THE WALL STREET TRANSCRIPT
Connecting Market Leaders with Investors

Angion Biomedica Corp. (NASDAQ:ANGN)

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SECTOR — PHARMACEUTICALS

TWST: Let's start with an overview of the company and its mission.

Dr. Venkatesan: The company was founded more than 20 years ago to target acute organ injuries. There was a pathway known as the HGF/c-met pathway which Itzhak Goldberg, Angion's founder, was integral in discovering. This pathway is involved in the recovery and regeneration of tissues after an acute injury, whether it's an ischemic injury or a toxic injury. We were developing molecules to try to activate this pathway and that was what ANG-3777 was focused on.

Because of our focus on acute injury and the fact that acute injuries lead, in many cases, to more chronic fibrosis and progressive disease, the company ended up developing a pretty significant strength in the fibrosis area. And so, our focus has been on both acute injury as well as fibrosis and targeting severe conditions — things like transplantation, lung fibrosis, and kidney fibrosis — conditions for which there are few treatment options and where there is a very significant unmet medical need.

TWST: Is it fair to describe the results of the Phase II GUARD trial of Angion's ANG-3777 as disappointing?

Dr. Venkatesan: I think we have to say they're disappointing. We had hoped for the two studies to be robustly positive; in particular, we were hoping the Phase III would be the basis for an NDA filing. The GUARD study in cardiac surgery, I would describe as very mixed. The endpoint we cared the most about was MAKE90, which is major adverse kidney events at 90 days, reflecting death or the need for transplant or dialysis or a 25% decline in kidney function at 90 days. We saw very robust results, some of the best results I think that have been reported in the literature. But what we also saw, and the reason I say it was mixed and disappointing, was a lack of consistency from the MAKE90 endpoint to other endpoints that would have given us the confidence to say we have a clear signal to go into Phase III.

We're still doing additional analysis on that trial with our partner Vifor Pharma. At the moment, without clearer consistency between the endpoints or within specific patients or patient subgroups, we are currently in a holding pattern with further development of ANG-3777.

TWST: That seems to have sent your stocks into a freefall. How do you work your way out of that?

Dr. Venkatesan: I think there's a misperception about what we have or don't have. Since ANG-3777 was a late-stage product, investors focused almost exclusively on that program and do not really understand what else we have at the company. Some of this is a matter of education and spending time with investors and explaining what we have.

Even before we had the data from ANG-3777, we had reported our Phase I results from ANG-3070, which is our oral small molecule tyrosine kinase receptor inhibitor which is the primary focus of the company. And we were incredibly pleased with the data we saw there. It had very good tolerability in healthy volunteers, PK characteristics were outstanding, the toxicity that we've seen in animal studies and the toxicity that was observed in the human subjects was really impressive, with very modest toxicity relative to what has been reported with other TKIs. And our preclinical data in both kidney and lung fibrosis has been very impressive. We do think we have what could be a best-in-class drug for fibrosis in both the kidney and the lung, but investors to a large extent have not been paying attention to it.

By the time we started talking to investors about ANG-3070, we've been sort of shouting into the wind given there has been such a

downdraft in biotech markets over the last few months. And now with Russia and Ukraine, it's a little hard to get investors' attention. But to answer your question very directly, the way we get the stock out of this position we're in now where we're trading at a 30%-40% discount to cash is really about getting investors to understand we have a Phase II compound that looks like it has outstanding characteristics for a multi-billion-dollar market opportunity. By most metrics, that should be a company that's worth a lot more than it is today.

TWST: How do you start that education process? How do you get people to focus?

Dr. Venkatesan: In 2021, we had information on ANG-3070 in the deck, but either we would not get to it or investors would not want to talk about it and would focus on ANG-3777 instead. We have refocused our presentation around ANG-3070 to explain what we're doing. We've been having meetings with investors who are new to the company's story, as well as with our current investors who had not previously focused on the ANG-3070 program. Over the next couple of months, it's about introducing investors to ANG-3070 and ultimately sharing more data.

We did an ANG-3070-focused R&D day last fall, and I think it was helpful. We may be more productive educating investors around ANG-3070 when we have some additional data, probably in the middle of this year, in pulmonary fibrosis models, further highlighting why we're moving into pulmonary fibrosis as well as kidney fibrosis. And I think these data will be instrumental in driving new interest in Angion.

It's not often you have a Phase II drug in fibrosis with ANG-3070's characteristics, but is not getting any attention from the market. When we look at other fibrosis companies, they are in a much different valuation position. To a large extent, we just need to get investors to pay attention. Presenting at investment conferences, being on panels, and talking about this will all be important in educating the investor community around this program.

TWST: Would you say you're pivoting?

Dr. Venkatesan: No, I wouldn't say we are pivoting so much as we always were planning to develop ANG-3070. The way I would describe it is refocusing our efforts. If ANG-3777 had been going to an NDA filing in delayed graft function and we were doing a Phase III in CSA-AKI, that would have accounted more for the majority of the company's activities and effort in 2022. Now with our clinical development plans for ANG-3777 not moving forward, we are putting all our focus and effort behind ANG-3070.

To reflect these changes, we cut staff by a little less than 50% at the beginning of this year. We are keeping the people who were still going to be focused on ANG-3070, but have eliminated positions more focused on regulatory and clinical development of ANG-3777.

TWST: How many conferences are you going to be doing? What is the presentation?

Dr. Venkatesan: So we're at Cowen and Oppenheimer in March 2022 with planned participation at other conferences this year. We participated in the H.C. Wainwright Conference and talked to investors there. We've been talking to other analysts who are doing work on Angion and are interested in having us participate in their conferences.

A lot of what we're talking about with investors right now is around ANG-3070 in primary proteinuric kidney diseases. These are generally inherited genetic conditions, immune-mediated conditions, or idiopathic — where there may be some genetic or other predisposition to the disease, but where the cause of the condition is not always known. These include diseases like IgA nephropathy or focal segmental glomerulosclerosis, which is a mouthful, so most people refer to it as FSGS. These are major causes of kidney failure and death in patients. Each of these diseases are orphan indications, but there are quite a few of them. So we'll be talking a lot about the surprisingly robust market opportunity and major unmet medical needs in these conditions.

Most investors who pay attention to the kidney space or fibrosis are aware of these diseases. But one interesting and underappreciated aspect of the space is most of the companies developing treatments for IgA nephropathy or FSGS or similar conditions are developing either immunomodulatory drugs, such as immunosuppressants or complement inhibitors, or else they're developing hemodynamic modulators such as antihypertensives, or variants of blood pressure modulation, which are known to impact those diseases.

The field has come to realize there may be three legs to the primary proteinuric kidney disease stool, the first two of which are hemodynamic management and immune system management. Importantly for Angion, the third leg of that stool is fibrosis, in that once the kidney gets damaged and scarred, it begins to fibrose or undergo progressive scarring and degeneration. Once that happens, the kidney dysfunction becomes progressive. As far as we know, we are the only company that has a clinical-stage compound primarily targeting kidney fibrosis.

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We do believe that as investors understand where we fit into the treatment paradigm, we will get a lot more traction. As part of our effort to get this message out, we're participating in a kidney panel in early March at the Cowen investment conference, which is a great opportunity for us to start talking more with investors about why this is relevant in the kidney.

People understand tyrosine kinase inhibitors pretty well, but most of those are used for cancer. There are a few that are used for other things and they've been studied in fibrosis. They are familiar with a drug called OFEV — or nintedanib is the generic name — from Boehringer Ingelheim that's used in idiopathic pulmonary fibrosis as well as systemic sclerosis with interstitial lung disease. That drug does about $3 billion a year in revenue. It is a kinase inhibitor that overlaps quite a bit with our targets. So we know you can have a tyrosine kinase inhibitor impacting fibrosis, and is commercially relevant and commercially very successful.

We don't have to educate investors as much about tyrosine kinase inhibitors in general, we only have to educate them on why our

molecule is unique and why we think we have an opportunity to be very successful in both kidney and lung fibrosis.

TWST: When do you expect to see a rebound?

Dr. Venkatesan: That's a difficult question. It is really hard to predict how investors are going to look at the overall biotech space, but my take is probably beginning in the third quarter things may start to look better for the sector. For Angion specifically, we will be in a position to share more ANG-3070 efficacy data from animal models in pulmonary fibrosis in the middle of the year. We will also be closer to filing an IND in idiopathic pulmonary fibrosis — IPF — and starting our clinical work in IPF.

The reason I'm focusing on the IPF opportunity is that our kidney study is already ongoing. We have said we expect to finish enrolling JUNIPER, our Phase II trial in FSGS and IgAN patients, by the end of this year and should have data in the first half of next year.

When we talk to investors, they do understand how successful nintedanib has been for Boehringer Ingelheim, how significant the market opportunity is, how meaningful the unmet medical need is in IPF. But it's a little bit of a disconnect for some investors when we talk about our program. We have overlapping targets with OFEV, and we have what looks like, in our healthy volunteers study anyway, safety and tolerability that looks outstanding.

But then we say we're initially studying ANG-3070 in kidney fibrosis, a condition where OFEV isn't used and was not extensively studied. That creates a little bit of a question from investors of, "Well, if this looks a lot like it could be an improved OFEV, why are you targeting kidney fibrosis and not lung fibrosis?"

How we started down the kidney path ahead of the lung path is complicated, but we're committed to doing both. And I think once they see that we're doing something in the lung, I hope investors will say to themselves, "OK, you're following in the footsteps of a very successful drug with hopefully what looks like a better, improved version of that drug." That should get investors to begin to give us appropriate credit for our stage of development and the positive attributes of the drug.

TWST: Was your research or business model impacted by the pandemic at all?

Dr. Venkatesan: It was to some extent. We certainly, like many other people, have been impacted by supply chain issues and other things. For instance, our Phase II study in kidney fibrosis was a little slower to launch last year and we were a little slower getting sites up and running because of supply issues, getting drug to the sites, getting drug manufactured, getting it shipped, and getting it cleared.

We saw some enrollment issues for ANG-3777 where we had a multi-month period of time in 2020 during which we had no patients enroll in either our transplant study or our cardiac surgery study. So that pushed our timelines back for data by many months, simply because no patients were getting cardiac surgery unless it was emergent surgery. Patients weren't getting transplants because they were at such high risk from getting COVID while immunosuppressed. Patients who got COVID when they were immunosuppressed were having terrible outcomes. So COVID definitely did impact us. However, I would say our team really rose to the challenges brought on by COVID.

And while there's very little you could say was good about the pandemic, one silver lining for us was that because we weren't in the office, and we all had to work remotely, we became very adept at working from home and from different locations around the country. That led us to conclude we could hire people anywhere in the country rather than just in the locations where we have physical offices.

This has allowed us to get really high-quality talent because we can hire people wherever they currently are, rather than saying, "Well, you live in such and such place, but you need to move to Boston," which is a very high cost of living city. People have kids, people have spouses who have jobs — it creates challenges when you tell someone they need to move and increases the barriers to finding talent. The fact we've done so well with job flexibility, remote working options and other changes has facilitated our ability to hire and retain high-quality, very talented individuals.

TWST: Overall, how would you describe the competitive landscape and what gives your company the edge in relation to your competitors?

Dr. Venkatesan: I think that's an excellent question. The competitive landscape is clear in that we are not aware of any direct clinical-stage competitors for ANG-3070 targeting kidney fibrosis. As I mentioned, there aren't other companies who are developing an anti-fibrotic in the kidney. There are many other companies developing drugs for treatment of FSGS, or IgA nephropathy, or membranous nephropathy and so on. These orphan kidney diseases are ultimately going to be treated with multiple therapies because, as I mentioned with the three-legged stool analogy, you've got a hemodynamic effect on the kidney, you've got an immune effect on the kidney, you've got a fibrotic effect on the kidney.

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Ultimately, you're going to want to try to target one, two or three of those pathways with drugs during the progression of the patient's disease. The more the better, because each of those functions somewhat independently and also can influence the others. In the long run, I think of them less as competitors and more as drugs that ours might be used in combination with at various points in time for these patients.

But you can never say there's no competition because a patient who's doing well on a drug in which their disease isn't progressing won't get a second drug, at least not right away. So when we look at companies developing immunomodulation approaches or hemodynamic modulators, we look at them as competitive in the sense they are taking patients or at least delaying them from getting to our anti-fibrotic.

And certainly from the perspective of clinical trials, you have to think of them as competitors, because most of these trials, including ours, are monotherapy trials, where we're trying to show a treatment effect from the drug by itself. And they can't be on other investigational agents

while enrolled in these trials. Because of that, the biggest competitive aspect we're likely to face in the near term is competing with other companies for patients who qualify for these trials.

TWST: We've kind of touched on this, but what was the most difficult decision you had to make as CEO last year?

Dr. Venkatesan: I think the most difficult decision came towards the end of the year after the negative or mixed study readouts for ANG-3777. Making decisions about reducing headcount and implementing layoffs was the hardest part of this. Personally and professionally, you never like laying people off. We had great people and I thought they did high-quality work. We wanted to figure out how to keep people, but we had to be cognizant of what our needs were and what our cash allowed us to do. So laying off good people was obviously the toughest decision of the year.

There were other challenging decisions during the year, with one of those around our going public in February of 2021. When we were going public, there were questions about how much money do we raise. How much do we focus on ANG-3777 versus ANG-3070? I think those were challenging. Anytime you're making a big strategic move, like going public, that's a challenging thing. But certainly, the layoffs and the decision to reduce the company's headcount was the most difficult.

TWST: Going forward into the new year and beyond, what are you most excited about?

Dr. Venkatesan: I'm certainly really excited about ANG-3070's potential in kidney and pulmonary fibrosis. We have done many animal studies in these areas and feel good about how ANG-3070 has the potential to be a very impactful drug in fibrosis. We're completing additional preclinical studies and are excited about finishing those studies and being able to share them with investors because I think it will help investors understand why we think this has so much potential.

There were many drugs in development for IPF 18 months ago. Many of those studies have subsequently failed. From a patient perspective, that's really tragic because the treatment options are not great today. And it would be wonderful to see better treatment options or additive treatment options to what exists. From the company's perspective, that's obviously a positive in that we are not competing with so many other drugs trying to move into Phase III trials. I'm excited about getting started in IPF because I think we can have a big impact in a patient population desperately needing new treatments.

I'm also very excited about our earlier-stage pipeline. We have talked very little with investors about our ROCK-2 program — Rho coiled kinase 2. Kadmon had a drug targeting ROCK-2 that achieved success in graft versus host disease. Their ROCK-2 inhibitor has shown interesting data in a number of other indications, including certain fibrosis indications. They were acquired by Sanofi. We have what we think looks like best-in-class attributes for our ROCK-2 molecules and should be selecting a clinical candidate to move forward into IND-enabling studies later this year. I can't wait to be in a position to really plant our flag and say, "We have picked our molecule, here are the attributes, and this is why we're really excited about it," because it's not something we've talked about a lot.

We tend to be a bit more conservative in how we talk about our programs, meaning we talk about them once we have really finished the work, not while we're doing the work. With ROCK-2, we haven't made a big push to explain that to investors, simply because we want to have a complete package before we talk extensively about it.

TWST: Are you close to being able to have those conversations?

Dr. Venkatesan: Yes. As I was saying, sometime in a middle of the summer type of time frame to start getting an inflection point. I think that's going to be a point where we have a lot more data on our ROCK-2 program and sometime in the third quarter we should be in a position where we can say we have our ROCK-2 lead and backup compounds selected and are moving those into IND-enabling studies.

TWST: What's the most important thing a potential investor should know about the company?

Dr. Venkatesan: I think investors tend to believe that because ANG-3777 failed in the kidney, they should be skeptical of ANG-3070 in a kidney trial. What we try to explain is these drugs have totally unrelated mechanisms of action and are targeting totally unrelated diseases. The two programs are completely unrelated and failure with ANG-3777 does not in any way impact our likelihood of success with ANG-3070, which has a more straightforward clinical development path and is targeting well-established pathways.

In the case of ANG-3070, we're focused on fibrosis, and it is a tyrosine kinase receptor inhibitor. ANG-3777 acted through a novel mechanism of action to address conditions that have never had successful treatments. There have been dozens of failed compounds trying to treat acute organ injuries, but it is a difficult area to have an impact. But if you can have an impact, the potential benefit for patients and the commercial opportunity is staggering.

Investors should know that ANG-3070 is addressing very substantial clinical and commercial opportunities with a compound acting through well-established pathways. ANG-3070 is differentiated from other TKIs and has the potential to have a substantial impact on fibrotic diseases in both the kidneys and the lungs.

TWST: Before we end, was there something you wanted to mention that we haven't discussed?

Dr. Venkatesan: I would emphasize ANG-3070 as a compound is a really straightforward mechanism and target to understand for investors, once they dig in. We're following a pretty well-established path other tyrosine kinase inhibitors have followed with more than 16 approved TKIs used for different diseases. Tyrosine kinases are a huge area, but the concept has been proven beyond a doubt that inhibiting kinases can be a relevant therapeutic target for many diseases, including by OFEV in lung fibrosis. We are following what is pretty established science about the role of certain kinases in fibrosis progression and are going after fibrosis with what we think is a novel compound with potential best-in-class attributes.

TWST: Thank you. (CJ)

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Forward Looking Statements

Statements contained in this interview regarding matters that may occur in the future are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements regarding the potential of ANG-3070 as a treatment for primary proteinuric kidney diseases, specifically FSGS and IgAN, and as a treatment for IPF, enrollment of the global Phase 2 trial of ANG-3070 in patients with FSGS and IgAN, the potential for ANG-3070 to be a best in class or an improved treatment for kidney or pulmonary fibrosis, Angion's expectations to file an IND by the end of 2022 and to announce additional details on a global Phase 2 trial of ANG-3070 in IPF in 2022, Angion's intentions to continue discussions with its partner Vifor Pharma regarding ANG-3777, and to not pursue the clinical development plan currently set forth in the Vifor License, the pre-clinical and clinical development of a ROCK2 inhibitor and its potential to be best in class, and Angion's expectations its cash and cash equivalents to be sufficient for operations well into 2023, as well as other statements relating to its preclinical programs. Such statements are subject to risks and uncertainties and actual results may differ materially from those expressed or implied by such forward-looking statements. In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: Angion's ability to demonstrate sufficient evidence of efficacy and safety in its clinical trials of ANG-3070 and its other product candidates; the accuracy of Angion's estimates relating to its ability to initiate and/or complete clinical trials; the results of preclinical studies may not be predictive of future results; the costs of clinical trials may exceed expectations; Angion's ability to raise additional capital; and the effects of COVID-19 on Angion's clinical programs and business operations. For a description of risks and uncertainties that could cause actual results to differ from those expressed in forward-looking statements, see the most recent Annual Report on Form 10-K and/or Quarterly Report on Form 10Q filed with the Securities and Exchange Commission as well as other documents filed by Angion from time to time with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Angion undertakes no obligation to update any forward-looking statement in this press release, except as required by law.