Released on July 30, 2020

Consolidated Financial Report for the Second Quater, 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 Second Quarter, 2020 (From Jan. 1, 2020 to Jun. 30, 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	%
2Q 2020	16	(90.2)	(1,766)	—	(1,896)	—	(1,896)	—
2Q 2019	172	(1.9)	(1,709)	—	(1,733)	—	(1,973)	—

**Comprehensive Income 2Q 2020 : (1,936) million yen 2Q 2019 : (1,841) million yen*

	Net loss per share	Diluted net loss per share
	Yen	Yen
2Q 2020	(16.58)	—
2Q 2019	(19.26)	—

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Jun. 30, 2020	22,099	21,662	97.4
Dec. 31, 2019	12,524	12,055	95.5

**Shareholder's equity Jun. 30, 2020 : 21,514 million yen Dec. 31, 2019 : 11,962 million yen*

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	4Q	Full-year
	Yen	Yen	Yen	Yen	Yen
FY 2019	—	0.00	—	0.00	0.00
FY 2020	—	0.00			
FY 2020 (Forecast)			—	0.00	0.00

3. Earnings Forecast for the Fiscal Year 2020 (From Jan. 1, 2020 to Dec. 31, 2020)

*The financial forecast for the fiscal year 2020 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, 2020	122,994,561 shares	Dec. 31, 2019	106,969,561 shares
2) Number of treasury shares	Jun. 30, 2020	91 shares	Dec. 31, 2019	91 shares
3) Average number of shares issued and outstanding	2Q 2020	114,324,355 shares	2Q 2019	102,469,066 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, 2019	June 30, 2020
Assets		
Current assets		
Cash and deposits	10,040,595	13,552,647
Accounts receivable - trade	3,061	10,505
Finished goods	72,859	63,651
Raw materials and supplies	565,239	591,243
Advance payments - trade	173,310	874,791
Prepaid expenses	25,168	32,455
Consumption taxes receivable	106,349	69,976
Other	5,607	5,633
Total current assets	10,992,191	15,200,903
Non-current assets		
Property, plant and equipment		
Buildings	53,658	53,654
Accumulated depreciation	(9,055)	(10,899)
Buildings, net	44,603	42,755
Tools, furniture and fixtures	85,756	83,460
Accumulated depreciation	(80,918)	(78,968)
Tools, furniture and fixtures, net	4,838	4,492
Total property, plant and equipment	49,441	47,247
Investments and other assets		
Investment securities	1,418,644	6,704,151
Deferred tax assets	1,460	1,436
Leasehold and guarantee deposits	60,171	77,123
Other	2,690	68,168
Total investments and other assets	1,482,966	6,850,880
Total non-current assets	1,532,408	6,898,127
Total assets	12,524,600	22,099,031

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

	December 31, 2019	June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	183,014	206,173
Accounts payable - other	103,161	76,212
Accrued expenses	12,374	18,843
Income taxes payable	79,999	94,069
Deposits received	64,484	15,683
Total current liabilities	443,033	410,982
Non-current liabilities		
Deferred tax liabilities	2,302	2,120
Asset retirement obligations	23,913	23,927
Total non-current liabilities	26,215	26,047
Total liabilities	469,248	437,030
Net assets		
Shareholders' equity		
Share capital	13,291,912	19,036,593
Capital surplus	9,106,534	14,851,215
Retained earnings	(10,434,498)	(12,330,503)
Treasury shares	(30)	(30)
Total shareholders' equity	11,963,919	21,557,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(5,413)	(16,647)
Foreign currency translation adjustment	3,925	(25,794)
Total accumulated other comprehensive income	(1,488)	(42,442)
Share acquisition rights	92,920	147,168
Total net assets	12,055,351	21,662,001
Total liabilities and net assets	12,524,600	22,099,031

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

	The Second Quater (From Jan. 1 to Jun.30) 2019	2020
Business revenues		
Net sales of goods	170,075	-
Net sales of finished goods	-	16,843
Research and development revenues	2,510	-
Total business revenues	172,586	16,843
Business expenses		
Cost of sales	83,746	9,208
Research and development expenses	1,130,185	1,104,844
Selling, general and administrative expenses	668,230	668,964
Total business expenses	1,882,162	1,783,017
Operating loss	(1,709,576)	(1,766,173)
Non-operating income		
Interest income	828	3,843
Foreign exchange gains	6,820	36,109
Commission income	3,284	4,600
Insurance claim income	-	5,342
Gain on investments in investment partnerships	3,320	-
Miscellaneous income	130	250
Total non-operating income	14,384	50,145
Non-operating expenses		
Share issuance cost	35,288	58,320
Subscription rights to shares issuance cost	3,240	806
Share of loss of entities accounted for using equity method	-	120,886
Loss on investments in investment partnerships	-	179
Total non-operating expenses	38,529	180,192
Ordinary loss	(1,733,720)	(1,896,220)
Extraordinary income		
Gain on reversal of share acquisition rights	8,288	5,418
Total extraordinary income	8,288	5,418
Extraordinary losses		
Loss on valuation of investment securities	243,123	-
Total extraordinary losses	243,123	-
Loss before income taxes	(1,968,556)	(1,890,802)
Income taxes - current	5,159	5,127
Income taxes - deferred	90	74
Total income taxes	5,249	5,202
Loss	(1,973,806)	(1,896,004)
Loss attributable to owners of parent	(1,973,806)	(1,896,004)

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

	The Second Quater (From Jan. 1 to Jun.30) 2019	2020
Loss	(1,973,806)	(1,896,004)
Other comprehensive income		
Valuation difference on available-for-sale securities	137,134	(11,233)
Foreign currency translation adjustment	(5,097)	(29,719)
Total other comprehensive income	132,036	(40,953)
Comprehensive income	(1,841,769)	(1,936,958)
Comprehensive income attributable to		
owners of parent	(1,841,769)	(1,936,958)
non-controlling interests	-	-

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

	The Second Quater (From Jan. 1 to Jun.30) 2019	2020
Cash flows from operating activities		
Loss before income taxes	(1,968,556)	(1,890,802)
Depreciation	3,889	2,842
Interest income	(828)	(3,843)
Foreign exchange losses (gains)	(5,147)	(37,362)
Share of loss (profit) of entities accounted for using equity method	-	120,886
Loss (gain) on investments in investment partnerships	(3,320)	179
Loss (gain) on valuation of investment securities	243,123	-
Share issuance cost	35,238	56,649
Share-based remuneration expenses	74,435	79,015
Gain on reversal of share acquisition rights	(8,288)	(5,418)
Decrease (increase) in trade receivables	130,153	(7,443)
Decrease (increase) in inventories	301,698	(16,795)
Increase (decrease) in trade payables	(57,160)	23,299
Decrease (increase) in advance payments - trade	197,052	(701,537)
Decrease (increase) in consumption taxes refund receivable	10,753	36,389
Increase (decrease) in accounts payable - other	(27,223)	(28,283)
Increase (decrease) in accrued expenses	7,166	6,469
Increase (decrease) in advances received	(686)	-
Decrease (increase) in other current assets	(1,935)	(7,364)
Increase (decrease) in other current liabilities	5,347	(35,005)
Increase (decrease) in other non-current liabilities	1,013	14
Subtotal	(1,063,275)	(2,408,111)
Interest received	828	552
Income taxes paid	(4,729)	(4,859)
Net cash provided by (used in) operating activities	(1,067,175)	(2,412,418)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,448)	-
Purchase of investment securities	(1,101,580)	(5,441,319)
Payments of leasehold and guarantee deposits	(3,360)	(16,959)
Decrease (increase) in other investments	-	(67,224)
Net cash provided by (used in) investing activities	(1,110,388)	(5,525,502)

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

	The Second Quater (From Jan. 1 to Jun.30)	
	2019	**2020**
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	7,683,342	11,341,730
Proceeds from exercise of employee share options	4	25
Proceeds from issuance of share acquisition rights	-	73,120
Purchase of treasury shares	(0)	-
Net cash provided by (used in) financing activities	7,683,345	11,414,875
Effect of exchange rate change on cash and cash equivalents	528	35,097
Net increase (decrease) in cash and cash equivalents	5,506,309	3,512,051
Cash and cash equivalents at beginning of period	5,784,894	10,040,595
Cash and cash equivalents at end of period	11,291,204	13,552,647

Projects --- Current pipeline status

<Self-developed products>

Segment	Project	Target indications	Region	Development stage	Alliance partners
Medicine	HGF Plasmid（Beperminogene Perplasmid） *Collategene®*	Arteriosclerosis Obliterans with Lower Limb Ischemic Ulcers	Japan	Phase Ⅲ	Mitsubishi Tanabe Pharma Corporation (JP) *Marketing Rights*
	HGF Plasmid（Beperminogene Perplasmid）	Arteriosclerosis Obliterans with Lower Limb Ischemic Ulcers	US	Phase Ⅱb	Mitsubishi Tanabe Pharma Corporation (JP) *Marketing Rights*
	NF-κB Decoy Oligonucleotide	Chronic Disconegic Lumber Back Pain		Phase Ⅰb (US)	Available
	Hypertension DNA Vaccine	Hypertension		Phase Ⅰ/Ⅱa (AU)	Available
	Novel Coronavirus DNA Vaccine	Novel Coronavirus (COVID-19)	Japan	Phase Ⅰ/Ⅱ	Available