



March 8, 2021

Company Name: AnGes Inc.

Representative: Ei Yamada, President & CEO

**AnGes, Inc., a cutting-edge gene therapy and next generation genome editing company, launches USD155.9mm Equity Financing targeting Overseas Institutional Investors to accelerate its effort to become a Global Leader in gene medicines.**

**Notice concerning AnGes, Inc. 41st Stock Acquisition Rights (Third Party Allotment) (Moving Strike Warrants)**

With a resolution at a Board of Directors meeting held today (March 8, 2021), AnGes, Inc. (hereinafter referred to as the “Company”, “AnGes”, or “we”) hereby announces the issuance of 200,000 units Stock Acquisition Rights (Third Party Allotment) (Moving Strike Warrants) allotted to Cantor Fitzgerald & Co. (“Cantor”), a U.S. based investment bank and brokerage company. We believe this transaction provides us with an efficient and flexible source of capital as we continue our effort to become a Global Leader in gene medicines.

**Stock Acquisition Rights**

The outline of third-party allotment is as below,

- Allotment Method: Third Party Allotment to Cantor Fitzgerald & Co.
- Allotment Date: March 24, 2021
- Number of Allotted Stock Acquisition Rights 200,000 Units
- Issue Price: JPY491 per Unit of the Share Acquisition Right, total JPY98,200,000 (USD910,271)
- Number of Dilutive Shares: 20,000,000 Shares (100 Shares per Unit of the Share Acquisition Rights)
- Dilution Rate: 15.03% (Dilution Rate = Dilutive Shares / Total Issued Shares \* 100)
- Estimated Amount of the Proceeds (excl. Issuance Fees): JPY16.82bn (approximately USD155.9mm)
- Exercise Period: March 25, 2021 to March 24, 2023
- Reset of Exercise Price: Exercise price will be reset to 90% of last price in the prior trading of every Tuesday, from and after March 25, 2021 (including the same day). Floor price is set as JPY467

*Translations of quoted currency values are made on an approximate basis and at the rate of USD1.00 = JPY107.88 (Mid-rate based on official disclosures as of 11:00am, March 5, 2021, by MUFG Bank, Ltd.)*

The Stock Acquisition Rights to be issued will have the following features:

**Overseas Institutional Investors:** Cantor, after converting Stock Acquisition Rights to Shares, intends to sell the Shares to Overseas Institutional Investors who have the intention on maintaining their holdings for the long-term. As a result, we believe that our presence will increase in the global market, in view of the stable investment in the Company by Overseas Institutional Investors, and our network with institutional investors.

**Minimize Market Impact:** In addition, Cantor is, in principle, not allowed to sell Shares in the market, and is intending to sell the Shares issued through the exercise of the Stock Acquisition Rights to Overseas Institutional Investors who intend to hold them for the long-term through OTC transactions. We believe through this feature, we expect that the impact on stock prices will be reduced and gradual, and stock price volatility can be controlled.

## **Usage of Funds**

Proceeds from these transactions are intended to be used as working capital by EmendoBio Inc. ("Emendo") which we acquired in December 2020, and for further development and expansion of the AnGes-Origin pipeline as detailed below.

### **I. Working Capital for Emendo**

AnGes acquired Emendo to expand its capabilities in Genome Editing Technologies on December 15, 2020. With this acquisition, we intend to expedite the commercialization of Gene Therapeutic products using OMNI Nuclease, technology owned by Emendo. This will enable us to become a globally competitive enterprise developing Gene Therapeutic products applying next generation Genome Editing Technology, to be able to dramatically evolve the treatment of genetic diseases in humans. As a result, we will become a company that owns the world's first genome editing platform technology and treatment program (a program for development candidates until commercialization), and we believe that we will become even closer to our goal of becoming a "global leader in the field of gene medicines."

However, Emendo is a venture company developing next generation Genome Editing focusing on development and is yet to be profitable. We are still in the early investment stage for development, so we are inevitably experiencing operating losses. Notwithstanding the current losses, in order to sustain this future development, we need to invest in research and development, labor, and other operational costs in the company. One of the purposes of this fundraising is to raise the operating funds of Emendo.

### **II. Funds for further expansion of business foundations**

We continue to promote the next-generation biopharmaceutical development business of our main traditional development pipeline (AnGes-Origin pipeline), mainly HGF Plasmid (Bepermingene Perplasmid), NF-kB Decoy Oligonucleotide and DNA Vaccine. Furthermore, we believe there is room for expanding and making our development pipeline more robust to secure future growth.

## **About AnGes**

AnGes, Inc., a biopharmaceutical company founded in December 1999 focuses on the development of gene-based medicines. In March 2019, AnGes obtained conditional and time-limited approval for its lead product, Collatogene® (Hepatocyte Growth Factor, HGF, plasmid gene therapy), for the treatment of Lower Limb Ischemic Ulcers. In September 2019, AnGes commenced the commercialization in Japan of Collatogene®. Collatogene® is the world's first marketed drug using Plasmid DNA. AnGes is currently focusing on the development of DNA vaccines for COVID-19 and Hypertension, Tie2 tyrosine kinase receptor agonist for COVID-19 treatment, and NF-kB decoy oligonucleotide for Chronic Discogenic Lumbar Back Pain. Furthermore, AnGes acquired EmendoBio to expand its capabilities in Genome Editing Technologies in December 2020

## **About Cantor**

Cantor Fitzgerald, L.P., a parent company of allottee, Cantor Fitzgerald & Co. (hereinafter “CF&Co.”) is a leading company providing global financial services at the forefront of financial and technological innovation with significant capital markets, investment banking, research, and real estate expertise for over 70 years since its establishment in 1945. The firm has coverage of more than 7,000 institutional capital markets clients around the world, providing global access to investors. In addition, Cantor Fitzgerald, L.P. has a strong capital and liquidity position with approximately \$3.6 billion of capital and approximately \$2.5 billion of liquidity on a consolidated basis as of end of September 2020. Moreover, Cantor Fitzgerald, L.P maintains an investment grade rating from major rating agencies by continuing its conservative balance sheet management. It is well positioned to navigate business and market conditions in the aftermath of the COVID-19 pandemic and is positioned to outperform in severe market stress. CF&Co., the core firm of Cantor Fitzgerald Group is one of the largest financial institutions in the U.S headquartered in New York. The firm is one of only 24 primary dealers of United States government securities and has high presence across financial markets.

**AnGes, Inc.**

**Public Relations & Investor Relations Group**

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