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## Consolidated Financial Report for the Third Quarter 2023 (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 Third Quarter 2023 (From Jan. 1, 2023 to Sep. 30, 2023)

#### (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	%
3Q 2023	102	123.6	(9,207)	—	(4,720)	—	(4,798)	—
3Q 2022	45	3.1	(12,455)	—	(10,062)	—	(10,194)	—

\*Comprehensive Income 3Q 2023 : (3,220) million yen 3Q 2022 : (5,803) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
3Q 2023	(25.69)	—
3Q 2022	(66.60)	—

#### (2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2023	34,852	28,899	82.6
Dec. 31, 2022	38,820	30,425	78.1

\*Shareholder's equity Sep. 30, 2023 : 28,803 million yen Dec. 31, 2022 : 30,324 million yen

### 2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2022	—	0.00	—	0.00	0.00
FY 2023	—	0.00	—	—	—
FY 2023 (Forecast)	—	—	—	0.00	0.00

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

### 3. Earnings Forecast for the Fiscal Year 2023 (From Jan. 1, 2023 to Dec. 31, 2023)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	190	183.3	(13,500)	—	(7,500)	—	(7,500)	—	(39.78)

\*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 : Applicable  
     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)	Sep. 30, 2023	193,885,300 shares	Dec. 31, 2022	178,623,900 shares
2) Number of treasury shares	Sep. 30, 2023	92 shares	Dec. 31, 2022	92 shares
3) Average number of shares issued and outstanding	3Q 2023	186,740,724 shares	3Q 2022	153,073,292 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)

	December 31, 2022	September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	11,035,102	5,958,039
Accounts receivable - trade	9,887	30,971
Finished goods	3,453	103,007
Raw materials and supplies	1,004,996	1,428,032
Advance payments to suppliers	303,436	281,409
Prepaid expenses	91,734	87,711
Consumption taxes refund receivable	392,081	-
Other	55,766	42,398
<b>Total current assets</b>	<b>12,896,458</b>	<b>7,931,569</b>
Non-current assets		
Property, plant and equipment		
Buildings	209,531	220,861
Accumulated depreciation	(128,082)	(133,363)
Buildings, net	81,448	87,497
Tools, furniture and fixtures	71,195	139,745
Accumulated depreciation	(59,941)	(72,860)
Tools, furniture and fixtures, net	11,253	66,884
Right of use asset	1,318,216	1,429,357
<b>Total property, plant and equipment</b>	<b>1,410,919</b>	<b>1,583,739</b>
Intangible assets		
Goodwill	23,254,472	23,755,114
<b>Total intangible assets</b>	<b>23,254,472</b>	<b>23,755,114</b>
Investments and other assets		
Investment securities	921,573	1,226,076
Leasehold and guarantee deposits	97,969	98,680
Deferred tax assets	158,067	164,290
Other	81,252	92,897
<b>Total investments and other assets</b>	<b>1,258,862</b>	<b>1,581,945</b>
<b>Total non-current assets</b>	<b>25,924,253</b>	<b>26,920,798</b>
<b>Total assets</b>	<b>38,820,711</b>	<b>34,852,368</b>

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

	December 31, 2022	September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	553,252	339,831
Accounts payable - other	590,301	791,082
Accrued expenses	90,094	117,835
Income taxes payable	148,339	14,081
Accrued consumption taxes	-	130,059
Advances received	5,764,004	3,304,550
Deposits received	16,865	18,200
Lease liabilities	160,743	177,607
<b>Total current liabilities</b>	<b>7,323,600</b>	<b>4,893,249</b>
Non-current liabilities		
Deferred tax liabilities	12,416	20,656
Asset retirement obligations	64,317	64,402
Lease liabilities	994,969	974,551
<b>Total non-current liabilities</b>	<b>1,071,704</b>	<b>1,059,610</b>
<b>Total liabilities</b>	<b>8,395,304</b>	<b>5,952,859</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	35,146,368	34,871,162
Capital surplus	17,467,693	3,240,993
Retained earnings	(27,150,247)	(15,746,229)
Treasury shares	(31)	(31)
<b>Total shareholders' equity</b>	<b>25,463,783</b>	<b>22,365,894</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,396	39,410
Foreign currency translation adjustment	4,841,242	6,398,578
<b>Total accumulated other comprehensive income</b>	<b>4,860,639</b>	<b>6,437,989</b>
Share acquisition rights	100,984	95,624
<b>Total net assets</b>	<b>30,425,406</b>	<b>28,899,508</b>
<b>Total liabilities and net assets</b>	<b>38,820,711</b>	<b>34,852,368</b>

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

	<b>The Third Quarter</b> <b>(From Jan. 1 to Sep.30)</b>	
	<b>2022</b>	<b>2023</b>
<b>Business revenues</b>		
Net sales of finished goods	7,735	15,516
Commission income	38,170	73,319
Research and development revenues	-	13,824
Total business revenues	45,905	102,659
<b>Business expenses</b>		
Cost of sales	73,436	90,454
Research and development expenses	8,527,789	4,839,262
Selling, general and administrative expenses	3,899,947	4,380,898
Total business expenses	12,501,173	9,310,615
Operating loss	(12,455,267)	(9,207,955)
<b>Non-operating income</b>		
Interest income	1,548	8,172
Foreign exchange gains	2,015,615	1,562,201
Subsidy income	369,942	2,921,712
Commission income	6,776	5,497
Gain on investments in investment partnerships	-	8,010
Miscellaneous income	6,235	0
Total non-operating income	2,400,118	4,505,593
<b>Non-operating expenses</b>		
Share issuance costs	6,988	18,233
Loss on investments in investment partnerships	806	-
Total non-operating expenses	7,794	18,233
Ordinary loss	(10,062,943)	(4,720,595)
<b>Extraordinary losses</b>		
Impairment losses	104,800	-
Loss on valuation of investment securities	6,048	1,693
Total extraordinary losses	110,849	1,693
Loss before income taxes	(10,173,792)	(4,722,289)
Income taxes - current	26,152	76,904
Income taxes - deferred	(5,133)	(967)
Total income taxes	21,019	75,937
Loss	(10,194,811)	(4,798,226)
Loss attributable to owners of parent	(10,194,811)	(4,798,226)

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

	<b>The Third Quarter</b>	
	<b>(From Jan. 1 to Sep.30)</b>	
	<b>2022</b>	<b>2023</b>
Loss	(10,194,811)	(4,798,226)
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,210)	20,013
Foreign currency translation adjustment	4,403,094	1,557,335
Total other comprehensive income	4,390,883	1,577,349
Comprehensive income	(5,803,928)	(3,220,877)
Comprehensive income attributable to		
owners of parent	(5,803,928)	(3,220,877)
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 disconegetic 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)	Application for approval

\*In addition to the above projects, the development pipeline includes drugs for chronic hepatitis B in the exploratory, basic research and pre-clinical stages.

### 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/>