3805 Old Easton Road

Doylestown, PA 18902 USA

ANNUAL REPORT FOR 2017: March 1, 2018

Dear FORGE Life Science™ Investor:

The highlight for FORGE Life Science in 2017 was closing out its Series A-1 financing in December. The company far exceeded the target thereby putting FORGE in a good cash position past the end of Q2 in 2019. On the science front, FORGE achieved its 2017 goal to dose into animals but has run into a cross-species issue in rodent models of infectious disease. With the support of FORGE's government sponsors, the Company will implement a plan in 2018 to test our drugs in alternative non-rodent models. On the intellectual property front, the Company was issued a trademark for FORGE Life Science.

Science Summary

2017 saw further expansion of FORGE's broad-spectrum antiviral platform. FORGE's medicinal chemistry effort increased to 6-8 full-time contract chemists.

In aggregate, over 340 compounds have been synthesized and tested in the furthest-progressed lead chemical-series, with antiviral effectiveness (50% viral inhibitory concentration IC_{50}) approaching and exceeding standard-of-care for RNA virus, influenza A, and DNA virus, cytomegalovirus (HCMV), respectively (Figure 1A). In comparison, inhibitory effects on growth of normal human cells is not observed up to 25,000 nM, providing a safety margin or selectivity index up to 250-fold.

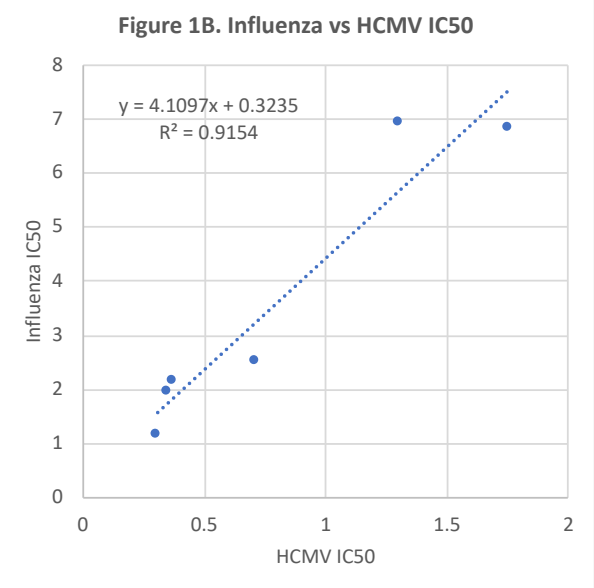
FORGE has also developed and validated a computational QSAR model (Quantitative Structure-Activity Relationship) that virtually predicts antiviral effectiveness to help prioritize the

Figure 1A. Antiviral effectiveness in culture.

FORGE #	HCMV IC50	Flu A IC50	HCMV SI	Flu A SI
FORGE D	0.42 µM	0.1 µM	> 59	> 250
FORGE E	0.8 µM	0.52 µM	> 31	> 48
FORGE F	0.94 µM	0.53 µM	> 27	> 47
FORGE G	0.35 µM	0.66 µM	> 71	> 38
FORGE H	0.39 µM	1 µM	> 63	> 25
FORGE I	0.31 µM	1.6 µM	> 82	> 16
FORGE A	0.37 µM	2.11 µM	> 34	> 12
FORGE J	0.9 µM	4.15 µM	> 28	> 6
FORGE B	1.0 µM	6.87 µM	> 51	> 4
FORGE C	7.23 µM	9.5 µM	> 3	> 3
oseltamivir	not active	0.05 µM		> 500
ganciclovir	1.4 µM	not active	> 18	

**IC50 is drug concentration causing 50% maximal virus growth inhibition*

***SI is selectivity index (ratio of concentration causing 50% maximal cell/virus growth inhibition)*



synthesis of improved chemical structures. Impressively, on a molecular scale, improvements in effectiveness against influenza A, correlates with effectiveness against HCMV, consistent with a

host-targeted mechanism-of-action affecting both viruses (Figure 1B). In contrast, direct-acting antivirals targeting influenza A (oseltamivir) and HCMV (ganciclovir), do not work against the other virus. As for the pharmaceutical properties of the lead series, the series is well on its way to satisfy drug-development criteria for measurements called in vitro ADME.

More than half a dozen compounds in the lead series have been administered to mice to determine the pharmaceutical properties in live animals. The series is demonstrating good to excellent, 20-100%, detection in blood by oral route of administration compared to direct intravenous administration (Figure 2). Up to 150 mg/kg (far exceeding predicted effective-dose) has been administered on a daily basis for 4 days without observation of adverse effects. Shown in Figure 2 is the summary data in mice for FORGE A with reasonable clearance, a half-life of 4.9 hours, and good distribution to lung tissue.

Figure 2. Pharmacokinetic profiles for FORGE leads in mice.

	FORGE A	FORGE B	FORGE C
Dose (mg/kg i.v.)	2	1	1
C_{max} (μM)	7.1	9.0	3.9
T_{max} (h)	0.03	0.08	0.08
$T_{1/2}$ (h)	4.9	3.0	2.3
V_{ss} (L/kg)	1.1	0.23	1.35
Cl (mL/min/kg)	3.2	1.0	8.3
$AUC_{0\text{-}inf}$ (μM•h)	22	39	5
Dose (mg/kg *p.o.*)	10/50**	10	100
C_{max} (μM)	23/74	21	7
$AUC_{0\text{-}inf}$ (μM•h)	148/505	147	59
Oral bioavailability (F)***	134%/92%	37.5%	21%
Lung/Plasma ratio****	78%/227%	36%	ND

**3 mice assayed with average values presented; note that drugs are tested at different doses*

***drugs administered at two oral doses*

**** oral bioavailability of 134% likely due to enterohepatic recycling observed at 4 hours*

*****Lung/Plasma ratio measured 4=hour post-dose (p.o.)*

Given such excellent drug-exposure and tolerability, FORGE leads were tested against two models of virus challenge in mice: mouse-adapted human influenza A, and murine cytomegalovirus (MCMV). An absence of statistically-significant inhibition of either virus in mice was very disappointing. While the drug target, human hSIRT2, is 89% identical in its amino-acid sequence to mouse mSIRT2, a single amino-acid is different in the drug binding-pocket. Computer modeling predicts this difference reduces the interaction of FORGE drugs with mSIRT2 by 100-fold compared to hSIRT2. Consistent with reduced activity against mSIRT2, apparent antiviral effectiveness against MCMV cultured in mouse cells was >10-fold reduced compared to the IC_{50} for HCMV (data not shown). On the other hand, FORGE leads are demonstrably equally effective against human influenza A in dog cells (Figure 1A), and several different viruses in human and monkey cells. Indeed, the canine and primate SIRT2-proteins have the identical sequence in the binding pocket to human hSIRT2, as does the ferret. Ferrets are naturally susceptible to human influenza. In fact, meeting effectiveness endpoints in the ferret, not the mouse model is the gold standard required to enable clinical development of FORGE antivirals for influenza infection in humans.

The disappointing mouse-model results, as well as the rationale and supporting data for the species divergence between mouse and human, was shared with FORGE's program officer at the National Institute of Allergy and Infectious Disease (NIAID). FORGE has an NIAID awarded SBIR Fast-Track grant to develop broad-spectrum influenza-antivirals. The phase I component ($300 K) funded drug-discovery activities to mouse proof-of-principle (PoP). The phase II component downstream ($1.9 M) funds ferret experiments required to enter clinical development. Because

both the phase I and II components completed successful peer review, the transition to phase II is only subject to review and approval by FORGE's program officer. Pursuant to multiple communications, FORGE's NIAID program officer agrees that the goal is to develop human (not mouse) drugs and has expressed support of transitioning to the phase II component without the mouse endpoint. The Company has engaged ferret model subject matter experts at St. Jude Children's Research Hospital to perform the study. It is anticipated that the phase-transition will trigger by Q2 2018; the target to initiate the in-life portion of the ferret study is July 2018. Compared to FORGE A, the FORGE lead with the most extensive pharmacology work-up, the Company has multiple additional candidates with 10-fold or greater improvements in effectiveness against influenza (Figure 1A); one or more will likely replace FLS-359 as the candidate(s) dosed in ferrets.

Additional Grant Updates

Since inception, FORGE has received 5 grants from NIAID at the National Institute of Health (NIH), part of the Department of Health and Human Services (HHS). In 2017, the Company made significant headway in building contacts, and developing and initiating a strategic plan to extend FORGE's portfolio of non-dilutive grants and contracts to the Department of Defense (DoD). In addition to Alan Goldberg, PhD, former HHS technology scout for Biomedical Advanced Research and Development Authority (BARDA), Eric Hanson, MD, MPH, has joined our scientific advisory board. Dr. Hanson is a former U.S. Air Force (USAF) Senior Flight Surgeon and principle investigator, who has been awarded over $68 M in research grants. As USAF Division Chief for Science & Technology, he performed technology assessments, research oversight, and funding prioritization. With the help of Greenberg and Hanson, FORGE submitted grants targeting the DoD in 2017 with earliest expected start dates in Q3 2018 if awarded. FORGE CEO Lillian Chiang was invited for an oral presentation at the annual Chemical and Biological Defense Science & Technology meeting, Long Beach, CA hosted by the DoD in November 2017; both FORGE CEO and Founder Tom Shenk were invited to present at the U.S. Army Medical Research Institute of Infectious Disease, Ft. Detrick, MD in January 2018.

Board of Directors

In 2017, joining Board Chairman Tom Shenk and CEO Lillian Chiang are Board Secretary and FORGE Counsel Brian Pusch, University of Alabama Professor and current Gilead board member, Dr. Richard Whitley, MD, and CEO of Decibel Therapeutics and former Biogen EVP - Corporate Development, Steve Holtzman. Yuwen Liu of BOHE Venture Investment Partners will participate as Board Observer.

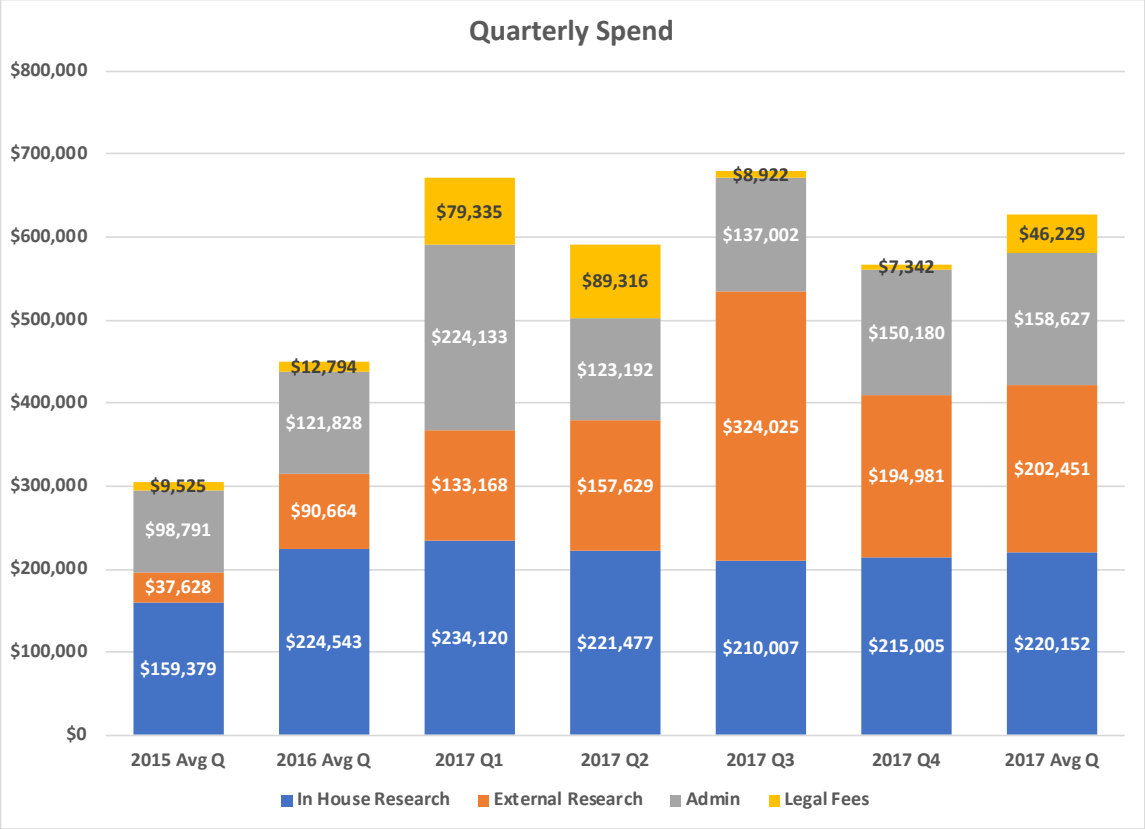
FORGE Financials and Operations

Summary level financial statements for the years ended 2017 and 2016 are provided in the Appendix. Find below, general commentary:

Operating Expenses

Total operating expenses in 2017 were $290 K over the budgeted $2.2 M (Appendix: 2017 Budget Debrief), mostly accounted for by an increase in contracted FTEs for medicinal chemistry. This appreciable critical mass in research effort leading to drug candidates (described above) with effectiveness approaching or exceeding standard-of-care and development-suitable pharmaceutical properties.

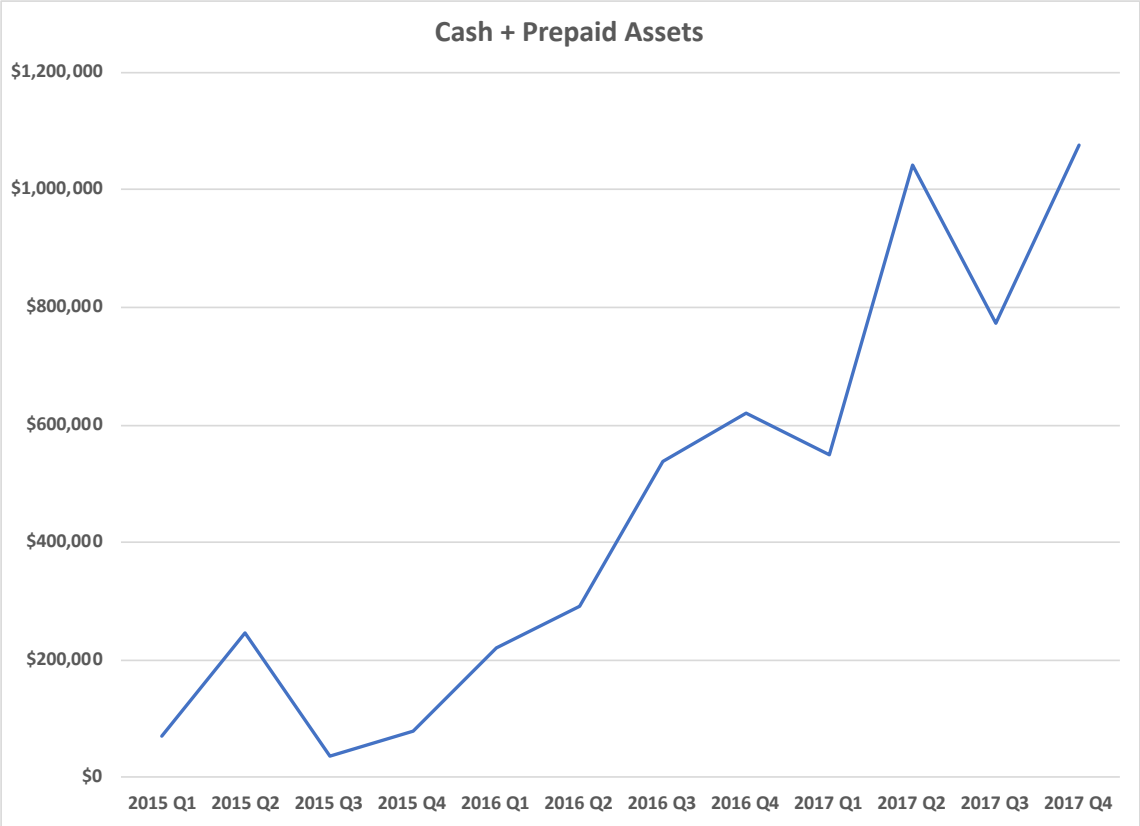
G&A increased compared to 2016 due to: (1) increased patent prosecution fees with the first FORGE composition of matter patent applications entering into the national phase in 2017, and (2) increased expenses associated with investor fund-raising including travel, meeting fees, state licensing fees, broker fees, and legal contracting fees (Appendix: 2017 Budget Debrief). While intellectual property expenses were anticipated in the 2017 budget, $103 K in investor fund-raising expenses was not specifically projected; yet the Company managed nearly within budget. Overall, as a percentage of spend, average G&A remains at approximately one-third of total: 35.5%, 30.0%, and 32.6% in 2015, 2016, and 2017, respectively (Figure: Quarterly Spend).



Cash Resources and Liquidity

FORGE Life Science's cash reserves continue to increase over the history of the company. The Company's position in cash and prepaid assets is actually better than depicted in the Cash Waterfall (Figure: Cash + Prepaid Assets). As mentioned, FORGE exceeded its target raise. The graph does not include investment moneys hitting FORGE's bank account in January 2018.

The budget for 2018 of $2.6 M is similar to the actual spend in 2017 of $2.5 M, fully resourced for medicinal chemistry, *in vitro* ADME profiling, animal pharmacology and ferret viral infection models to achieve successful demonstration of effectiveness for a FORGE antiviral in 2018 (Appendix: 2018 Budget). Pending success of the first ferret experiment, medicinal chemistry and pharmacology resources in the latter part of the year will be dedicated to advancing the successful proof-of-principle lead to a development candidate ready for preclinical development, submission of an investigational new drug (IND) application, and ultimately, clinical testing.



FORGE 2018 Goals Summary
The unexpected cross-species difference encountered between mouse and human SIRT2 has delayed the animal proof-of-principle originally expected in 2017. Therefore, the key milestone for 2018 remains demonstrating efficacy in an animal (ferret) model of viral infection. Because the pharmaceutical properties of the lead series are excellent, it is anticipated that a development candidate can be selected soon after PoP is achieved.

In parallel, the science team will continue to build out a quality data package for pharma partnering including mechanism-of-action studies and extending the profile of susceptible virus-types in culture to additional respiratory viruses, opportunistic herpes and polyomaviruses, and hepatic viruses. To further extend the utility of FORGE broad-spectrum antivirals and engage the U.S. government as a customer, a goal in 2018 is to diversify FORGE's grant portfolio to obtain funding from the DoD to collaborate and test FORGE drugs against viruses important to biodefense including Category A, B, and C pathogens.

Please contact Lillian Chiang at 609.240.8875 with questions about this information.

Forward Looking Statements
This Report contains forward-looking statements. Forward-looking statements do not relate strictly to historical or current facts and anticipate results based on management's plans that are subject to uncertainty. Forward-looking statements may be identified by the context or content and by the use of words like "plans," "expects," "will," "anticipates," "estimates" and other words

of similar meaning in conjunction with, among other things, discussions of future operations, research, financial performance, FORGE's strategy for growth, product development, and other matters.

Forward-looking statements are based on current expectations of future events. FORGE cannot guarantee that any forward-looking statement will be accurate, although FORGE believes that it has been reasonable in its expectations and assumptions. Stockholder members and other readers should realize that, if underlying assumptions prove inaccurate or unlikely or unknown risks or uncertainties materialize, actual results could vary materially from FORGE's expectations and projections. Stockholder members and other readers are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, FORGE assumes no obligation to update any forward-looking statements as a result of new information or future events or developments.

This Report does not set forth the assumptions made in preparing this information and does not set forth the factors that could affect FORGE's ability to achieve results or goals described in any forward-looking statements. Stockholder members and other readers should understand that it is not possible to predict or identify all such factors.

Appendix Items

Statement of Income

Statement of Financial Position

2017 Budget Debrief

2018 Budget

Summary Capitalization Table

FORGE LIFE SCIENCE, LLC

Unaudited Financial Statements

STATEMENT OF INCOME

	Twelve months ended December 31, 2017	2016
Revenues		
Revenue from government grants	$ 317,991	$ 732,492
Research contracts and tax credits	$ 95,045	$ 76,577
Total Revenue	$ 413,036	$ 809,069
Operating Expenses		
Research and Development	$ 1,690,411	$ 1,260,825
General and Administrative	$ 819,422	$ 538,486
Total Operating Expenses	$ 2,509,833	$ 1,799,311
Net Income (Loss)	$ (2,096,797)	$ (990,242)

FORGE LIFE SCIENCE, LLC

Unaudited Financial Statements

STATEMENT OF FINANCIAL POSITION

	December 31, 2017	December 31, 2016
Assets		
Cash	$ 524,591	$ 425,235
Accounts Receivable	$ 1,504,908	$ 110,620
Prepaid services	$ 639,025	$ 247,024
Total current assets	$ 2,668,524	$ 782,879
Property and equipment	$ -	$ 4,055
Total Assets	$ 2,668,524	$ 786,934
Liabilities and members' equity		
Current Liabilities		
Accounts Payable	$ 77,181	$ 42,773
Other Current Liabilities	$ 95,316	$ 75,822
Total Current Liabilities	$ 172,497	$ 118,595
Total Long-term obligations	$ -	$ -
Total Liabilities	$ 172,497	$ 118,595
Members' Equity		
Common Stock	$ 142	$ 113
Preferred Stock	$ 2,938,092	$ 1,658,468
Prepaid Warrants	$ 1,654,590	$ -
Net Income	$ (2,096,797)	$ (990,242)
Total Member's equity (deficit)	$ 2,496,027	$ 668,339
Total Liabilities and members' equity (deficit)	$ 2,668,524	$ 786,934

Financials:

2017 Budget Debrief

	2017 Budget	2017 Actual	Notes
Salaries & Benefits	$ 1,083,524	$ 1,057,350	
Consultants	$ 43,000	*$ 65,005*	*Increased investment expense*
Research Supplies	$ 165,000	*$ 127,012*	*Less one postdoc*
Equipment	$ 28,108	$ 19,428	
Repairs	$ 900	$ 1,455	
External Contracted Research	$ 520,000	***$ 794,451***	***Increased med chem effort***
Rent & Utilities	$ 132,550	$ 134,943	
Financial Services	$ 56,000	$ 55,809	
Insurance	$ 7,000	$ 7,852	
Travel & Meals	$ 17,300	*$ 33,135*	*Increased investment expense*
Legal & Intellectual Property	$ 130,493	*$ 184,916*	*Increased investment expense*
Other (Computer, Subscriptions, Postage…)	$ 25,700	$ 19,423	
Depreciation	$ 3,000	$ 4,055	
Total Expenses	$ 2,212,575	$ 2,504,833	

2017 Investment Expenses

Travel	*$ 4,530*
Investor Meeting Fees	*$ 18,750*
State Licensing Fees	*$ 1,925*
Broker Fee	*$ 42,154*
Legal Fees	*$ 35,400*
Total	*$ 102,759*

2018 Budget

Head Count: 5.8 FTEs (8 persons)

	2018 Budget
Grant Revenue*	$ 1,216,243
Other Revenue	$ 23,000
Total Revenue	$ 1,239,243
Salaries & Benefits	$ 937,006
Consultants	$ 117,120
Research Supplies	$ 115,000
Equipment & Repairs	$ 20,928
External Contracted Research	$ 1,075,071
Rent & Utilities	$ 134,943
Financial Services	$ 21,500
Insurance	$ 7,852
Legal & Intellectual Property	$ 139,000
Other G&A	$ 41,228
Total Expenses	$ 2,609,647
Net Income/Loss	$ (1,370,404)
2017 EOY Cash less AR-AP	$ 357,002
Investment Received in 2018	$ 1,500,000
Prepaid Services	$ 639,025
Expected Cash Available EOY 2018	$ 1,125,623
Monthly Spend 2018	$ 217,471
Monthly Net Burn 2018	$ 114,200

**Grant funding, in part, is contingent upon NIH approval that the agreed upon milestones have been met.*

FORGE Life Science, LLC 12/31/17
Summary Capitalization Table

Primary

Class 1 Stock		5,940,000
Class 2 Stock		1,025,760
	Total	6,965,760

Fully Diluted

Class 1 Stock		5,940,000
Class 2 Stock		1,025,760
Class A Convertible Preferred Stock		4,500,000
Class A-1 Convertible Preferred Stock		4,360,141
Warrants Pfd A-1		1,559,167
Class 3 Stock		
Warrants		45,977
	Total	17,431,045