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Consolidated Financial Report
for the Third Quater Ended September 30, 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 Third Quater Ended 2019 (From Jan. 1, 2019 to Sep. 30, 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	%
3Q 2019	323	17.2	(2,358)	—	(2,385)	—	(2,770)	—
3Q 2018	276	8.2	(2,242)	—	(2,259)	—	(2,202)	—

**Comprehensive Income 3Q 2019 : (2,548) million yen 3Q 2018 : (2,319) million yen*

	Net loss per share	Diluted net loss per share
	Yen	Yen
3Q 2019	(26.65)	—
3Q 2018	(26.12)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Sep. 30, 2019	13,360	12,992	96.7
Dec. 31, 2018	8,050	7,734	95.4

**Shareholder's equity Sep. 30, 2019 : 12,921 million yen Dec. 31, 2018 : 7,680 million yen*

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2018	—	0.00	—	0.00	0.00
FY 2019	—	0.00	—		
FY 2019 (Forecast)				0.00	0.00

3. Earnings Forecast for the Fiscal Year 2019 (From Jan. 1, 2019 to Dec. 31, 2019)

	Revenues		Operating loss		Ordinary loss		Net loss		Net loss per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	335	(45.1)	(3,300)	—	(3,300)	—	(3,700)	—	(35.33)

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, 2019	106,969,561 shares	Dec. 31, 2018	97,981,061 shares
2) Number of treasury shares	Sep. 30, 2019	84 shares	Dec. 31, 2018	83 shares
3) Average number of shares issued and outstanding	3Q 2019	103,976,776 shares	3Q 2018	84,325,253 shares

**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	September 30, 2019
Assets		
Current assets		
Cash and deposits	5,784,894	10,772,537
Accounts receivable - trade	257,484	187,072
Merchandise	83,746	-
Finished goods	-	75,162
Raw materials and supplies	923,644	621,241
Advance payments - trade	366,086	132,141
Prepaid expenses	28,277	24,844
Consumption taxes receivable	73,041	73,145
Other	24,994	16,962
Total current assets	7,542,170	11,903,107
Non-current assets		
Property, plant and equipment		
Buildings	48,855	53,654
Accumulated depreciation	(5,442)	(8,127)
Buildings, net	43,412	45,527
Tools, furniture and fixtures	141,478	95,976
Accumulated depreciation	(137,462)	(90,934)
Tools, furniture and fixtures, net	4,016	5,042
Total property, plant and equipment	47,429	50,569
Investments and other assets		
Investment securities	401,068	1,345,542
Lease and guarantee deposits	56,994	60,165
Other	3,009	772
Total investments and other assets	461,072	1,406,481
Total non-current assets	508,502	1,457,050
Total assets	8,050,672	13,360,158

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

	December 31, 2018	September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	112,925	143,415
Accounts payable - other	97,803	110,599
Accrued expenses	16,487	23,092
Income taxes payable	53,253	57,284
Advances received	686	-
Deposits received	10,475	7,457
Total current liabilities	291,631	341,849
Non-current liabilities		
Deferred tax liabilities	1,695	1,827
Asset retirement obligations	22,885	23,906
Total non-current liabilities	24,581	25,733
Total liabilities	316,213	367,583
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)	(9,454,388)
Treasury shares	(24)	(25)
Total shareholders' equity	7,924,919	12,944,032
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(248,480)	(23,705)
Foreign currency translation adjustment	3,729	1,279
Total accumulated other comprehensive income	(244,750)	(22,425)
Share acquisition rights	54,289	70,967
Total net assets	7,734,459	12,992,575
Total liabilities and net assets	8,050,672	13,360,158

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

	The Month ended Sep. 30, (From Jan. 1 to Sep.30) 2018	2019
Business revenues		
Net sales of goods	276,342	170,075
Net sales of finished goods	-	1,390
Research and development revenues	-	152,514
Total business revenues	276,342	323,979
Business expenses		
Cost of sales	135,733	84,897
Research and development expenses	1,649,568	1,587,470
Selling, general and administrative expenses	733,224	1,010,170
Total business expenses	2,518,526	2,682,537
Operating loss	(2,242,183)	(2,358,558)
Non-operating income		
Interest income	1,041	1,125
Foreign exchange gains	-	8,172
Subsidy income	3,313	-
Commission fee	5,378	5,312
Gain on investments in partnership	7	3,116
Miscellaneous income	247	130
Total non-operating income	9,988	17,857
Non-operating expenses		
Share issuance cost	23,728	41,598
Subscription rights to shares issuance cost	2,816	3,240
Foreign exchange losses	781	-
Miscellaneous loss	0	-
Total non-operating expenses	27,327	44,838
Ordinary loss	(2,259,522)	(2,385,539)
Extraordinary income		
Gain on sales of investment securities	31,193	-
Gain on reversal of share acquisition rights	33,160	8,288
Total extraordinary income	64,353	8,288
Extraordinary losses		
Loss on valuation of investment securities	-	384,965
Total extraordinary losses	-	384,965
Loss before income taxes	(2,195,168)	(2,762,217)
Income taxes - current	7,440	8,365
Income taxes - deferred	130	131
Total income taxes	7,571	8,497
Loss	(2,202,740)	(2,770,714)
Loss attributable to owners of parent	(2,202,740)	(2,770,714)

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

	The Month ended Sep. 30, (From Jan. 1 to Sep.30) 2018	2019
Loss	(2,202,740)	(2,770,714)
Other comprehensive income		
Valuation difference on available-for-sale securities	(116,169)	224,775
Foreign currency translation adjustment	(566)	(2,449)
Total other comprehensive income	(116,735)	222,325
Comprehensive income	(2,319,476)	(2,548,388)
Comprehensive income attributable to:		
owners of parent	(2,319,476)	(2,548,388)
non-controlling interests	-	-

<u>Projects --- Current pipeline status</u>

<Self-developed products>

Segment	Project	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid (Beperminogene Perplasmid) *Collategene®*	Critical Limb Ischemia (Arteriosclerosis Obliterans & Buerger's Disease)	Japan	Obtained Approval with Conditions and Time Limit and launched	Mitsubishi Tanabe Pharma Corporation (JP) *Marketing Rights*
			US	Planning next steps	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/Ⅱ (AU)	Available