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**Consolidated Financial Report
for the Second Quarter 2021 (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 Second Quarter 2021 (From Jan. 1, 2021 to Jun. 30, 2021)

(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	%
2Q 2021	23	37.1	(7,540)	—	(7,330)	—	(7,450)	—
2Q 2020	16	(90.2)	(1,766)	—	(1,896)	—	(1,896)	—
<i>*Comprehensive Income</i>		2Q 2021: (6,108) million yen		2Q 2020: (1,936) million yen				

	Net loss per share	Diluted net loss per share
	Yen	Yen
2Q 2021	(52.70)	—
2Q 2020	(16.58)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Jun. 30, 2021	51,758	44,048	84.9
Dec. 31, 2020	38,354	32,679	84.8

**Shareholder's equity* Jun. 30, 2021 : 43,947 million yen Dec. 31, 2020 : 32,537 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2020	—	0.00	—	0.00	0.00
FY 2021	—	0.00	—	—	—
FY 2021 (Forecast)	—	—	—	0.00	0.00

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

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) : 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)	Jun. 30, 2021	153,072,400 shares	Dec. 31, 2020	133,059,400 shares
2) Number of treasury shares	Jun. 30, 2021	92 shares	Dec. 31, 2020	91 shares
3) Average number of shares issued and outstanding	2Q 2021	141,378,560 shares	2Q 2020	114,324,355 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, 2020	June 30, 2021
Assets		
Current assets		
Cash and deposits	11,537,028	23,819,467
Accounts receivable - trade	12,698	12,698
Finished goods	49,839	36,027
Raw materials and supplies	1,141,460	1,080,560
Advance payments - trade	1,060,197	2,136,404
Prepaid expenses	38,693	55,042
Consumption taxes receivable	280,309	292,239
Other	46,405	56,601
Total current assets	14,166,633	27,489,041
Non-current assets		
Property, plant and equipment		
Buildings	132,133	127,632
Accumulated depreciation	(13,834)	(17,574)
Buildings, net	118,299	110,057
Tools, furniture and fixtures	212,643	77,845
Accumulated depreciation	(94,844)	(67,350)
Tools, furniture and fixtures, net	117,799	10,495
Total property, plant and equipment	236,098	120,553
Intangible assets		
Goodwill	22,713,938	23,017,787
Total intangible assets	22,713,938	23,017,787
Investments and other assets		
Investment securities	1,075,199	930,031
Leasehold and guarantee deposits	83,177	92,173
Deferred tax assets	10,568	38,063
Other	68,994	70,553
Total investments and other assets	1,237,940	1,130,822
Total non-current assets	24,187,977	24,269,163
Total assets	38,354,611	51,758,205

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

	December 31, 2020	June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	514,132	1,218,478
Accounts payable - other	1,231,384	359,170
Accrued expenses	68,941	135,925
Income taxes payable	165,481	148,805
Advances received	3,594,532	5,760,551
Deposits received	15,393	11,411
Total current liabilities	<u>5,589,864</u>	<u>7,634,341</u>
Non-current liabilities		
Deferred tax liabilities	39,314	29,204
Asset retirement obligations	45,757	45,797
Total non-current liabilities	<u>85,072</u>	<u>75,001</u>
Total liabilities	<u>5,674,936</u>	<u>7,709,343</u>
Net assets		
Shareholders' equity		
Share capital	24,612,076	33,359,568
Capital surplus	22,756,406	15,643,407
Retained earnings	(14,644,009)	(6,209,913)
Treasury shares	(30)	(31)
Total shareholders' equity	<u>32,724,444</u>	<u>42,793,031</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59,194	43,348
Foreign currency translation adjustment	(246,472)	1,111,371
Total accumulated other comprehensive income	<u>(187,277)</u>	<u>1,154,719</u>
Share acquisition rights	142,508	101,111
Total net assets	<u>32,679,675</u>	<u>44,048,862</u>
Total liabilities and net assets	<u>38,354,611</u>	<u>51,758,205</u>

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

	The Second Quarter (From Jan. 1 to Jun.30)	
	2020	2021
Business revenues		
Net sales of finished goods	16,843	23,085
Total business revenues	16,843	23,085
Business expenses		
Cost of sales	9,208	13,812
Research and development expenses	1,104,844	4,961,917
Selling, general and administrative expenses	668,964	2,588,224
Total business expenses	1,783,017	7,563,953
Operating loss	(1,766,173)	(7,540,867)
Non-operating income		
Interest income	3,843	132
Foreign exchange gains	36,109	266,585
Commission income	4,600	7,540
Insurance claim income	5,342	-
Gain on investments in investment partnerships	-	19,450
Miscellaneous income	250	308
Total non-operating income	50,145	294,017
Non-operating expenses		
Interest expenses	-	45
Share issuance costs	58,320	82,145
Share of loss of entities accounted for using equity method	120,886	-
Loss on investments in investment partnerships	179	-
Subscription rights to shares issuance cost	806	1,798
Total non-operating expenses	180,192	83,989
Ordinary loss	(1,896,220)	(7,330,839)
Extraordinary income		
Gain on reversal of share acquisition rights	5,418	32,844
Total extraordinary income	5,418	32,844
Extraordinary losses		
Loss on valuation of investment securities	-	138,587
Total extraordinary losses	-	138,587
Loss before income taxes	(1,890,802)	(7,436,583)
Income taxes - current	5,127	19,074
Income taxes - deferred	74	(5,632)
Total income taxes	5,202	13,442
Loss	(1,896,004)	(7,450,026)
Loss attributable to owners of parent	(1,896,004)	(7,450,026)

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

	The Second Quarter	
	(From Jan. 1 to Jun.30)	
	2020	2021
Loss	(1,896,004)	(7,450,026)
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,233)	(15,846)
Foreign currency translation adjustment	(29,719)	1,357,843
Total other comprehensive income	(40,953)	1,341,997
Comprehensive income	(1,936,958)	(6,108,029)
Comprehensive income attributable to		
owners of parent	(1,936,958)	(6,108,029)
non-controlling interests	-	-

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

	The Second Quarter	
	(From Jan. 1 to Jun.30)	
	2020	2021
Cash flows from operating activities		
Loss before income taxes	(1,890,802)	(7,436,583)
Depreciation	2,842	8,096
Amortization of goodwill	-	1,180,904
Interest income	(3,843)	(132)
Interest expenses	-	45
Foreign exchange losses (gains)	(37,362)	(190,081)
Share of loss (profit) of entities accounted for using equity method	120,886	-
Loss (gain) on investments in investment partnerships	179	(19,450)
Loss (gain) on valuation of investment securities	-	138,587
Share issuance costs	56,649	82,012
Share-based remuneration expenses	79,015	34,898
Gain on reversal of share acquisition rights	(5,418)	(32,844)
Decrease (increase) in trade receivables	(7,443)	-
Decrease (increase) in inventories	(16,795)	74,712
Increase (decrease) in trade payables	23,299	699,206
Decrease (increase) in advance payments - trade	(701,537)	(1,076,007)
Decrease (increase) in consumption taxes refund receivable	36,389	(11,912)
Increase (decrease) in accounts payable - other	(28,283)	(901,638)
Increase (decrease) in accrued expenses	6,469	61,123
Increase (decrease) in advances received	-	2,166,019
Decrease (increase) in other current assets	(7,364)	(25,399)
Decrease (increase) in other non-current assets	-	(158)
Increase (decrease) in other current liabilities	(35,005)	(42,133)
Increase (decrease) in other non-current liabilities	14	39
Subtotal	(2,408,111)	(5,290,695)
Interest received	552	132
Interest paid	-	(45)
Income taxes paid	(4,859)	(8,139)
Net cash provided by (used in) operating activities	(2,412,418)	(5,298,747)

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

	The Second Quarter	
	(From Jan. 1 to Jun.30)	
	2020	2021
Cash flows from investing activities		
Payments into restricted cash	-	(64,964)
Purchase of property, plant and equipment	-	(320)
Purchase of investment securities	(5,441,319)	-
Payments of leasehold and guarantee deposits	(16,959)	(11,171)
Decrease (increase) in other investments	(67,224)	-
Net cash provided by (used in) investing activities	<u>(5,525,502)</u>	<u>(76,455)</u>
Cash flows from financing activities		
Payments for issuance of shares	-	(319)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	11,341,730	17,295,290
Proceeds from exercise of employee share options	25	13
Proceeds from issuance of share acquisition rights	73,120	98,200
Purchase of treasury shares	-	(1)
Net cash provided by (used in) financing activities	<u>11,414,875</u>	<u>17,393,182</u>
Effect of exchange rate change on cash and cash equivalents	<u>35,097</u>	<u>197,814</u>
Net increase (decrease) in cash and cash equivalents	<u>3,512,051</u>	<u>12,215,793</u>
Cash and cash equivalents at beginning of period	<u>10,040,595</u>	<u>11,537,028</u>
Cash and cash equivalents at end of period	<u>13,552,647</u>	<u>23,752,821</u>

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 Completed	-
	Hypertension DNA Vaccine	Hypertension	Australia	Phase I / II a Completed	-
	Novel Coronavirus DNA Vaccine	Novel coronavirus (COVID-19)	Japan	Phase II / III	-
	Tie2 Receptor Agonist Compound	Novel coronavirus (COVID-19) /ARDS	USA	Preparing for Phase II a	Vasomune (Canada)