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**Consolidated Financial Report
for the Second Quarter 2022 (Unaudited)(Japan GAAP)
AnGes, Inc. <https://www.anges.co.jp/en/>**

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 2022 (From Jan. 1, 2022 to Jun. 30, 2022)

(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 2022	31	38.1	(9,124)	—	(7,420)	—	(7,425)	—
2Q 2021	23	37.1	(7,540)	—	(7,330)	—	(7,450)	—

*Comprehensive Income 2Q 2022 : (4,121) million yen 2Q 2021 : (6,108) million yen

	Net loss per share	Diluted net loss per share
	Yen	Yen
2Q 2022	(48.51)	—
2Q 2021	(52.70)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Jun. 30, 2022	42,592	34,513	80.8
Dec. 31, 2021	45,455	38,634	84.8

*Shareholder's equity Jun. 30, 2022 : 34,425 million yen Dec. 31, 2021 : 38,545 million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2021	—	0.00	—	0.00	0.00
FY 2022	—	0.00	—	0.00	0.00
FY 2022 (Forecast)	—	0.00	—	0.00	0.00

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

3. Earnings Forecast for the Fiscal Year 2022 (From Jan. 1, 2022 to Dec. 31, 2022)

*The financial forecast for the fiscal year 2022 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 : Applicable
 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, 2022	153,073,900 shares	Dec. 31, 2021	153,072,400 shares
2) Number of treasury shares	Jun. 30, 2022	92 shares	Dec. 31, 2021	92 shares
3) Average number of shares issued and outstanding	2Q 2022	153,073,029 shares	2Q 2021	141,378,560 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, 2021	June 30, 2022
Assets		
Current assets		
Cash and deposits	17,899,341	13,211,423
Accounts receivable - trade	10,264	7,507
Finished goods	29,120	26,818
Raw materials and supplies	1,194,629	1,641,313
Advance payments to suppliers	1,714,027	552,110
Prepaid expenses	89,435	65,380
Consumption taxes receivable	419,878	221,355
Other	69,446	45,450
Total current assets	21,426,143	15,771,360
Non-current assets		
Property, plant and equipment		
Buildings	202,299	208,550
Accumulated depreciation	(23,566)	(27,727)
Buildings, net	178,733	180,823
Tools, furniture and fixtures	83,400	64,809
Accumulated depreciation	(68,805)	(49,018)
Tools, furniture and fixtures, net	14,594	15,791
Total property, plant and equipment	193,328	196,614
Intangible assets		
Goodwill	22,675,739	25,450,789
Total intangible assets	22,675,739	25,450,789
Investments and other assets		
Investment securities	878,706	861,943
Leasehold and guarantee deposits	97,834	103,306
Deferred tax assets	110,510	123,767
Other	73,484	85,036
Total investments and other assets	1,160,535	1,174,053
Total non-current assets	24,029,603	26,821,457
Total assets	45,455,746	42,592,817

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

	December 31, 2021	June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	720,706	1,524,712
Accounts payable - other	636,748	467,631
Accrued expenses	80,363	103,191
Income taxes payable	134,319	126,070
Advances received	5,119,753	5,764,004
Deposits received	41,542	14,634
Total current liabilities	6,733,433	8,000,245
Non-current liabilities		
Deferred tax liabilities	19,097	15,028
Asset retirement obligations	68,474	64,260
Total non-current liabilities	87,571	79,289
Total liabilities	6,821,005	8,079,534
Net assets		
Shareholders' equity		
Share capital	33,359,568	33,360,150
Capital surplus	15,680,893	15,681,474
Retained earnings	(12,435,475)	(19,861,321)
Treasury shares	(31)	(31)
Total shareholders' equity	36,604,955	29,180,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,441	24,466
Foreign currency translation adjustment	1,904,012	5,220,373
Total accumulated other comprehensive income	1,940,453	5,244,840
Share acquisition rights	89,332	88,171
Total net assets	38,634,741	34,513,283
Total liabilities and net assets	45,455,746	42,592,817

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

	The Second Quarter (From Jan. 1 to Jun.30)	
	2021	2022
Business revenues		
Net sales of finished goods	23,085	3,854
Commission income	-	28,032
Total business revenues	23,085	31,886
Business expenses		
Cost of sales	13,812	36,733
Research and development expenses	4,961,917	6,617,164
Selling, general and administrative expenses	2,588,224	2,502,524
Total business expenses	7,563,953	9,156,423
Operating loss	(7,540,867)	(9,124,536)
Non-operating income		
Interest income	132	1,226
Foreign exchange gains	266,585	1,489,712
Subsidy income	-	202,737
Commission income	7,540	5,112
Gain on investments in investment partnerships	19,450	-
Miscellaneous income	308	6,170
Total non-operating income	294,017	1,704,958
Non-operating expenses		
Interest expenses	45	0
Share issuance costs	82,145	44
Loss on investments in investment partnerships	-	673
Share acquisition rights issuance costs	1,798	-
Total non-operating expenses	83,989	718
Ordinary loss	(7,330,839)	(7,420,296)
Extraordinary income		
Gain on reversal of share acquisition rights	32,844	-
Total extraordinary income	32,844	-
Extraordinary losses		
Loss on valuation of investment securities	138,587	-
Total extraordinary losses	138,587	-
Loss before income taxes	(7,436,583)	(7,420,296)
Income taxes - current	19,074	9,805
Income taxes - deferred	(5,632)	(4,255)
Total income taxes	13,442	5,550
Loss	(7,450,026)	(7,425,846)
Loss attributable to owners of parent	(7,450,026)	(7,425,846)

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

	The Second Quarter	
	(From Jan. 1 to Jun.30)	
	2021	2022
Loss	(7,450,026)	(7,425,846)
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,846)	(11,974)
Foreign currency translation adjustment	1,357,843	3,316,360
Total other comprehensive income	1,341,997	3,304,386
Comprehensive income	(6,108,029)	(4,121,460)
Comprehensive income attributable to		
owners of parent	(6,108,029)	(4,121,460)
non-controlling interests	-	-

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

	The Second Quarter	
	(From Jan. 1 to Jun.30)	
	2021	2022
Cash flows from operating activities		
Loss before income taxes	(7,436,583)	(7,420,296)
Depreciation	8,096	9,760
Amortization of goodwill	1,180,904	1,348,807
Interest income	(132)	(1,226)
Interest expenses	45	0
Foreign exchange losses (gains)	(190,081)	(1,562,625)
Loss (gain) on investments in investment partnerships	(19,450)	673
Loss (gain) on valuation of investment securities	138,587	-
Share issuance costs	82,012	-
Share-based payment expenses	34,898	-
Gain on reversal of share acquisition rights	(32,844)	-
Decrease (increase) in trade receivables	-	2,757
Decrease (increase) in inventories	74,712	(444,382)
Increase (decrease) in trade payables	699,206	781,386
Decrease (increase) in advance payments to suppliers	(1,076,007)	1,179,592
Decrease (increase) in consumption taxes refund receivable	(11,912)	198,536
Increase (decrease) in accounts payable - other	(901,638)	(241,338)
Increase (decrease) in accrued expenses	61,123	8,294
Increase (decrease) in advances received	2,166,019	644,251
Decrease (increase) in other current assets	(25,399)	77,548
Decrease (increase) in other non-current assets	(158)	(395)
Increase (decrease) in other current liabilities	(42,133)	(33,062)
Increase (decrease) in other non-current liabilities	39	(4,213)
Subtotal	<u>(5,290,695)</u>	<u>(5,455,931)</u>
Interest received	132	1,226
Interest paid	(45)	(0)
Income taxes paid	(8,139)	(29,281)
Net cash provided by (used in) operating activities	<u>(5,298,747)</u>	<u>(5,483,987)</u>

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

	The Second Quarter	
	(From Jan. 1 to Jun.30)	
	2021	2022
Cash flows from investing activities		
Payments into restricted cash	(64,964)	-
Purchase of property, plant and equipment	(320)	(10,108)
Payments of leasehold and guarantee deposits	(11,171)	(4,331)
Proceeds from refund of leasehold and guarantee deposits	-	1,000
Net cash provided by (used in) investing activities	(76,455)	(13,440)
Cash flows from financing activities		
Payments for issuance of shares	(319)	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	17,295,290	-
Proceeds from exercise of employee share options	13	1
Proceeds from issuance of share acquisition rights	98,200	-
Purchase of treasury shares	(1)	-
Net cash provided by (used in) financing activities	17,393,182	1
Effect of exchange rate change on cash and cash equivalents	197,814	805,572
Net increase (decrease) in cash and cash equivalents	12,215,793	(4,691,854)
Cash and cash equivalents at beginning of period	11,537,028	17,835,704
Cash and cash equivalents at end of period	23,752,821	13,143,849

Projects --- Current pipeline status

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

*In addition to the above-mentioned projects, the development pipeline includes the development of drugs for chronic hepatitis B and Ebola hemorrhagic fever antiserum at the discovery, basic research and non-clinical testing stages.