

**Consolidated Financial Report**  
**for the Fiscal Year 2021 (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 Fiscal Year 2021 (From Jan. 1, 2021 to Dec. 31, 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	%
FY 2021	64	60.4	(15,632)	—	(13,588)	—	(13,675)	—
FY 2020	39	(87.8)	(5,599)	—	(6,618)	—	(4,209)	—

\*Comprehensive Income FY 2021 : (11,547) million yen FY 2020 : (4,395) million yen

	Net loss per share	Diluted net loss per share	Return on Equity	Return on asset	Operating profit ratio
	Yen	Yen	%	%	%
FY 2021	(92.86)	—	(38.5)	(32.4)	(24,368.6)
FY 2020	(35.33)	—	(18.9)	(26.0)	(13,999.0)

\*Equity in net income of affiliates FY 2021 : — million yen FY 2020 : (909) million yen

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2021	45,455	38,634	84.8	251.81
Dec. 31, 2020	38,354	32,679	84.8	244.53

\*Shareholder's equity Dec. 31, 2021 : 38,545 million yen Dec. 31, 2020 : 32,537 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 2021	(11,380)	(154)	17,378	17,835
FY 2020	(2,961)	(6,963)	11,403	11,537

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 2020	—	0.00	—	0.00	0.00	—	—	—
FY 2021	—	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) 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

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	Dec. 31, 2021	153,072,400 shares	Dec. 31, 2020	133,059,400 shares
2) Number of treasury shares	Dec. 31, 2021	92 shares	Dec. 31, 2020	91 shares
3) Average number of shares issued and outstanding	FY 2021	147,273,490 shares	FY 2020	119,152,605 shares

(Reference) Summary of Nonconsolidated Financial Reports

1. Business Results for the Fiscal Year 2021 (From Jan. 1, 2021 to Dec. 31, 2021)

(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 2021	64	60.4	(10,039)	—	(7,932)	—	(8,086)	—
FY 2020	39	(87.8)	(5,212)	—	(5,318)	—	(5,318)	—

	Net loss per share	Diluted net loss per share
	Yen	Yen
FY 2021	(54.91)	—
FY 2020	(44.63)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Dec. 31, 2021	44,879	38,688	86.0	252.16
Dec. 31, 2020	34,147	29,356	85.6	219.55

\*Shareholder's equity Dec. 31, 2021 : 38,599 million yen Dec. 31, 2020 : 29,213 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, 2020	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	11,537,028	17,899,341
Accounts receivable - trade	12,698	10,264
Finished goods	49,839	29,120
Raw materials and supplies	1,141,460	1,194,629
Advance payments to suppliers	1,060,197	1,714,027
Prepaid expenses	38,693	89,435
Consumption taxes receivable	280,309	419,878
Other	46,405	69,446
<b>Total current assets</b>	<b>14,166,633</b>	<b>21,426,143</b>
Non-current assets		
Property, plant and equipment		
Buildings	132,133	202,299
Accumulated depreciation	(13,834)	(23,566)
Buildings, net	118,299	178,733
Tools, furniture and fixtures	212,643	83,400
Accumulated depreciation	(94,844)	(68,805)
Tools, furniture and fixtures, net	117,799	14,594
<b>Total property, plant and equipment</b>	<b>236,098</b>	<b>193,328</b>
Intangible assets		
Goodwill	22,713,938	22,675,739
<b>Total intangible assets</b>	<b>22,713,938</b>	<b>22,675,739</b>
Investments and other assets		
Investment securities	1,075,199	878,706
Leasehold and guarantee deposits	83,177	97,834
Deferred tax assets	10,568	110,510
Other	68,994	73,484
<b>Total investments and other assets</b>	<b>1,237,940</b>	<b>1,160,535</b>
<b>Total non-current assets</b>	<b>24,187,977</b>	<b>24,029,603</b>
<b>Total assets</b>	<b>38,354,611</b>	<b>45,455,746</b>

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

	December 31, 2020	December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	514,132	720,706
Accounts payable - other	1,231,384	636,748
Accrued expenses	68,941	80,363
Income taxes payable	165,481	134,319
Advances received	3,594,532	5,119,753
Deposits received	15,393	41,542
Total current liabilities	<u>5,589,864</u>	<u>6,733,433</u>
Non-current liabilities		
Deferred tax liabilities	39,314	19,097
Asset retirement obligations	45,757	68,474
Total non-current liabilities	<u>85,072</u>	<u>87,571</u>
Total liabilities	<u>5,674,936</u>	<u>6,821,005</u>
<b>Net assets</b>		
Shareholders' equity		
Share capital	24,612,076	33,359,568
Capital surplus	22,756,406	15,680,893
Retained earnings	(14,644,009)	(12,435,475)
Treasury shares	(30)	(31)
Total shareholders' equity	<u>32,724,444</u>	<u>36,604,955</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59,194	36,441
Foreign currency translation adjustment	(246,472)	1,904,012
Total accumulated other comprehensive income	<u>(187,277)</u>	<u>1,940,453</u>
Share acquisition rights	142,508	89,332
Total net assets	<u>32,679,675</u>	<u>38,634,741</u>
Total liabilities and net assets	<u>38,354,611</u>	<u>45,455,746</u>

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

	The Fiscal Year (From Jan. 1 to Dec.31)	
	2020	2021
<b>Business revenues</b>		
Net sales of finished goods	39,998	34,669
Commission income	-	29,478
Total business revenues	39,998	64,148
<b>Business expenses</b>		
Cost of sales	23,020	56,721
Research and development expenses	3,796,139	10,783,813
Selling, general and administrative expenses	1,820,230	4,855,698
Total business expenses	5,639,390	15,696,233
Operating loss	(5,599,392)	(15,632,085)
<b>Non-operating income</b>		
Interest income	6,044	566
Foreign exchange gains	-	599,611
Subsidy income	-	1,500,850
Commission income	11,482	13,212
Insurance claim income	5,342	-
Gain on investments in investment partnerships	1,412	26,343
Miscellaneous income	290	466
Total non-operating income	24,572	2,141,051
<b>Non-operating expenses</b>		
Interest expenses	12,344	-
Share issuance costs	117,708	96,141
Share of loss of entities accounted for using equity method	909,150	-
Foreign exchange losses	3,522	-
Share acquisition rights issuance costs	806	1,798
Total non-operating expenses	1,043,533	97,939
Ordinary loss	(6,618,353)	(13,588,973)
<b>Extraordinary income</b>		
Gain on step acquisitions	2,428,207	-
Gain on reversal of share acquisition rights	5,418	32,844
Total extraordinary income	2,433,625	32,844
<b>Extraordinary losses</b>		
Loss on change in equity	20,222	-
Loss on valuation of investment securities	-	179,165
Total extraordinary losses	20,222	179,165
Loss before income taxes	(4,204,950)	(13,735,294)
Income taxes - current	6,725	21,699
Income taxes - refund	-	(4,091)
Income taxes - deferred	(2,164)	(77,315)
Total income taxes	4,560	(59,706)
Loss	(4,209,511)	(13,675,587)
Loss attributable to owners of parent	(4,209,511)	(13,675,587)

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

	<b>The Fiscal Year</b>	
	<b>(From Jan. 1 to Dec.31)</b>	
	<b>2020</b>	<b>2021</b>
Loss	(4,209,511)	(13,675,587)
Other comprehensive income		
Valuation difference on available-for-sale securities	64,608	(22,753)
Foreign currency translation adjustment	(250,397)	2,150,484
Total other comprehensive income	(185,788)	2,127,731
Comprehensive income	(4,395,299)	(11,547,856)
Comprehensive income attributable to		
owners of parent	(4,395,299)	(11,547,856)
non-controlling interests	-	-

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

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

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
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
Capital reduction					-
Deficit disposition					-
Change by business combination		2,329,708			2,329,708
Capital increase of consolidated subsidiaries					-
Loss attributable to owners of parent			(4,209,511)		(4,209,511)
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
Capital reduction					-
Deficit disposition					-
Change by business combination					2,329,708
Capital increase of consolidated subsidiaries					-
Loss attributable to owners of parent					(4,209,511)
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 Changes in Net Assets**  
(In thousands of yen)  
(Unaudited)

The Fiscal Year 2021 (From Jan.1 to Dec.31, 2021)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,612,076	22,756,406	(14,644,009)	(30)	32,724,444
Changes during period					
Issuance of new shares					-
Issuance of new shares - exercise of share acquisition rights	8,747,492	8,747,491			17,494,983
Capital reduction		(15,884,121)			(15,884,121)
Deficit disposition			15,884,121		15,884,121
Change by business combination					-
Capital increase of consolidated subsidiaries		61,116			61,116
Loss attributable to owners of parent			(13,675,587)		(13,675,587)
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					-
Total changes during period	8,747,492	(7,075,513)	2,208,534	(1)	3,880,511
Balance at end of period	33,359,568	15,680,893	(12,435,475)	(31)	36,604,955

	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	59,194	(246,472)	(187,277)	142,508	32,679,675
Changes during period					
Issuance of new shares					-
Issuance of new shares - exercise of share acquisition rights					17,494,983
Capital reduction					(15,884,121)
Deficit disposition					15,884,121
Change by business combination					-
Capital increase of consolidated subsidiaries					61,116
Loss attributable to owners of parent					(13,675,587)
Purchase of treasury shares					(1)
Net changes in items other than shareholders' equity	(22,753)	2,150,484	2,127,731	(53,176)	2,074,555
Total changes during period	(22,753)	2,150,484	2,127,731	(53,176)	5,955,066
Balance at end of period	36,441	1,904,012	1,940,453	89,332	38,634,741



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

	The Fiscal Year	
	(From Jan. 1 to Dec.31)	
	2020	2021
<b>Cash flows from operating activities</b>		
Loss before income taxes	(4,204,950)	(13,735,294)
Depreciation	7,585	18,709
Amortization of goodwill	-	2,407,372
Interest income	(6,044)	(566)
Interest expenses	12,344	-
Foreign exchange losses (gains)	(19,189)	(513,478)
Share of loss (profit) of entities accounted for using equity method	909,150	-
Loss (gain) on investments in investment partnerships	(1,412)	(26,343)
Loss (gain) on valuation of investment securities	-	179,165
Share issuance costs	115,933	95,991
Share-based payment expenses	79,015	60,653
Gain on reversal of share acquisition rights	(5,418)	(32,844)
Loss (gain) on step acquisitions	(2,428,207)	-
Loss (gain) on change in equity	20,222	-
Decrease (increase) in trade receivables	(9,636)	2,433
Decrease (increase) in inventories	(553,200)	(32,450)
Increase (decrease) in trade payables	306,465	198,269
Decrease (increase) in advance payments to suppliers	(887,010)	(653,372)
Decrease (increase) in consumption taxes refund receivable	(173,925)	(139,533)
Increase (decrease) in accounts payable - other	280,051	(655,797)
Increase (decrease) in accrued expenses	(6,472)	4,213
Increase (decrease) in advances received	3,594,532	1,525,221
Decrease (increase) in other current assets	(30,237)	(64,713)
Decrease (increase) in other non-current assets	(2,871)	(3,947)
Increase (decrease) in other current liabilities	36,356	(8,988)
Increase (decrease) in other non-current liabilities	21,843	22,716
Subtotal	(2,945,075)	(11,352,583)
Interest received	1,021	566
Interest paid	(12,344)	-
Income taxes paid	(4,930)	(32,621)
Income taxes refund	-	4,091
Net cash provided by (used in) operating activities	(2,961,329)	(11,380,546)

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

	<b>The Fiscal Year</b>	
	<b>(From Jan. 1 to Dec.31)</b>	
	<b>2020</b>	<b>2021</b>
<b>Cash flows from investing activities</b>		
Payments into restricted cash	-	(60,804)
Purchase of property, plant and equipment	(80,922)	(80,221)
Purchase of investment securities	(5,443,819)	-
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	(16,959)	(17,375)
Proceeds from refund of leasehold and guarantee deposits	97	3,528
Decrease (increase) in investments and other assets	(67,224)	-
Net cash provided by (used in) investing activities	(6,963,969)	(154,873)
<b>Cash flows from financing activities</b>		
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	11,331,041	17,280,766
Proceeds from exercise of employee share options	30	24
Payments for issuance of shares	(615)	(319)
Purchase of treasury shares	-	(1)
Proceeds from issuance of share acquisition rights	73,120	98,200
Net cash provided by (used in) financing activities	11,403,576	17,378,670
Effect of exchange rate change on cash and cash equivalents	18,155	455,425
Net increase (decrease) in cash and cash equivalents	1,496,433	6,298,675
Cash and cash equivalents at beginning of period	10,040,595	11,537,028
Cash and cash equivalents at end of period	11,537,028	17,835,704

**Projects --- Current pipeline status**

Segment	Project	Target indications	Area	Development stage	Alliance partners
Medicine	HGF Plasmid (Bepminogene Perplasmid) <i>Collategene®</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 disconegic lumber back pain	USA	Preparing for Phase II	-
	Hypertension DNA Vaccine	Hypertension	Australia	Phase I / II a 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)	

\*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.