



## Achilles Therapeutics Reports Fourth Quarter and Year-End 2022 Financial Results and Recent Business Highlights

March 7, 2023

- Demonstrated early proof-of-concept for cNeT therapy in heavily pre-treated advanced NSCLC patients -
- Exhibited power of translational science platform by correlating anti-tumor activity of cNeT with targeting of clonal neoantigens -
- Strong cash position of \$173.3 million supports operations into mid-2025 -

LONDON, March 07, 2023 (GLOBE NEWSWIRE) -- Achilles Therapeutics plc (NASDAQ: ACHL), a clinical-stage biopharmaceutical company developing AI-powered precision T cell therapies targeting clonal neoantigens to treat solid tumors, today announced its financial results for the fourth quarter and year-ended December 31, 2022, and recent business highlights.

"In 2022, we were pleased to deliver early proof-of-concept data supporting the promise of our clonal neoantigen-reactive T cell, or cNeT, therapy. We presented data from a heavily pre-treated non-small cell lung cancer (NSCLC) patient demonstrating sustained tumor reduction correlated with the durable expansion of our cNeT product candidate. Importantly, these data link clonal neoantigen target engagement to mechanism of action," said **Dr Iraj Ali, Chief Executive Officer of Achilles Therapeutics**. "Looking ahead to 2023, we will continue to dose more patients with higher cNeT doses to potentially drive additional confirmed responses and expand the clinical data set in our NSCLC and melanoma programs. Our financial position remains strong with \$173 million in cash, which supports operations into the middle of 2025, including the completion of the ongoing Phase I/IIa trials."

"The increased manufacturing capacity from the addition of the Cell & Gene Therapy Catapult site in Stevenage, U.K. has accelerated our overall dosing capability. The additional data expected this year from the CHIRON lung cancer monotherapy trial and the THETIS melanoma monotherapy and checkpoint combination trial will expand our ability to identify patient and product characteristics that impact clinical response using our translational science platform. This differentiated capability to proactively influence product attributes in the VELOS™ manufacturing process is a key benefit of cNeT therapy that is not possible with a standard TIL product."

### 2022 and Year-to-Date 2023 Clinical Highlights

- Presented an interim Phase I/IIa update at the ESMO IO Congress in December 2022 that highlighted early proof-of-concept data from 14 treated patients, supporting durable clinical benefit of cNeT therapy that included confirmed partial response and stable disease in heavily pre-treated patients with advanced NSCLC
- Continued optimization of the up-front TIL extraction in the VELOS™ manufacturing process, resulting in improved TIL yields and increased cNeT doses
- Dosed the first THETIS Cohort B patient (checkpoint combination) and the first U.S. and French CHIRON patients
- Continued development and improvements of our PELEUS™ clonal neoantigen prediction platform

### 2022 Corporate Highlights

- Expanded manufacturing capacity with the addition of the Cell & Gene Therapy Catapult in the U.K. and entered into a partnership for future manufacturing in the U.S.
- Granted U.S. patent 11,504,398 on immunotherapies targeting clonal neoantigens identified by the Achilles Clonality Engine (ACE) including vaccine, antibody, and autologous T cell therapy approaches
- Bolstered executive leadership with the appointment of James Taylor as Chief Business Officer
- Strengthened Board of Directors with the appointment of Bernhard Ehmer and expanded the Scientific Advisory Board with the appointments of Cassian Yee, M.D., Alena Gros, Ph.D. and Ben Creelan, M.D.
- Achilles appointed leader of the Horizon Europe-funded Consortium that was awarded a €4 million grant to advance personalized cell therapy manufacturing
- Honored with a 2022 Cancer Research Horizon Innovation & Entrepreneurship Award as the 'Startup Achievement of the Year' and the 2022 PING Innovation Award for the innovation demonstrated by the Company's work with clonal neoantigens to treat solid tumors

## Financial Highlights

- **Cash and cash equivalents:** Cash and cash equivalents were \$173.3 million as of December 31, 2022, as compared to \$266.3 million as of December 31, 2021. With increased focus on the ongoing Phase I/IIa CHIRON and THETIS clinical trials and deprioritization of non-core activities, the Company anticipates that its cash and cash equivalents are sufficient to fund its planned operations into the middle of 2025. The decrease in cash and cash equivalents in 2022 reflects an underlying use of \$67.1 million for operating activities and purchases of property and equipment, as well as a \$25.9 million foreign exchange effect as the Company retranslates cash and cash equivalents at the prevailing U.S. dollar period rate. The Company's functional currency and underlying cash and cash equivalents are mainly held in British pounds sterling and translated into U.S. dollars for financial reporting.
- **Research and development (R&D) expenses:** R&D expenses were \$18.9 million for the fourth quarter ended December 31, 2022, an increase of \$7.1 million compared to \$11.8 million for the fourth quarter ended December 30, 2021. R&D expenses were \$57.3 million for the year ended December 31, 2022, an increase of \$15.0 million compared to \$42.2 million for the year ended December 31, 2021. The increase was primarily driven by increased activity related to our ongoing clinical trials, as well as spend associated with expansion of our manufacturing capacity and enhancements to PELEUS™ and VELOS™.
- **General and administrative (G&A) expenses:** G&A expenses were \$4.0 million for the fourth quarter ended December 31, 2022, a decrease of \$2.7 million compared to \$6.7 million for December 31, 2021. G&A expenses were \$21.1 million for the year ended December 31, 2022, a decrease of \$0.9 million compared to the \$22.0 million for the year ended December 31, 2021. This decrease was primarily driven by lower personnel costs and lower legal and professional fees.
- **Net loss:** Net loss for the fourth quarter ended December 31, 2022 was \$24.1 million or \$0.61 per share compared to \$18.2 million or \$0.45 per share for the fourth quarter ended December 31, 2021. Net loss for the year ended December 31, 2022 was \$71.2 million or \$1.82 per share compared to \$61.1 million or \$2.13 per share for the year ended December 31, 2021.

## 2023 Focus and Upcoming Events

- **Clinical Data:** Report clinical activity and translational science data from 15 to 20 additional patients treated with cNeT monotherapy in NSCLC and melanoma and with cNeT/anti-PD-1 checkpoint inhibitor combination in melanoma
- **Translational Science:** Leverage the Company's world-class translational science platform to define the features associated with clinical response and to pursue rational design of the final cNeT product
- **Clinical Activity:** Drive additional confirmed responses in CHIRON and THETIS patients on cNeT therapy by delivering higher cNeT doses and improved product design
- **Manufacturing Development:** Continue VELOS™ and PELEUS™ development to optimize cNeT dose and functionality

Achilles will participate in the following upcoming conferences. Additional details will be available in the [Events & Presentations](#) section of the Company's website:

- BioCapital Europe, Organized by EQT Life Sciences: March 9, 2023, Amsterdam
- Oppenheimer 32<sup>nd</sup> Annual Healthcare Conference: March 14, 2023, Virtual
- European Lung Cancer Congress (ELCC) 2023: March 29 – April 1, 2023, Copenhagen
- Bio-Europe Spring: March 20-22, 2023, Basel

## About Achilles Therapeutics

Achilles is a clinical-stage biopharmaceutical company developing AI-Powered precision T cell therapies targeting clonal neoantigens: protein markers unique to the individual that are expressed on the surface of every cancer cell. The Company has two ongoing Phase I/IIa trials, the CHIRON trial in patients with advanced non-small cell lung cancer (NSCLC) and the THETIS trial in patients with recurrent or metastatic melanoma. Achilles uses DNA sequencing data from each patient, together with its proprietary PELEUS™ bioinformatics platform, to identify clonal neoantigens specific to that patient, and then develop precision T cell-based product candidates specifically targeting those clonal neoantigens.

## Forward Looking Statements

This press release contains express or implied forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements in this press release represent our views as of the date of this press release. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this press release.

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**ACHILLES THERAPEUTICS PLC**

**Consolidated Balance Sheets**  
**(in thousands, except share and per share amounts)**  
**(expressed in U.S. Dollars, unless otherwise stated)**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 173,338	\$ 266,319
Prepaid expenses and other current assets	23,242	18,430
Total current assets	<u>196,580</u>	<u>284,749</u>
Property and equipment, net	12,399	17,743
Operating lease right of use assets	8,081	11,048
Deferred tax assets	251	26
Restricted cash	33	33
Other assets	3,014	3,507
Total non-current assets	<u>23,778</u>	<u>32,357</u>
Total assets	<u>\$ 220,358</u>	<u>\$ 317,106</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 5,187	\$ 3,722
Income taxes payable	326	-
Accrued expenses and other liabilities	8,292	10,906
Operating lease liabilities - current	4,188	4,482
Total current liabilities	<u>17,993</u>	<u>19,110</u>
<b>NON-CURRENT LIABILITIES:</b>		
Operating lease liabilities - non-current	4,388	7,777
Other long-term liability	933	691
Total non-current liabilities	<u>5,321</u>	<u>8,468</u>
Total liabilities	<u>23,314</u>	<u>27,578</u>
Commitments and contingencies		
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary shares, £0.001 par value; 40,932,727 and 40,603,489 shares authorized, issued and outstanding at December 31, 2022 and 2021, respectively	54	54
Deferred shares, £92,452.00 par value, one share authorized, issued and outstanding at December 31, 2022 and 2021, respectively	128	128
Additional paid in capital	408,844	401,821
Accumulated other comprehensive income	(21,695)	6,636
Accumulated deficit	(190,287)	(119,111)
Total shareholders' equity	<u>197,044</u>	<u>289,528</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 220,358</u>	<u>\$ 317,106</u>

**ACHILLES THERAPEUTICS PLC**

**Consolidated Statements of Operations and Comprehensive Loss**

(in thousands, except share and per share amounts)  
(expressed in U.S. Dollars, unless otherwise stated)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
OPERATING EXPENSES:				
Research and development	\$ 18,876	\$ 11,807	\$ 57,263	\$ 42,224
General and administrative	3,958	6,653	21,120	21,971
Total operating expenses	<u>22,834</u>	<u>18,460</u>	<u>78,383</u>	<u>64,195</u>
LOSS FROM OPERATIONS:	(22,834)	(18,460)	(78,383)	(64,195)
OTHER INCOME (EXPENSE), NET:				
Other income (expense)	<u>(1,181)</u>	<u>226</u>	<u>7,318</u>	<u>3,133</u>
Total other income (expense), net	<u>(1,181)</u>	<u>226</u>	<u>7,318</u>	<u>3,133</u>
Loss before income taxes	(24,015)	(18,234)	(71,065)	(61,062)
Benefit (provision) for income taxes	<u>(41)</u>	<u>4</u>	<u>(111)</u>	<u>(37)</u>
Net loss	<u>(24,056)</u>	<u>(18,230)</u>	<u>(71,176)</u>	<u>(61,099)</u>
Other comprehensive (loss) income:				
Foreign exchange translation adjustment	<u>16,795</u>	<u>886</u>	<u>(28,331)</u>	<u>(5,686)</u>
Comprehensive loss	\$ <u>(7,261)</u>	\$ <u>(17,344)</u>	\$ <u>(99,507)</u>	\$ <u>(66,785)</u>
Net loss per share attributable to ordinary shareholders—basic and diluted	\$ <u>(0.61)</u>	\$ <u>(0.45)</u>	\$ <u>(1.82)</u>	\$ <u>(2.13)</u>
Weighted average ordinary shares outstanding—basic and diluted	<u>39,518,910</u>	<u>40,245,543</u>	<u>39,139,693</u>	<u>28,654,760</u>