Vaccinex Reports Third Quarter 2020 Financial Results and Provides Corporate Update

November 13, 2020

Additional data from SIGNAL Huntington's disease (HD) trial support continued development in HD and in Alzheimer's disease (AD)

Phase 1/2 Study to Evaluate Pepinemab in Combination with KEYTRUDA® in Advanced, Recurrent or Metastatic Head and Neck Squamous Cell Carcinoma Planned for H1 2021

Ended the quarter with cash and cash equivalents of $17.1 million

ROCHESTER, N.Y., Nov. 13, 2020 (GLOBE NEWSWIRE) -- Vaccinex, Inc. (Nasdaq: VCNX), a clinical-stage biotechnology company developing innovative therapies for the treatment of neurodegenerative diseases and cancer, and supporting multiple collaborations with large biotech and major pharma partners through a proprietary discovery platform that enables selection of high value antibodies to difficult multipass membrane receptors, today announced financial results for the third quarter ended September 30, 2020 and provided a corporate update.

Pepinemab Clinical Updates:

- **Huntington's Disease** . The company reported post-hoc analysis of data from the SIGNAL phase 2 clinical trial evaluating our lead drug candidate, pepinemab, for the treatment of Huntington's disease (HD). While this mid-stage trial did not meet pre-specified co-primary endpoints, the company believes study results show encouraging metrics across several endpoints that provide a strong rationale for continued development in neurodegenerative diseases. In particular, the company believes an important cognitive benefit is reflected in the observed effect of pepinemab on the HD-Cognitive Assessment Battery Composite score (p=0.007), a broad measure of cognitive improvement. The company believes that the treating physicians' Clinical Global Impression of Change provided a further signal of benefit as fewer pepinemab treated patients experienced deteriorating health status. Finally, the company believes pre-specified imaging analysis of brain in patients with early manifest disease demonstrated a significant treatment-related reduction in normal disease-associated brain atrophy and loss of brain metabolic activity.
- **Non-Small Cell Lung Cancer (NSCLC). CLASSICAL-Lung Clinical Trial**. The recently completed CLASSICAL-Lung study evaluated pepinemab in combination with the anti-PD-L1 checkpoint inhibitor BAVENCIO® (avelumab) for the treatment of advanced (stage IIIB/IV) Non-Small Cell Lung Cancer (NSCLC). Near topline data for this trial presented at the virtual American Society of Clinical Oncology (ASCO) conference in late May 2020 suggested that combination therapy induces an objective response rate that is a factor of two greater than observed with avelumab alone. The company believes that it is particularly striking that this was seen in the more difficult to treat PD-L1 negative and PD-L1 low population.
- **Head and Neck Cancer**. The company announced a clinical collaboration with Merck, known as MSD outside the US and Canada, to evaluate the combination of pepinemab with Merck's anti-PD-1 therapy, KEYTRUDA ®, for the treatment of recurrent or metastatic head and neck squamous cell carcinoma (HNSCC). This cancer indication is notable for the relatively high levels of SEMA4D expression, which has been shown to induce correspondingly high levels of myeloid suppressor cells that block anti-cancer immune responses. Pepinemab is known to have a dual mechanism of action the both increases infiltration and activation of CD8+ cytotoxic T cells and reduces myeloid derived suppressor cells (MDSC). The company believes that HNSCC is, therefore, representative of cancer indications of special interest for treatment with pepinemab in combination with KEYTRUDA®. A 65-patient study is planned for H1 2021.
- **Alzheimer's Disease** . The mechanism of action of pepinemab in slowing cognitive deterioration and brain atrophy that were demonstrated in the SIGNAL study in Huntington's disease, are believed to be equally applicable to neurodegeneration and cognitive decline associated with Alzheimer's disease. The company is planning to initiate a Phase 1/2 study of pepinemab in AD in 2021 with partial funding support received from both the Alzheimer's Association and from the Alzheimer's Drug Discovery Foundation.
- **Other Trials**. Pepinemab is also being evaluated in multiple investigator-sponsored trials (ISTs) being conducted by the Winship Cancer Institute of Emory University to evaluate pepinemab in combination with checkpoint inhibitors in "Window of Opportunity" studies in colorectal, pancreatic, head and neck cancer and melanoma.

Other Third Quarter Accomplishments:

- As summarized above, Maurice Zauderer, Ph.D., president and chief executive officer of Vaccinex, presented additional data from the SIGNAL Huntington's Disease study at the virtual Huntington's Study Group (HSG) 2020 Annual Meeting.

- The company has entered into several new biotech and major pharma collaborations to employ our novel discovery platform for structural studies and to select high value antibodies against difficult multipass membrane receptors.

Upcoming Anticipated Milestones:

- **H1 2021 –** Planned initiation of a Phase 1b/2 clinical trial of pepinemab in combination with KEYTRUDA® for the treatment of patients with HNSCC.
- **2021 –** Planned initiation of Alzheimer's disease Phase 1/2 study.

Financial Results for the Three Months Ended September 30, 2020:

Research and Development Expenses. Research and development expenses for the three months ended September 30, 2020 were $7.3 million, as compared to $6.6 million for the comparable period in 2019. This increase was driven by higher clinical trial costs as well as an increase in consulting services.

General and Administrative Expenses. General and administrative expenses for the three months ended September 30, 2020 were $1.9 million, as compared to $1.5 million for the comparable period in 2019. The increase was due to increased stock-based compensation as a result of new option awards to employees and board members, as well as increased directors' and officers' insurance premiums.

Cash and Cash Equivalents and Marketable Securities. Cash and cash equivalents and marketable securities on September 30, 2020 were $17.1 million. This reflects $12.3 million raised through the company's existing at-the-market (ATM) equity facility, $8.0 million through the sale of a senior secured convertible debenture, $4.0 million through a private placement transaction, and $300,000 through the company's existing equity line of credit facility. The company also received $575,000 of the previously announced $750,000 grant from the Alzheimer's Association under the 2020 Part the Cloud Program.

About Vaccinex, Inc.

Vaccinex, Inc. is developing innovative therapies for the treatment of neurodegenerative diseases and cancer, and supporting multiple collaborations with large biotech and major pharma partners through a proprietary discovery platform that enables selection of high value antibodies to difficult multipass membrane receptors. The company's lead drug candidate, pepinemab, blocks SEMA4D, a potent biological effector that prevents immune infiltration into tumors and triggers chronic inflammation in the brain. The company additionally intends to leverage its proprietary drug discovery platform, ActivMAb®, to create opportunities for future pipeline expansion and strategic collaborations, particularly by exploiting its unique capability to select high value antibodies against important multi-pass membrane receptors including GPCR and ion channels.

Forward Looking Statements

To the extent that statements contained in this presentation are not descriptions of historical facts regarding Vaccinex, Inc. ("Vaccinex," "we," "us," or "our"), they are 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 the results and timing of our clinical trials of pepinemab in various indications, the use and potential benefits of pepinemab in Huntington's and Alzheimer's disease and other indications, and other statements identified by words such as "may," "will," "appears," "expect," "planned," "anticipate," "estimate," "intend," "hypothesis," "potential," "advance," 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 development programs, 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, uncertainties inherent in the execution, cost and completion of preclinical and clinical trials, uncertainties related to regulatory approval, risks related to our dependence on our lead product candidate pepinemab, the impact of the COVID-19 pandemic, 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 ("SEC") and the other risks and uncertainties described in our Form 10-K dated March 9, 2020 and subsequent filings with the SEC.

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