAAP)

AnGes, Inc.

<https://www.anges.co.jp/en/>

Listings: Growth of the Tokyo Stock Exchange, Code 4563

Head Office: 7-7-15, Saito-Asagi, Ibaraki, Osaka, 567-0085, Japan

(Figures are rounded down to the nearest million yen)

### 1. Business Results for the First Quarter 2024 (From Jan. 1, 2024 to Mar. 31, 2024)

(1) Results of Operations (Percentages indicate changes from the same period of the previous fiscal year)

	Revenues		Operating loss		Ordinary loss		Net loss	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q 2024	113	584.0	(2,476)	—	(1,527)	—	(1,824)	—
1Q 2023	16	7.9	(3,036)	—	(2,897)	—	(2,911)	—

\*Comprehensive Income 1Q 2024 : (1,270) million yen 1Q 2023 : (2,824) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
1Q 2024	(9.14)	—
1Q 2023	(15.91)	—

### (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Mar. 31, 2024	28,029	25,052	89.1
Dec. 31, 2023	28,892	26,103	90.0

\*Shareholder's equity Mar. 31, 2024 : 24,965 million yen Dec. 31, 2023 : 26,007 million yen

### 2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2023	—	0.00	—	0.00	0.00
FY 2024 (Forecast)	—	—	—	—	—
FY 2024 (Forecast)	—	0.00	—	0.00	0.00

### 3. Earnings Forecast for the Fiscal Year 2024 (From Jan. 1, 2024 to Dec. 31, 2024)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	600	292.2	(8,450)	—	(8,450)	—	(8,650)	—	(43.06)

\*Change of earnings forecast from the most recent release: None

Notes:

- (1) Change of reporting entities (change of condition of significant consolidated subsidiaries) : None  
 (2) Accounting procedure peculiar to the quarterly consolidated financial statements : None  
 (3) Change of significant accounting and reporting policies for consolidated financial statements  
     1) Changes caused by revision of accounting standard : None  
     2) Changes in accounting policies other than 1) : None  
     3) Changes in accounting estimates : None  
     4) Restatement : None

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	Mar. 31, 2024	201,306,000 shares	Dec. 31, 2023	198,470,300 shares
2) Number of treasury shares	Mar. 31, 2024	92 shares	Dec. 31, 2023	92 shares
3) Average number of shares issued and outstanding	1Q 2024	199,559,728 shares	1Q 2023	182,956,586 shares

*\*Performance forecasts or any other future events contained in this report are based on currently available information which are believed to be reasonable at the time of forecasts. Actual results may differ from the forecasts due to various factors.*

*\*\*This financial report has been translated from Japanese original which has been prepared in accordance with generally accepted accounting principles in Japan, for reference purposes only. Also some changes are added to this report in order to present in a form more familiar to the readers outside Japan.*

**AnGes, Inc**  
**Consolidated Balance Sheets**  
(In thousands of yen)  
(Unaudited)

	<b>December 31, 2023</b>	<b>March 31, 2024</b>
<b>Assets</b>		
Current assets		
Cash and deposits	4,160,424	2,115,624
Accounts receivable - trade	26,534	97,701
Merchandise	-	299,723
Finished goods	97,655	94,980
Raw materials and supplies	1,468,481	1,543,928
Advance payments to suppliers	49,674	81,189
Prepaid expenses	85,906	67,225
Consumption taxes refund receivable	-	82,044
Other	32,599	10,772
Total current assets	5,921,276	4,393,191
Non-current assets		
Property, plant and equipment		
Buildings	220,842	220,865
Accumulated depreciation and impairment	(135,121)	(136,934)
Buildings, net	85,721	83,930
Tools, furniture and fixtures	149,893	160,907
Accumulated depreciation and impairment	(80,224)	(87,887)
Tools, furniture and fixtures, net	69,669	73,020
Right of use assets	267,728	260,411
Total property, plant and equipment	423,118	417,362
Intangible assets		
Goodwill	21,746,086	22,385,934
Total intangible assets	21,746,086	22,385,934
Investments and other assets		
Investment securities	355,545	388,945
Leasehold and guarantee deposits	102,056	101,090
Deferred tax assets	342,944	341,586
Other	1,509	1,369
Total investments and other assets	802,055	832,991
Total non-current assets	22,971,260	23,636,288
Total assets	28,892,536	28,029,480

**AnGes, Inc**  
**Consolidated Balance Sheets**  
(In thousands of yen)  
(Unaudited)

	December 31, 2023	March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	426,447	697,791
Accounts payable - other	474,522	450,185
Accrued expenses	36,947	37,893
Provision for business restructuring	558,129	568,398
Accrued consumption taxes	93,258	-
Income taxes payable	103,147	124,718
Advances received	637,550	638,200
Deposits received	15,434	17,599
Lease liabilities	147,726	155,391
Total current liabilities	2,493,163	2,690,176
Non-current liabilities		
Deferred tax liabilities	16,827	25,202
Asset retirement obligations	64,430	64,459
Lease liabilities	214,949	196,846
Total non-current liabilities	296,207	286,507
Total liabilities	2,789,370	2,976,684
<b>Net assets</b>		
Shareholders' equity		
Share capital	35,053,890	35,167,774
Capital surplus	3,423,721	3,537,605
Retained earnings	(18,385,610)	(20,209,661)
Treasury shares	(31)	(31)
Total shareholders' equity	20,091,969	18,495,686
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,757	43,601
Foreign currency translation adjustment	5,891,202	6,425,806
Total accumulated other comprehensive income	5,915,960	6,469,407
Share acquisition rights	95,236	87,701
Total net assets	26,103,166	25,052,795
Total liabilities and net assets	28,892,536	28,029,480

**AnGes, Inc**  
**Consolidated Statements of Operations**  
(In thousands of yen)  
(Unaudited)

	<b>The First Quarter</b> <b>(From Jan. 1 to Mar.31)</b>	
	<b>2023</b>	<b>2024</b>
<b>Business revenues</b>		
Net sales of finished goods	31	3,901
Commission income	16,571	35,350
Research and development revenues	-	74,310
Total business revenues	16,602	113,561
<b>Business expenses</b>		
Cost of sales	25,153	41,959
Research and development expenses	1,579,242	971,544
Selling, general and administrative expenses	1,448,440	1,576,749
Total business expenses	3,052,835	2,590,254
Operating loss	(3,036,232)	(2,476,692)
<b>Non-operating income</b>		
Interest income	1,078	1,794
Foreign exchange gains	103,604	924,523
Subsidy income	32,066	27,916
Commission income	1,153	1,005
Gain on investments in investment partnerships	6,511	-
Miscellaneous income	0	-
Total non-operating income	144,415	955,239
<b>Non-operating expenses</b>		
Share issuance costs	5,505	4,922
Loss on investments in investment partnerships	-	746
Total non-operating expenses	5,505	5,668
Ordinary loss	(2,897,322)	(1,527,122)
<b>Extraordinary income</b>		
Gain on reversal of share acquisition rights	-	3,096
Total extraordinary income	-	3,096
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	1,117	-
Business structural reform expenses	-	247,085
Total extraordinary losses	1,117	247,085
Loss before income taxes	(2,898,440)	(1,771,111)
Income taxes - current	14,374	32,956
Income taxes - deferred	(1,203)	19,983
Total income taxes	13,170	52,940
Loss	(2,911,611)	(1,824,051)
Loss attributable to owners of parent	(2,911,611)	(1,824,051)

**AnGes, Inc**  
**Consolidated Statements of Comprehensive Income**  
(In thousands of yen)  
(Unaudited)

	<b>The First Quarter</b> <b>(From Jan. 1 to Mar.31)</b>	
	<b>2023</b>	<b>2024</b>
Loss	(2,911,611)	(1,824,051)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,812	18,843
Foreign currency translation adjustment	83,263	534,603
Total other comprehensive income	87,075	553,446
Comprehensive income	(2,824,535)	(1,270,604)
Comprehensive income attributable to:		
owners of parent	(2,824,535)	(1,270,604)
non-controlling interests	—	—

## Main pipeline products

### Conditional and time-limited approval system

Project	Area	Partner	Dosage Form	Indication	Development stage
HGF gene therapy product	Japan	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>	Injection	Chronic arterial occlusive disease with lower limb ulcer	Application for approval

### Approval process

Project	Area	Partner	Dosage Form	Indication	Development stage
HGF gene therapy product	USA	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>	Injection	Arteriosclerosis obliterans with lower limb ulcer	Phase II b
	Israel	Kamada	Injection	Chronic arterial occlusive disease with lower limb ulcer	New drug application
	Turkey	Er-Kim	Injection	Chronic arterial occlusive disease with lower limb ulcer	Preparing for application
NF-κB Decoy Oligonucleotide	Japan	-	Injection	Chronic discogenic lumbar back pain	Phase II
DNA Vaccine	Australia	-	Injection	Hypertension	Phase I / II a Completed
DNA Vaccine	USA	-	Intranasal formulation	Novel coronavirus (COVID-19)	Pre-clinical
Tie2 agonists	USA	Vasomune (Canada)	Injection	Novel coronavirus (COVID-19) /ARDS	Phase II a
Zokinvy (Lonafarnib)	Japan	Eiger (USA)	Capsule	Premature aging diseases (Hutchinson-Gilford progeria syndrome /Progeroid laminopathies)	Approved

### EmendoBio's pipeline

Project	Area	Indication	Development stage
Development of genome editing	USA	Severe Congenital Neutropenia	IND-enabling
		Diseases in hematology, ophthalmology, immuno-oncology, etc.	Pre-clinical

\* <https://www.emendobio.com/our-science/pipeline/>