

**Consolidated Financial Report
for the Fiscal Year 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 Fiscal Year 2020 (From Jan. 1, 2020 to Dec. 31, 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	%
FY2020	39	(87.8)	(5,599)	—	(6,618)	—	(4,209)	—
FY2019	326	(46.4)	(3,270)	—	(3,293)	—	(3,750)	—

*Comprehensive Income FY2020 : (4,395) million yen FY2019 : (3,507) million yen

	Net loss per share	Diluted net loss per share	Return on Equity	Return on asset	Operating profit ratio
	Yen	Yen	%	%	%
FY2020	(35.33)	—	(18.9)	(26.0)	(13,999.0)
FY2019	(35.81)	—	(38.2)	(32.0)	(1,000.7)

*Equity in net income of affiliates FY2020 : (909) million yen FY2019 : — million yen

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2020	38,354	32,679	84.8	244.53
Dec. 31, 2019	12,524	12,055	95.5	111.83

*Shareholder's equity Dec. 31, 2020 : 32,537 million yen Dec. 31, 2019 : 11,962 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
FY2020	(2,961)	(6,963)	11,403	11,537
FY2019	(2,179)	(1,249)	7,676	10,040

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 2019	—	0.00	—	0.00	0.00	—	—	—
FY 2020	—	0.00	—	0.00	0.00	—	—	—
FY 2021 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Earnings Forecast for the Fiscal Year 2021 (From Jan. 1, 2021 to Dec. 31, 2021)

*The financial forecast for the fiscal year 2021 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) : Applicable

New: EmendoBio Inc.

(2) 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, 2020	133,059,400 shares	Dec. 31, 2019	106,969,561 shares
2) Number of treasury shares	Dec. 31, 2020	91 shares	Dec. 31, 2019	91 shares
3) Average number of shares issued and outstanding	FY2020	119,152,605 shares	FY2019	104,731,099 shares

(Reference) Summary of Nonconsolidated Financial Reports

1. Business Results for the Fiscal Year 2020 (From Jan. 1, 2020 to Dec. 31, 2020)

(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	%
FY2020	39	(87.8)	(5,212)	—	(5,318)	—	(5,318)	—
FY2019	326	(46.4)	(3,286)	—	(3,310)	—	(3,773)	—

	Net loss per share	Diluted net loss per share
	Yen	Yen
FY2020	(44.63)	—
FY2019	(36.03)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2020	34,147	29,356	85.6	219.55
Dec. 31, 2019	12,434	11,919	95.1	110.56

*Shareholder's equity Dec. 31, 2020 : 29,213 million yen Dec. 31, 2019 : 11,826 million yen

*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	December 31, 2020
Assets		
Current assets		
Cash and deposits	10,040,595	11,537,028
Accounts receivable - trade	3,061	12,698
Finished goods	72,859	49,839
Raw materials and supplies	565,239	1,141,460
Advance payments - trade	173,310	1,060,197
Prepaid expenses	25,168	38,693
Consumption taxes receivable	106,349	280,309
Other	5,607	46,405
Total current assets	10,992,191	14,166,633
Non-current assets		
Property, plant and equipment		
Buildings	53,658	132,133
Accumulated depreciation	(9,055)	(13,834)
Buildings, net	44,603	118,299
Tools, furniture and fixtures	85,756	212,643
Accumulated depreciation	(80,918)	(94,844)
Tools, furniture and fixtures, net	4,838	117,799
Total property, plant and equipment	49,441	236,098
Intangible assets		
Goodwill	-	22,713,938
Total intangible assets	-	22,713,938
Investments and other assets		
Investment securities	1,418,644	1,075,199
Leasehold and guarantee deposits	60,171	83,177
Deferred tax assets	1,460	10,568
Other	2,690	68,994
Total investments and other assets	1,482,966	1,237,940
Total non-current assets	1,532,408	24,187,977
Total assets	12,524,600	38,354,611

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

	December 31, 2019	December 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	183,014	514,132
Accounts payable - other	103,161	1,231,384
Accrued expenses	12,374	68,941
Income taxes payable	79,999	165,481
Advances received	-	3,594,532
Deposits received	64,484	15,393
Total current liabilities	443,033	5,589,864
Non-current liabilities		
Deferred tax liabilities	2,302	39,314
Asset retirement obligations	23,913	45,757
Total non-current liabilities	26,215	85,072
Total liabilities	469,248	5,674,936
Net assets		
Shareholders' equity		
Share capital	13,291,912	24,612,076
Capital surplus	9,106,534	22,756,406
Retained earnings	(10,434,498)	(14,644,009)
Treasury shares	(30)	(30)
Total shareholders' equity	11,963,919	32,724,444
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,413)	59,194
Foreign currency translation adjustment	3,925	(246,472)
Total accumulated other comprehensive income	(1,488)	(187,277)
Share acquisition rights	92,920	142,508
Total net assets	12,055,351	32,679,675
Total liabilities and net assets	12,524,600	38,354,611

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

	The Fiscal Year (From Jan. 1 to Dec.31)	
	2019	2020
Business revenues		
Net sales of goods	170,075	-
Net sales of finished goods	4,170	39,998
Research and development revenues	152,514	-
Total business revenues	326,759	39,998
Business expenses		
Cost of sales	87,199	23,020
Research and development expenses	2,215,076	3,796,139
Selling, general and administrative expenses	1,294,489	1,820,230
Total business expenses	3,596,764	5,639,390
Operating loss	(3,270,005)	(5,599,392)
Non-operating income		
Interest income	1,165	6,044
Foreign exchange gains	9,639	-
Commission income	7,440	11,482
Insurance claim income	-	5,342
Gain on investments in investment partnerships	3,116	1,412
Miscellaneous income	350	290
Total non-operating income	21,711	24,572
Non-operating expenses		
Interest expenses	-	12,344
Share issuance costs	41,680	117,708
Share of loss of entities accounted for using equity method	-	909,150
Foreign exchange losses	-	3,522
Subscription rights to shares issuance cost	3,240	806
Total non-operating expenses	44,921	1,043,533
Ordinary loss	(3,293,214)	(6,618,353)
Extraordinary income		
Gain on step acquisitions	-	2,428,207
Gain on reversal of share acquisition rights	10,610	5,418
Total extraordinary income	10,610	2,433,625
Extraordinary losses		
Loss on change in equity	-	20,222
Loss on valuation of investment securities	468,999	-
Total extraordinary losses	468,999	20,222
Loss before income taxes	(3,751,604)	(4,204,950)
Income taxes - current	8,904	6,725
Refund of income taxes	(8,580)	-
Income taxes - deferred	(1,104)	(2,164)
Total income taxes	(780)	4,560
Loss	(3,750,823)	(4,209,511)
Loss attributable to owners of parent	(3,750,823)	(4,209,511)

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

	The Fiscal Year (From Jan. 1 to Dec.31)	
	2019	2020
Loss	(3,750,823)	(4,209,511)
Other comprehensive income		
Valuation difference on available-for-sale securities	243,066	64,608
Foreign currency translation adjustment	195	(250,397)
Total other comprehensive income	243,261	(185,788)
Comprehensive income	(3,507,561)	(4,395,299)
Comprehensive income attributable to		
owners of parent	(3,507,561)	(4,395,299)
non-controlling interests	-	-

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

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

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	9,395,825	5,210,447	(6,681,328)	(24)	7,924,919
Changes during period					
Issuance of new shares					-
Issuance of new shares - exercise of share acquisition rights	3,896,087	3,896,087			7,792,174
Change by business combination					-
Loss attributable to owners of parent			(3,750,823)		(3,750,823)
Change in scope of consolidation - foreign currency translation adjustment			(2,345)		(2,345)
Purchase of treasury shares				(5)	(5)
Net changes in items other than shareholders' equity					-
Total changes during period	3,896,087	3,896,087	(3,753,169)	(5)	4,038,999
Balance at end of 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 period	(248,480)	3,729	(244,750)	54,289	7,734,459
Changes during period					
Issuance of new shares					-
Issuance of new shares - exercise of share acquisition rights					7,792,174
Change by business combination					-
Loss attributable to owners of parent					(3,750,823)
Change in scope of consolidation - foreign currency translation adjustment					(2,345)
Purchase of treasury shares					(5)
Net changes in items other than shareholders' equity	243,066	195	243,261	38,630	281,892
Total changes during period	243,066	195	243,261	38,630	4,320,892
Balance at end of period	(5,413)	3,925	(1,488)	92,920	12,055,351

The Fiscal Year 2020 (From Jan.1 to Dec.31, 2020)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	13,291,912	9,106,534	(10,434,498)	(30)	11,963,919
Changes during period					
Issuance of new shares	5,573,150	5,573,150			11,146,301
Issuance of new shares - exercise of share acquisition rights	5,747,013	5,747,013			11,494,026
Change by business combination		2,329,708			2,329,708
Loss attributable to owners of parent			(4,209,511)		(4,209,511)
Change in scope of consolidation - foreign currency translation adjustment					-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					-
Total changes during period	11,320,164	13,649,872	(4,209,511)	-	20,760,525
Balance at end of period	24,612,076	22,756,406	(14,644,009)	(30)	32,724,444

	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 period	(5,413)	3,925	(1,488)	92,920	12,055,351
Changes during period					
Issuance of new shares					11,146,301
Issuance of new shares - exercise of share acquisition rights					11,494,026
Change by business combination					2,329,708
Loss attributable to owners of parent					(4,209,511)
Change in scope of consolidation - foreign currency translation adjustment					-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	64,608	(250,397)	(185,788)	49,587	(136,201)
Total changes during period	64,608	(250,397)	(185,788)	49,587	20,624,323
Balance at end of period	59,194	(246,472)	(187,277)	142,508	32,679,675

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

	The Fiscal Year	
	(From Jan. 1 to Dec.31)	
	2019	2020
Cash flows from operating activities		
Loss before income taxes	(3,751,604)	(4,204,950)
Depreciation	7,318	7,585
Interest income	(1,165)	(6,044)
Interest expenses	-	12,344
Foreign exchange losses (gains)	(10,188)	(19,189)
Share of loss (profit) of entities accounted for using equity method	-	909,150
Loss (gain) on investments in investment partnerships	(3,116)	(1,412)
Loss (gain) on valuation of investment securities	468,999	-
Share issuance costs	41,441	115,933
Share-based remuneration expenses	122,986	79,015
Gain on reversal of share acquisition rights	(10,610)	(5,418)
Loss (gain) on step acquisitions	-	(2,428,207)
Loss (gain) on change in equity	-	20,222
Decrease (increase) in trade receivables	254,423	(9,636)
Decrease (increase) in inventories	369,290	(553,200)
Increase (decrease) in trade payables	70,086	306,465
Decrease (increase) in advance payments - trade	192,765	(887,010)
Decrease (increase) in consumption taxes refund receivable	(33,276)	(173,925)
Increase (decrease) in accounts payable - other	5,444	280,051
Increase (decrease) in accrued expenses	(4,113)	(6,472)
Increase (decrease) in advances received	(686)	3,594,532
Decrease (increase) in other current assets	1,538	(30,237)
Decrease (increase) in other non-current assets	(2,605)	(2,871)
Increase (decrease) in other current liabilities	80,925	36,356
Increase (decrease) in other non-current liabilities	1,027	21,843
Subtotal	<u>(2,201,117)</u>	<u>(2,945,075)</u>
Interest received	1,165	1,021
Interest paid	-	(12,344)
Income taxes paid	(4,759)	(4,930)
Income taxes refund	24,793	-
Net cash provided by (used in) operating activities	<u>(2,179,918)</u>	<u>(2,961,329)</u>

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

	The Fiscal Year	
	(From Jan. 1 to Dec.31)	
	2019	2020
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,406)	(80,922)
Purchase of investment securities	(1,240,167)	(5,443,819)
Proceeds from sales of investment securities	0	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	815,532
Short-term loan advances	-	(2,170,674)
Payments of leasehold and guarantee deposits	(3,360)	(16,959)
Proceeds from refund of leasehold and guarantee deposits	177	97
Decrease (increase) in other investments	-	(67,224)
Net cash provided by (used in) investing activities	(1,249,757)	(6,963,969)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	11,146,301
Repayments of short-term borrowings	-	(11,146,301)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	7,676,938	11,331,041
Proceeds from exercise of employee share options	48	30
Payments for issuance of shares	-	(615)
Purchase of treasury shares	(5)	-
Proceeds from issuance of share acquisition rights	-	73,120
Net cash provided by (used in) financing activities	7,676,981	11,403,576
Effect of exchange rate change on cash and cash equivalents	8,395	18,155
Net increase (decrease) in cash and cash equivalents	4,255,701	1,496,433
Cash and cash equivalents at beginning of period	5,784,894	10,040,595
Cash and cash equivalents at end of period	10,040,595	11,537,028

Projects --- Current pipeline status

Segment	Project	Target indications	Area	Development stage	Alliance partners
Medicine	HGF Plasmid (Bepermingene Perplasmid) <i>Collategene®</i>	Chronic arterial occlusive disease with rest pain	Japan	Phase III	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
	HGF Plasmid (Bepermingene Perplasmid)	Arteriosclerosis obliterans with lower limb ulcer	USA	Phase II b	Mitsubishi Tanabe Pharma Corporation (JP) <i>Marketing Rights</i>
	HGF Plasmid (Bepermingene Perplasmid) <i>Collategene®</i>	Chronic arterial occlusive disease with rest pain	Israel	Preparing for application	Kamada
	HGF Plasmid (Bepermingene Perplasmid) <i>Collategene®</i>	Chronic arterial occlusive disease with rest pain	Turkey	Preparing for application	Er-Kim
	NF-κB Decoy Oligonucleotide	Chronic disconegic lumber back pain	USA	Phase I b	-
	Hypertension DNA Vaccine	Hypertension	Australia	Phase I / II a	-
	Novel Coronavirus DNA Vaccine	Novel coronavirus (COVID-19)	Japan	Phase II / III	-
	Tie2 Receptor Agonist Compound	Novel coronavirus (COVID-19) /ARDS	USA	Phase I	Vasomune