

Consolidated Financial Report
for the Third Quarter, 2020 (Unaudited)(Japan GAAP)
AnGes, Inc. <https://www.anges.co.jp/>

Listings: Mothers 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, 2020 (From Jan. 1, 2020 to Sep. 30, 2020)

(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 2020	28	(91.2)	(2,857)	—	(3,150)	—	(3,174)	—
3Q 2019	323	17.2	(2,358)	—	(2,385)	—	(2,770)	—

*Comprehensive Income 3Q 2020 : (3,248) million yen 3Q 2019 : (2,548) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
3Q 2020	(27.08)	—
3Q 2019	(26.65)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2020	21,368	20,350	94.6
Dec. 31, 2019	12,524	12,055	95.5

*Shareholder's equity Sep. 30, 2020 : 20,206 million yen Dec. 31, 2019 : 11,962 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2019	—	0.00	—	0.00	0.00
FY 2020	—	0.00	—	—	—
FY 2020 (Forecast)	—	—	—	0.00	0.00

3. Earnings Forecast for the Fiscal Year 2020 (From Jan. 1, 2020 to Dec. 31, 2020)

*The financial forecast for the fiscal year 2020 is not stated because the reasonable financial forecast cannot be calculated at this time.

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)	Sep. 30, 2020	122,998,561 shares	Dec. 31, 2019	106,969,561 shares
2) Number of treasury shares	Sep. 30, 2020	91 shares	Dec. 31, 2019	91 shares
3) Average number of shares issued and outstanding	3Q 2020	117,236,831 shares	3Q 2019	103,976,776 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, 2019	September 30, 2020
Assets		
Current assets		
Cash and deposits	10,040,595	12,316,524
Accounts receivable - trade	3,061	12,683
Finished goods	72,859	56,745
Raw materials and supplies	565,239	1,023,388
Advance payments - trade	173,310	1,075,135
Prepaid expenses	25,168	25,736
Consumption taxes receivable	106,349	127,681
Other	5,607	24,332
Total current assets	10,992,191	14,662,228
Non-current assets		
Property, plant and equipment		
Buildings	53,658	53,649
Accumulated depreciation	(9,055)	(11,818)
Buildings, net	44,603	41,830
Tools, furniture and fixtures	85,756	83,324
Accumulated depreciation	(80,918)	(79,006)
Tools, furniture and fixtures, net	4,838	4,318
Total property, plant and equipment	49,441	46,149
Investments and other assets		
Investment securities	1,418,644	6,512,811
Leasehold and guarantee deposits	60,171	77,116
Deferred tax assets	1,460	1,410
Other	2,690	68,500
Total investments and other assets	1,482,966	6,659,839
Total non-current assets	1,532,408	6,705,988
Total assets	12,524,600	21,368,216

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

	December 31, 2019	September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	183,014	226,465
Accounts payable - other	103,161	107,430
Accrued expenses	12,374	14,087
Income taxes payable	79,999	65,718
Advances received	-	563,333
Deposits received	64,484	14,256
Total current liabilities	443,033	991,291
Non-current liabilities		
Deferred tax liabilities	2,302	2,169
Asset retirement obligations	23,913	23,934
Total non-current liabilities	26,215	26,104
Total liabilities	469,248	1,017,395
Net assets		
Shareholders' equity		
Share capital	13,291,912	19,038,143
Capital surplus	9,106,534	14,852,765
Retained earnings	(10,434,498)	(13,609,228)
Treasury shares	(30)	(30)
Total shareholders' equity	11,963,919	20,281,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,413)	(20,322)
Foreign currency translation adjustment	3,925	(54,578)
Total accumulated other comprehensive income	(1,488)	(74,901)
Share acquisition rights	92,920	144,072
Total net assets	12,055,351	20,350,821
Total liabilities and net assets	12,524,600	21,368,216

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

	The Third Quarter	
	(From Jan. 1 to Sep.30)	
	2019	2020
Business revenues		
Net sales of goods	170,075	-
Net sales of finished goods	1,390	28,373
Research and development revenues	152,514	-
Total business revenues	<u>323,979</u>	<u>28,373</u>
Business expenses		
Cost of sales	84,897	16,114
Research and development expenses	1,587,470	1,880,745
Selling, general and administrative expenses	1,010,170	989,404
Total business expenses	<u>2,682,537</u>	<u>2,886,263</u>
Operating loss	<u>(2,358,558)</u>	<u>(2,857,890)</u>
Non-operating income		
Interest income	1,125	4,311
Foreign exchange gains	8,172	22,122
Commission income	5,312	5,776
Insurance claim income	-	5,342
Gain on investments in investment partnerships	3,116	1,412
Miscellaneous income	130	250
Total non-operating income	<u>17,857</u>	<u>39,216</u>
Non-operating expenses		
Share issuance cost	41,598	67,556
Share of loss of entities accounted for using equity method	-	263,667
Subscription rights to shares issuance cost	3,240	806
Total non-operating expenses	<u>44,838</u>	<u>332,030</u>
Ordinary loss	<u>(2,385,539)</u>	<u>(3,150,703)</u>
Extraordinary income		
Gain on reversal of share acquisition rights	8,288	5,418
Total extraordinary income	<u>8,288</u>	<u>5,418</u>
Extraordinary losses		
Loss on change in equity	-	21,123
Loss on valuation of investment securities	384,965	-
Total extraordinary losses	<u>384,965</u>	<u>21,123</u>
Loss before income taxes	<u>(2,762,217)</u>	<u>(3,166,409)</u>
Income taxes - current	8,365	8,196
Income taxes - deferred	131	124
Total income taxes	<u>8,497</u>	<u>8,320</u>
Loss	<u>(2,770,714)</u>	<u>(3,174,729)</u>
Loss attributable to owners of parent	<u>(2,770,714)</u>	<u>(3,174,729)</u>

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

	The Third Quarter	
	(From Jan. 1 to Sep.30)	
	2019	2020
Loss	(2,770,714)	(3,174,729)
Other comprehensive income		
Valuation difference on available-for-sale securities	224,775	(14,908)
Foreign currency translation adjustment	(2,449)	(58,504)
Total other comprehensive income	222,325	(73,413)
Comprehensive income	(2,548,388)	(3,248,142)
Comprehensive income attributable to		
owners of parent	(2,548,388)	(3,248,142)
non-controlling interests	-	-

Projects --- Current pipeline status

<Self-developed products>

Segment	Project	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid (Bepermingene Perplasmid) <i>Collategene®</i>	Arteriosclerosis Obliterans with Lower Limb Ischemic Ulcers	Japan	Phase III	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
	HGF Plasmid (Bepermingene Perplasmid)	Arteriosclerosis Obliterans with Lower Limb Ischemic Ulcers	US	Phase II b	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
	HGF Plasmid (Bepermingene Perplasmid) <i>Collategene®</i>	Arteriosclerosis Obliterans with Lower Limb Ischemic Ulcers	Israel	Preparing for application	Kamada
	HGF Plasmid (Bepermingene Perplasmid) <i>Collategene®</i>	Arteriosclerosis Obliterans with Lower Limb Ischemic Ulcers	Turkey	Preparing for application	Er-Kim
	NF-κB Decoy Oligonucleotide	Chronic Disconegic Lumber Back Pain	Overseas	Phase I b (US)	-
	Hypertension DNA Vaccine	Hypertension	Overseas	Phase I / II a (AU)	-
	Novel Coronavirus DNA Vaccine	Novel Coronavirus (COVID-19)	Japan	Phase I / II	-
	Tie2 Receptor Agonist Compound	Acute Respiratory Distress Syndrome	Overseas	Nonclinical	Vasomune