Vaccinex Announces Exercise of Warrants for $6.2 Million in Gross Proceeds

09/18/24

ROCHESTER, N.Y., Sept. 18, 2024 (GLOBE NEWSWIRE) -- Vaccinex, Inc. (Nasdaq: VCNX) ("Vaccinex" or the "Company"), a clinical-stage biotechnology company pioneering a differentiated approach to treating neurodegenerative disease by blocking astrogliosis and neuroinflammation through the inhibition of SEMA4D, announced today the entry into definitive agreements for the immediate exercise of outstanding warrants to purchase an aggregate of 1,067,492 shares of common stock (the "Existing Warrants") at the reduced exercise price of $5.636 per share, resulting in the issuance of 827,483 shares and the pre-funding of 240,009 shares.

In consideration for the immediate exercise of the warrants for cash and the payment of an additional $0.125 per new warrant, the exercising holders will also receive new warrants to purchase shares of common stock in a private placement pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The new warrants will be exercisable into an aggregate of up to 1,601,238 shares of common stock, at an exercise price of $5.636 per share (priced at-the-market under the rules of the Nasdaq Stock Market) and will expire five years after issuance.

The gross proceeds to the Company from the exercise of the Existing Warrants together with the sale of the new warrants is expected to be approximately $6.2 million. The closing of the transaction is expected to occur on or about September 18, 2024, subject to satisfaction of customary closing conditions.

Participants in the transaction include entities affiliated with by Maurice Zauderer, President and CEO of the Company, and Albert D. Friedberg, Chairman of the Company's board of directors. These entities accounted for approximately 51% of the securities in the transaction.

Roth Capital Partners is acting as the Company's financial advisor for this transaction.

An aggregate of 768,268 of the shares of common stock issuable upon exercise of the Existing Warrants are registered for sale or resale pursuant to effective registration statements. The warrants offered in the private placement have not been registered under the Securities Act or applicable state securities laws. The Company has agreed to file a resale registration statement with the SEC to register the resale of the shares of common stock issuable upon exercise of the new warrants.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

About Vaccinex, Inc.

Vaccinex, Inc. is pioneering a differentiated approach to treating slowly progressive neurodegenerative diseases and cancer through the inhibition of semaphorin 4D (SEMA4D). The Company's lead drug candidate, pepinemab, blocks SEMA4D, a potent biological effector that it believes triggers damaging inflammation in chronic diseases of the brain and prevents infiltration and activation of immune cells in tumors. Pepinemab was studied as a monotherapy in the Phase 1b/2 SIGNAL-AD study in Alzheimer's Disease, and the Company has previously published promising Phase 2 data in Huntington's disease. Vaccinex believes pepinemab could also be an important contributor to combination therapy in AD. In oncology, pepinemab is being evaluated in combination with KEYTRUDA® in the Phase 1b/2 KEYNOTE-B84 study in recurrent or metastatic head and neck cancer (HNSCC) and in combination with BAVENCIO® in a Phase 1b/2 study in patients with metastatic pancreatic adenocarcinoma (PDAC). The oncology clinical program also includes several investigator-sponsored studies in solid tumors including breast cancer and melanoma.

Vaccinex has global commercial and development rights to pepinemab and is the sponsor of the KEYNOTE-B84 study which is being performed in collaboration with Merck Sharp & Dohme Corp, a subsidiary of Merck and Co, Inc. Kenilworth, NJ, USA.

KEYTRUDA is a registered trademark of Merck Sharp & Dohme Corp., a subsidiary of Merck & Co. Inc., Kenilworth, NJ, USA. BAVENCIO®/avelumab is provided by Merck KGaA, Darmstadt, Germany, previously as part of an alliance between the healthcare business of Merck KGaA, Darmstadt, Germany and Pfizer.

About Pepinemab

Pepinemab is a humanized IgG4 monoclonal antibody designed to block SEMA4D, which can bind to plexin-B1 receptors to trigger collapse of the actin cytoskeleton in cells and lead to loss of homeostatic functions of astrocytes and other glial cells in the brain and of dendritic cells in immune tissue. Pepinemab appears to have been well-tolerated with a favorable safety profile in multiple clinical trials in different neurological and cancer indications.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts regarding Vaccinex, Inc. ("Vaccinex," "we," "us," or "our"), they may be forward-looking statements reflecting management's current beliefs and expectations. Such statements include, but are not limited to, statements about our plans, expectations and objectives with respect to our clinical trials of pepinemab in various indications and the use and potential benefits of pepinemab treatment in AD and HD, the potential and prospects for continuing late stage development of pepinemab, including as part of a prospective partnership, Vaccinex's ability to finance its current development plans with pre-existing cash balance and funds from the transaction, and other statements identified by words such as "may," "will," "appears," "expect," "planned," "anticipate," "estimate," "intend," "hypothesis," "potential," "suggest", "advance," "subject to" and similar expressions or their negatives (as well as other words and expressions referencing future events, conditions, or circumstances). Forward-looking statements involve substantial risks and uncertainties that could cause the outcome of our research and pre-clinical and clinical development programs, future results, performance, or achievements to differ significantly from

those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, our ability to continue as a going concern, the possible delisting of our common stock from Nasdaq if the Company is unable to regain and sustain compliance with the Nasdaq listing standards, the risk the transaction does not close, the impact of inflation on our expenses and business, uncertainties inherent in the execution, cost, enrollment and completion of clinical trials, uncertainties related to regulatory approval, risks related to our dependence on our lead product candidate pepinemab, and other matters that could affect our development plans or the commercial potential of our product candidates. Except as required by law, we assume no obligation to update these forward-looking statements. For a further discussion of these and other factors that could cause future results to differ materially from any forward-looking statement, see the section titled “Risk Factors” in our periodic reports filed with the Securities and Exchange Commission (the “SEC”) and the other risks and uncertainties described in Vaccinex’s most recent year-end Annual Report on Form 10-K and subsequent SEC filings.

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