



SQZ Biotechnologies Reports Third Quarter 2021 Financial Results and Recent Portfolio Updates

11/10/2021

- Highest Dose Monotherapy Data from Phase 1/2 Trial of SQZ-PBMC-HPV-101 Accepted for Oral Presentation at ESMO IO
- SQZ-PBMC-HPV-101 Advances into Combination with Checkpoint Inhibitors
- eAPC IND Submission Anticipated by Year-End 2021
- Celiac Disease TAC Platform IND Submission Anticipated by Q3 2022

WATERTOWN, Mass.--(BUSINESS WIRE)-- SQZ Biotechnologies (NYSE: SQZ), focused on unlocking the full potential of cell therapies for multiple therapeutic areas, today reported third quarter 2021 financial results and recent portfolio updates.

“This was another period of strong execution where we have continued to meaningfully advance our cell therapy platforms and clinical programs. We were pleased with the recent DSMB recommendation to advance our highest APC dose into combination with checkpoint inhibitors for patients with HPV16 positive cancers,” said Armon Sharei, Ph.D., Chief Executive Officer at SQZ Biotechnologies. “We were also excited to announce that celiac disease will be the first autoimmune disease target for our TAC platform, with an IND submission projected for next year. These activities highlight our deep commitment to driving patient impact across disease areas through the implementation of innovative cell therapies.”

Third Quarter 2021 and Recent Business and Portfolio Updates

SQZ™ Antigen Presenting Cell (“APC”) Platform in Oncology

- Independent Data and Safety Monitoring Board (DSMB) recommends that the Phase 1/2 clinical trial SQZ-PBMC-HPV-101 advance into the combination stage with checkpoint inhibitors
- DSMB recommendation and initiation of the combination cohorts trigger Roche collaboration agreement milestone payment
- Oral presentation on highest-dose cohort of SQZ-PBMC-HPV-101 trial announced for the ESMO Immunology Congress, December 9, 2021 in Geneva, Switzerland

SQZ™ Enhanced Antigen Presenting Cell (“eAPC”) Platform in Oncology

- New eAPC preclinical data to be presented on November 12, 2021 at the Society for Immunotherapy of Cancer (SITC) Congress demonstrates delivery of multiple mRNA to engineer APC function
- Anticipate IND submission for the first clinical candidate by year-end 2021

SQZ™ Activating Antigen Carriers (“AAC”) Platform in Oncology

- New AAC preclinical data to be presented at SITC highlights the potential combination therapy impact of SQZ AACs with a chemotherapy agent often used in early-line treatment of HPV16+ cancers

SQZ™ Tolerizing Antigen Carriers (“TAC”) Platform in Immune Tolerance

- Announced Q3 2022 IND submission target for celiac disease as the first clinical translation of the company’s TAC platform in autoimmune diseases

SQZ™ Potential Pipeline Expansion Research

- Presenting first enhanced tumor infiltrating lymphocyte (TIL) preclinical data at SITC showing the development of mRNA modified TILs with enhanced functionality in the absence of exogenous IL-2 cytokine support

Third Quarter 2021 Financial Highlights

- Revenue for the third quarter 2021 was \$4.8 million, compared to \$6.1 million for the same period last year
- Net loss for the third quarter 2021 was \$22.5 million, compared to \$12.4 million for the same period last year
- Research and development expenses for the third quarter 2021 were \$20.5 million, compared to \$13.9 million for the same period last year. The increase was primarily attributable to planned development and manufacturing costs related to the eAPC platform
- General and administrative expenses for the third quarter 2021 were \$6.7 million, compared to \$4.6 million for the same period last year. The increase was primarily due to higher personnel and other corporate-related costs, including stock-based compensation expense and other costs related to operating as a public company
- As of September 30, 2021, the company had cash and cash equivalents of \$164.3 million and anticipates this will be sufficient to fund operating expenses and capital expenditure requirements through the first half of 2023. This projected cash runway is inclusive of the anticipated Roche milestone payment associated with the advancement of the SQZ-PBMC-HPV-101 Phase 1/2 study

About SQZ Biotechnologies

SQZ Biotechnologies Company is a clinical-stage biotechnology company focused on unlocking the full potential of cell therapies for patients around the world and has active programs in Oncology, Autoimmune and Infectious Diseases, as well as additional exploratory initiatives to support future pipeline growth. The company’s proprietary Cell Squeeze® technology offers the unique ability to deliver multiple biological materials into many cell types to

engineer what we believe can be a broad range of potential therapeutics. With demonstrated production timelines under 24 hours and the opportunity to eliminate preconditioning and lengthy hospital stays, our approach could significantly broaden the therapeutic range and accessibility of cell therapies. The company's first therapeutic applications seek to generate target-specific immune responses, both in activation for the treatment of solid tumors and infectious diseases, and in immune tolerance for the treatment of autoimmune diseases. For more information, please visit www.sqzbiotech.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements relating to our financial condition and cash position, platform development, manufacturing capabilities, product candidates, preclinical and clinical activities, outcomes and progress, development plans and execution, clinical efficacy, regulatory submissions, therapeutic impact, upcoming events and presentations, and market opportunities. These forward-looking statements are based on management's current expectations. Actual results could differ from those projected in any forward-looking statements due to several risk factors. Such factors include, among others, risks and uncertainties related to our limited operating history; our significant losses incurred since inception and expectation to incur significant additional losses for the foreseeable future; the development of our initial product candidates, upon which our business is highly dependent; the impact of the COVID-19 pandemic on our operations and clinical activities; our need for additional funding and our cash runway; the lengthy, expensive, and uncertain process of clinical drug development, including uncertain outcomes of clinical trials and potential delays in regulatory approval; our ability to maintain our relationships with our third party vendors; and protection of our proprietary technology, intellectual property portfolio and the confidentiality of our trade secrets. These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K, as updated by our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 and other filings with the U.S. Securities and Exchange Commission could cause actual results to differ materially from those indicated by the forward-looking statements. Any forward-looking statements represent management's estimates as of this date and SQZ undertakes no duty to update these forward-looking statements, whether as a result of new information, the occurrence of current events, or otherwise, unless required by law.

Certain information contained in this press release relates to or is based on studies, publications, surveys and other data obtained from third-party sources and our own internal estimates and research. While we believe these third-party sources to be reliable as of the date of this press release, we have not independently verified, and we make no representation as to the adequacy, fairness, accuracy or completeness of any information obtained from third-party sources.

SQZ BIOTECHNOLOGIES COMPANY
Condensed Consolidated Statements of Operations
(In thousands, except share and per share amounts)
(unaudited)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2021	2020	2021	2020
Collaboration revenue	\$ 4,755	\$ 6,121	\$ 14,748	\$ 18,511
Operating expenses:				
Research and development	20,520	13,910	52,942	37,815
General and administrative	6,691	4,612	18,744	14,139
Operating expenses	27,211	18,522	71,686	51,954
Loss from operations	(22,456)	(12,401)	(56,938)	(33,443)
Other income, net	6	50	19	523
Net loss	(22,450)	(12,351)	(56,919)	(32,920)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.80)	\$ (7.03)	\$ (2.08)	\$ (18.87)
Weighted-average common shares outstanding, basic and diluted	28,050,130	1,758,039	27,421,839	1,744,948

SQZ BIOTECHNOLOGIES COMPANY
Condensed Consolidated Balance Sheets
(In thousands)
(unaudited)

	SEPTEMBER 30, 2021	DECEMBER 31, 2020
Assets		
Cash and cash equivalents	\$ 164,254	\$ 170,357
Other current assets	1,913	6,474
Total current assets	166,167	176,831
Other assets	77,906	54,310
Total assets	\$ 244,073	\$ 231,141
Liabilities and Stockholders' Equity		
Current liabilities	39,109	45,193
Long term liabilities	71,758	58,749
Total liabilities	110,867	103,942
Total stockholders' equity	133,206	127,199
Total liabilities and stockholders' equity	\$ 244,073	\$ 231,141

View source version on [businesswire.com](https://www.businesswire.com/news/home/20211110006390/en/): <https://www.businesswire.com/news/home/20211110006390/en/>

SQZ Biotechnologies Investor Relations:

investors@sqzbiotech.com

SQZ Biotechnologies Media:

John Lacey

john.lacey@sqzbiotech.com

781-392-5514

Source: SQZ Biotechnologies Company