

This is a summary translation of the original Japanese Announcement.



September 26, 2022

Company Name: AnGes Inc.

Stock Code: 4563, TSE Growth

Representative: Ei Yamada, President & CEO

Notice of Issuance of 42nd Series of Stock Acquisition Rights
(Third Party Allotment of Moving Strike Warrants)

AnGes, Inc., a cutting-edge gene therapy and next-generation genome editing company, announces the pricing of its moving strike warrants, which are expected to raise JPY 8,509mn via Overseas Institutional Investors helping secure its position as a Global Leader in gene-based medicines.

The Board of Directors of AnGes, Inc. (hereinafter referred to as the “Company”, “AnGes”, or “we”), approved a resolution on September 26, 2022 to issue the 42nd series of stock acquisition rights (Moving Strike Warrants) through a third-party allotment. We believe this transaction provides us with an efficient and flexible source of capital as we continue our efforts to become a Global Leader in gene medicines.

Outline of Offering

(1) Issue/Allotment date	October 12, 2022
(2) Number of warrants to be issued	380,000 units
(3) Issue price	JPY 134 per unit (Total: JPY 50,920,000)
(4) Number of dilutive shares after the issuance of warrants	38,000,000 shares (100 shares per unit)
(5) Dilution rate	24.82%
(6) Exercise price and price revision mechanism	Initial exercise price: JPY 224; 90% of the closing price of September 22, 2022 Maximum exercise price: None Minimum (floor) exercise price: JPY 124; 50% of the closing price on September 22, 2022
(7) Estimated Proceeds (excluding Issuance Fees)	JPY 8,509 million
(8) Method of Offering/Allotment	Third-party allotment
(9) Allottee	Cantor Fitzgerald & Co.
(10) Others	Exercise Period: October 13, 2022 to October 15, 2024

This document has been prepared solely for information purposes relating to the Company's 42nd Issuance of Stock Acquisition Rights, and constitutes neither investment advice nor an offer or solicitation of an offer to invest.

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

Overseas Institutional Investors: Cantor Fitzgerald (hereinafter referred to as “Cantor”), after converting Stock Acquisition Rights to Shares, intends to sell the Shares to Overseas Institutional Investors who intend to maintain their holdings for the long-term. As a result of expanding our network of institutional investors via the investment in the company by Overseas Institutional investors, we believe that we will be able to grow our presence in the global market.

Minimize Market Impact: Cantor is, in principle, not allowed to sell Shares in the market, and intends to sell the Shares acquired through the exercise of the Stock Acquisition Rights through OTC transaction to Overseas Institutional Investors who intend to hold the shares for the long-term. We believe that, through this feature, the impact on the stock prices will be minimal and gradual, and stock price volatility can be controlled.

Usage of Funds

The funds procured from these transactions are intended to be used for the following:

- (1) Research and Development and Working Capital by EmendoBio Inc. (“Emendo”), which we acquired in December 2020;
- (2) Strengthening and Expanding our business foundation, including through (1) R&D to improve production and manufacturing efficiencies relating to our HGF gene therapeutic products, (2) conducting novel research for pipeline expansion, and (3) when appropriate, engage in investments or acquisitions to further our global presence.

I. Research and Development Expenses and Working Capital for Emendo

In December 2020, we acquired Emendo, a bioventure company engaged in the development of genome-editing therapies that target and edit genetic information. Emendo is currently preparing for a clinical trial ELANE-related severe congenital neutropenia (SCN) in the United States.

While funds from the previous financing were used to further Emendo’s data collection efforts leading up to the Investigation New Drug (IND) application, a portion of the funds raised from this financing will be used to cover the expenses relating to the submission of its IND application, as well as to promote the study of genome-editing therapies in the field of ophthalmologic diseases. In order for Emendo to continue its research and developments, AnGes intends to allocate funds from this third-party allotment to Emendo’s operations by way of capital injections or loans from the Company to Emendo.

We believe that practical application of Emendo’s next-generation genome-editing technology will benefit from the Company’s deep know-how in preclinical, CMC (Chemistry, Manufacturing, and Control processes that bridge discovery research with commercial production), and clinical development, as well as manufacturing management that has been cultivated over 20+ years of gene therapy product development. Through our support of Emendo, the Company aims to become a world-class developer of genome-editing therapies, utilizing next-generation genome-editing technology.

II. Funds for Expansion of Our Business Foundations

We continue our efforts to strengthen our business foundation via our existing pipelines, focused on HGF gene therapy products, which have been the Company’s main development pipeline since inception. Accordingly, we are advancing clinical trials for HGF gene therapy products in the U.S. and other countries, and are aiming to obtain approval in Japan by FY 2024.

Moreover, in view of ensuring the company’s future growth and strengthening the business’s foundation, we believe that that it is necessary to continue to expand our development pipeline. As such, we intend to use a portion of the fundraising proceeds to expand our development pipeline and disease capabilities and capacities at the Anges Clinical Research Laboratory (ACRL) that we opened in April 2021.

In addition to the above, we will continue to consider opportunities to expand our business base through acquisitions and capital participation in overseas companies when appropriate.

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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, Collategene® (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 Collategene®. Collategene® is the world's first marketed drug using Plasmid DNA. In December 2020, AnGes acquired EmendoBio to expand its capabilities in Genome Editing Technologies. Furthermore, AnGes announced in September 2022 that it entered into an agreement with the Stanford School of Medicine to collaborate on the development of an intranasal DNA vaccine against viral lung diseases, including COVID-19. 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-κB decoy oligonucleotide for Chronic Discogenic Lumbar Back Pain.

About Cantor

Cantor Fitzgerald, L.P., a parent company of the allottee, Cantor Fitzgerald & Co. (hereinafter "CF&Co.") is a leading, global financial services company at the forefront of financial and technological innovation with significant capital markets, investment banking, research, and real estate expertise that has been cultivated through the nearly 80 years of operations 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. Furthermore, Cantor Fitzgerald is a premier Life Sciences focused bank and has executed over 213 equity transactions for biopharma companies since 2017, and is a trusted advisor to healthcare clients across key verticals. CF&Co., is one of the largest financial institutions in the U.S., and is 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. Cantor Fitzgerald Securities Japan, the Japan office of the Cantor Fitzgerald Group, has a strong capital markets presence in both private and public market, and has executed 20+ financing transactions since 2018, acting as a bridge between Japanese corporates and global investors.

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