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Consolidated Financial Report
for the Year Ended December 31, 2019 (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 Year Ended 2019 (From Jan. 1, 2019 to Dec. 31, 2019)

(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	%
FY 2019	326	(46.4)	(3,270)	—	(3,293)	—	(3,750)	—
FY 2018	610	67.1	(3,065)	—	(3,096)	—	(2,996)	—

*Comprehensive Income 2019 : (3,507) million yen 2018 : (3,166) million yen

	Net loss per share	Diluted net loss per share	Return on Equity	Return on asset	Operating profit ratio
	Yen	Yen	%	%	%
FY 2019	(35.81)	—	(38.2)	(32.0)	(1,000.7)
FY 2018	(34.46)	—	(54.2)	(51.5)	(502.5)

*Equity in net income of affiliates 2019 : — million yen 2018 : — million yen

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2019	12,524	12,055	95.5	111.83
Dec. 31, 2018	8,050	7,734	95.4	78.38

*Shareholder's equity Dec. 31, 2019 : 11,962 million yen Dec. 31, 2018 : 7,680 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, at end
	Million yen	Million yen	Million yen	Million yen
FY 2019	(2,179)	(1,249)	7,676	10,040
FY 2018	(2,522)	(122)	7,283	5,784

2. Dividend

	Dividend per share					Dividend (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q	2Q	3Q	4Q	Full-year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2018	—	0.00	—	0.00	0.00	—	—	—
FY 2019	—	0.00	—	0.00	0.00	—	—	—
FY 2020 (Forecast)	—	0.00	—	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)	Dec. 31, 2019	106,969,561 shares	Dec. 31, 2018	97,981,061 shares
2) Number of treasury shares	Dec. 31, 2019	91 shares	Dec. 31, 2018	83 shares
3) Average number of shares issued and outstanding	FY 2019	104,731,099 shares	FY 2018	86,957,830 shares

(Reference) Summary of Nonconsolidated Financial Reports
1. Business Results for the Year Ended 2019 (From Jan. 1, 2019 to Dec. 31, 2019)

(1) Results of Operations (Percentages indicate changes from the previous term)

	Revenues		Operating loss		Ordinary loss		Net loss	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2019	326	(46.4)	(3,286)	—	(3,310)	—	(3,773)	—
FY 2018	610	67.1	(3,079)	—	(3,103)	—	(3,015)	—

	Net loss per share	Diluted net loss per share
	Yen	Yen
FY 2019	(36.03)	—
FY 2018	(34.67)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2019	12,434	11,919	95.1	110.56
Dec. 31, 2018	7,939	7,619	95.3	77.21

**Shareholder's equity Dec. 31, 2019 : 11,826 million yen Dec. 31, 2018 : 7,565 million yen*

**Performance forecasts or any other future events containd 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, 2018	December 31, 2019
Assets		
Current assets		
Cash and deposits	5,784,894	10,040,595
Accounts receivable - trade	257,484	3,061
Merchandise	83,746	-
Finished goods	-	72,859
Raw materials and supplies	923,644	565,239
Advance payments - trade	366,086	173,310
Prepaid expenses	28,277	25,168
Consumption taxes receivable	73,041	106,349
Other	24,994	5,607
Total current assets	7,542,170	10,992,191
Non-current assets		
Property, plant and equipment		
Buildings	48,855	53,658
Accumulated depreciation	(5,442)	(9,055)
Buildings, net	43,412	44,603
Tools, furniture and fixtures	141,478	85,756
Accumulated depreciation	(137,462)	(80,918)
Tools, furniture and fixtures, net	4,016	4,838
Total property, plant and equipment	47,429	49,441
Investments and other assets		
Investment securities	401,068	1,418,644
Deferred tax assets	-	1,460
Leasehold and guarantee deposits	56,994	60,171
Other	3,009	2,690
Total investments and other assets	461,072	1,482,966
Total non-current assets	508,502	1,532,408
Total assets	8,050,672	12,524,600

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

	December 31, 2018	December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	112,925	183,014
Accounts payable - other	97,803	103,161
Accrued expenses	16,487	12,374
Income taxes payable	53,253	79,999
Advances received	686	-
Deposits received	10,475	64,484
Total current liabilities	291,631	443,033
Non-current liabilities		
Deferred tax liabilities	1,695	2,302
Asset retirement obligations	22,885	23,913
Total non-current liabilities	24,581	26,215
Total liabilities	316,213	469,248
Net assets		
Shareholders' equity		
Capital stock	9,395,825	13,291,912
Capital surplus	5,210,447	9,106,534
Retained earnings	(6,681,328)	(10,434,498)
Treasury shares	(24)	(30)
Total shareholders' equity	7,924,919	11,963,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(248,480)	(5,413)
Foreign currency translation adjustment	3,729	3,925
Total accumulated other comprehensive income	(244,750)	(1,488)
Share acquisition rights	54,289	92,920
Total net assets	7,734,459	12,055,351
Total liabilities and net assets	8,050,672	12,524,600

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

	The Year ended Dec. 31, (From Jan. 1 to Dec.31) 2018	2019
Business revenues		
Net sales of goods	382,847	170,075
Net sales of finished goods	-	4,170
Research and development revenues	227,203	152,514
Total business revenues	610,050	326,759
Business expenses		
Cost of sales	188,176	87,199
Research and development expenses	2,539,674	2,215,076
Selling, general and administrative expenses	947,454	1,294,489
Total business expenses	3,675,305	3,596,764
Operating loss	(3,065,255)	(3,270,005)
Non-operating income		
Interest income	1,405	1,165
Foreign exchange gains	785	9,639
Commission income	8,417	7,440
Subsidy income	3,313	-
Gain on investments in partnership	7	3,116
Miscellaneous income	246	350
Total non-operating income	14,176	21,711
Non-operating expenses		
Share issuance cost	42,318	41,680
Subscription rights to shares issuance cost	2,816	3,240
Total non-operating expenses	45,135	44,921
Ordinary loss	(3,096,213)	(3,293,214)
Extraordinary income		
Gain on sales of investment securities	31,193	-
Gain on reversal of share acquisition rights	62,017	10,610
Total extraordinary income	93,211	10,610
Extraordinary losses		
Loss on valuation of investment securities	-	468,999
Total extraordinary losses	-	468,999
Loss before income taxes	(3,003,002)	(3,751,604)
Income taxes - current	5,147	8,904
Refund of income taxes	(11,946)	(8,580)
Income taxes - deferred	426	(1,104)
Total income taxes	(6,372)	(780)
Loss	(2,996,629)	(3,750,823)
Loss attributable to owners of parent	(2,996,629)	(3,750,823)

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

	The Year ended Dec. 31, (From Jan. 1 to Dec.31) 2018	2019
Loss	(2,996,629)	(3,750,823)
Other comprehensive income		
Valuation difference on available-for-sale securities	(167,646)	243,066
Foreign currency translation adjustment	(2,257)	195
Total other comprehensive income	(169,903)	243,261
Comprehensive income	(3,166,532)	(3,507,561)
Comprehensive income attributable to		
owners of parent	(3,166,532)	(3,507,561)
non-controlling interests	-	-

AnGes, Inc
Consolidated Statements of Changes in Net Assets
(In thousands of yen)
(Unaudited)

Year ended Dec.31, 2018 (From Jan.1 to Dec.31, 2018)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,658,349	1,472,971	(3,684,699)	(24)	3,446,597
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	3,737,475	3,737,475			7,474,951
Loss attributable to owners of parent			(2,996,629)		(2,996,629)
Change of scope of consolidation - foreign currency translation adjustment					-
Purchase of treasury shares				-	-
Net changes of items other than shareholders' equity					-
Total changes of items during period	3,737,475	3,737,475	(2,996,629)	-	4,478,321
Balance at end of current period	9,395,825	5,210,447	(6,681,328)	(24)	7,924,919

	Accumulated other comprehensive income			**share acquisition rights**	**Total net assets**
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(80,833)	5,986	(74,846)	250,130	3,621,881
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights					7,474,951
Loss attributable to owners of parent					(2,996,629)
Change of scope of consolidation - foreign currency translation adjustment					-
Purchase of treasury shares					-
Net changes of items other than shareholders' equity	(167,646)	(2,257)	(169,903)	(195,840)	(365,743)
Total changes of items during period	(167,646)	(2,257)	(169,903)	(195,840)	4,112,578
Balance at end of current period	(248,480)	3,729	(244,750)	54,289	7,734,459

Year ended Dec.31, 2019 (From Jan.1 to Dec.31, 2019)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,395,825	5,210,447	(6,681,328)	(24)	7,924,919
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	3,896,087	3,896,087			7,792,174
Loss attributable to owners of parent			(3,750,823)		(3,750,823)
Change of scope of consolidation - foreign currency translation adjustment			(2,345)		(2,345)
Purchase of treasury shares				(5)	(5)
Net changes of items other than shareholders' equity					-
Total changes of items during period	3,896,087	3,896,087	(3,753,169)	(5)	4,038,999
Balance at end of current period	13,291,912	9,106,534	(10,434,498)	(30)	11,963,919

	Accumulated other comprehensive income			**share acquisition rights**	**Total net assets**
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(248,480)	3,729	(244,750)	54,289	7,734,459
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights					7,792,174
Loss attributable to owners of parent					(3,750,823)
Change of scope of consolidation - foreign currency translation adjustment					(2,345)
Purchase of treasury shares					(5)
Net changes of items other than shareholders' equity	243,066	195	243,261	38,630	281,892
Total changes of items during period	243,066	195	243,261	38,630	4,320,892
Balance at end of current period	(5,413)	3,925	(1,488)	92,920	12,055,351

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

	The Year ended Dec. 31, (From Jan. 1 to Dec.31) 2018	2019
Cash flows from operating activities		
Loss before income taxes	(3,003,002)	(3,751,604)
Depreciation	7,860	7,318
Interest income	(1,405)	(1,165)
Foreign exchange losses (gains)	(1,727)	(10,188)
Loss (gain) on investments in partnership	(7)	(3,116)
Loss (gain) on sales of short-term and long-term investment securities	(31,193)	-
Loss (gain) on valuation of investment securities	-	468,999
Share issuance cost	41,442	41,441
Share-based compensation expenses	18,082	122,986
Gain on reversal of share acquisition rights	(62,017)	(10,610)
Proceeds from miscellaneous income	-	0
Decrease (increase) in notes and accounts receivable - trade	(114,789)	254,423
Decrease (increase) in inventories	565,319	369,290
Increase (decrease) in notes and accounts payable - trade	(87,826)	70,086
Decrease (increase) in advance payments	55,974	192,765
Decrease (increase) in consumption taxes refund receivable	19,330	(33,276)
Increase (decrease) in accounts payable - other	10,952	5,444
Increase (decrease) in accrued expenses	8,337	(4,113)
Decrease (increase) in other current assets	26,471	1,538
Decrease (increase) in other non-current assets	(100)	(2,605)
Increase (decrease) in other current liabilities	47,972	80,239
Increase (decrease) in other non-current liabilities	(11)	1,027
Subtotal	(2,500,336)	(2,201,117)
Interest income received	1,405	1,165
Income taxes paid	(23,570)	(4,759)
Income taxes refund	-	24,793
Net cash provided by (used in) operating activities	(2,522,501)	(2,179,918)
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,433)	(6,406)
Purchase of investment securities	(119,831)	(1,240,167)
Proceeds from sales of investment securities	53,353	0
Payments for leasehold and guarantee deposits	(51,687)	(3,360)
Proceeds from collection of leasehold and guarantee deposits	45,855	177
Net cash provided by (used in) investing activities	(122,742)	(1,249,757)

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

	The Year ended Dec. 31, (From Jan. 1 to Dec.31) 2018	2019
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	7,218,348	7,676,938
Proceeds from exercise of share options	196	48
Purchase of treasury shares	-	(5)
Proceeds from issuance of share acquisition rights	64,800	-
Net cash provided by (used in) financing activities	7,283,345	7,676,981
Effect of exchange rate change on cash and cash equivalents	(959)	8,395
Net increase (decrease) in cash and cash equivalents	4,637,140	4,255,701
Cash and cash equivalents at beginning of period	1,147,753	5,784,894
Cash and cash equivalents at end of period	5,784,894	10,040,595

Projects --- Current pipeline status

<Self-developed products>

Segment	Project	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid (Beperminogene Perplasmid) *Collategene®*	Chronic Arterial Occlusion	Japan	Obtained Approval with Conditions and Time Limit and launched	Mitsubishi Tanabe Pharma Corporation (JP) *Marketing Rights*
			US	Phase Ⅱb	Mitsubishi Tanabe Pharma Corporation (JP) *Marketing Rights*
	NF-κB Decoy Oligonucleotide	Low Back Pain due to Disc Degeneration		Phase Ⅰb (US)	Available
	Hypertension DNA Therapeutic Vaccine	Hypertension		Phase Ⅰ/Ⅱa (AU)	Available