



Werewolf Therapeutics Reports Second Quarter 2021 Financial Results and Business Update

August 12, 2021

CAMBRIDGE, Mass., Aug. 12, 2021 (GLOBE NEWSWIRE) -- Werewolf Therapeutics, Inc. (the "Company" or "Werewolf") (Nasdaq: HOWL), an innovative biopharmaceutical company pioneering the development of conditionally activated therapeutics engineered to stimulate the body's immune system for the treatment of cancer, today provided a business update and reported financial results for the quarter ended June 30, 2021.

"We continue to advance our immuno-oncology R&D organization by adding further expertise with a new Chief Technology Officer and Board member," said Daniel J. Hicklin, Ph.D., President and Chief Executive Officer of Werewolf. "Following the successful completion of our IPO in early May, we believe we are well-capitalized to deliver on upcoming key milestones such as filing INDs for our two lead INDUKINE™ product candidates, WTX-124 and WTX-330, and furthering our efforts towards a safer and highly effective alternative to existing cancer treatments."

Completed Successful Initial Public Offering: Werewolf completed its initial public offering ("IPO") in May 2021. In connection with the offering, the Company issued and sold 7,500,000 shares of common stock at a public offering price of \$16.00 per share, resulting in net proceeds of approximately \$109.2 million.

Strengthened leadership team: Werewolf appointed Chulani Karunatilake, Ph.D. as Chief Technology Officer in June 2021. Bringing more than 30 years of experience in chemistry and manufacturing process and strategy development, Dr. Karunatilake oversees manufacturing operations in the newly established role.

Added expertise to the Board of Directors: Werewolf appointed Mike Sherman as a member of the Board of Directors in May 2021. Currently the Chief Executive Officer of Chimerix, Inc., Mr. Sherman brings more than 30 years' experience advancing therapeutics to commercial launch and driving companies to successful operations and strategic transactions.

Added to Russell 2000® Index: Werewolf was added to the Russell 2000® Index at the conclusion of the Russell US Indexes annual reconstitution in late June 2021.

Second Quarter 2021 Financial Highlights

- **Cash position:** As of June 30, 2021, cash and cash equivalents increased to \$183.2 million, compared to \$92.6 million as of December 31, 2020. The increase was primarily due to the receipt of \$109.2 million in net proceeds from the initial public offering completed in May 2021, offset by operating expenses incurred during the period. Given the strength of its balance sheet, Werewolf expects its existing cash and cash equivalents to enable the funding of its operating expenses and capital expenditure requirements through at least the second quarter of 2023.
- **Research and development expenses:** Research and development expenses were \$7.3 million for the second quarter of 2021, compared to \$3.8 million for the same period in 2020. The increase in research and development expenses was primarily due to increased manufacturing, contract research organization, and personnel expenses incurred to advance the Company's product candidates WTX-124, WTX-330 and WTX-613 and expand research and development activities.
- **General and administrative expenses:** General and administrative expenses were \$3.7 million for the second quarter of 2021, compared to \$1.3 million for the same period in 2020. The increase in general and administrative expenses was primarily due to increased personnel, recruiting, and other operating costs attributable to operating as a public company.
- **Net loss:** Net loss was \$10.9 million for the second quarter of 2021, compared to \$2.3 million for the same period in 2020.

About Werewolf Therapeutics:

Werewolf Therapeutics, Inc. is an innovative biopharmaceutical company pioneering the development of therapeutics engineered to stimulate the body's immune system for the treatment of cancer. We are leveraging our proprietary PREDATOR™ platform to design conditionally activated molecules that stimulate both adaptive and innate immunity with the goal of addressing the limitations of conventional proinflammatory immune therapies. Our INDUKINE™ molecules are intended to remain inactive in peripheral tissue yet activate selectively in the tumor microenvironment. Our most advanced product candidates, WTX-124 and WTX-330, are systemically delivered, conditionally activated Interleukin-2 (IL-2), and Interleukin-12 (IL-12) INDUKINE molecules, respectively, for the treatment of solid tumors. We are continuing preclinical studies for both WTX-124 and WTX-330 and expect to advance each candidate in multiple tumor types as a single agent and in combination with an immune checkpoint inhibitor.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risk and uncertainties. All statements, other than statements of historical facts, contained in this press release, including statements regarding Werewolf's strategy, future operations, prospects, plans, objectives of management, the expected timeline for submitting investigational new drug applications and its sufficiency of its cash resources constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. The words "aim," "anticipate," "believe," "continue,"

"could," "estimate," "expect," "intend," "may," "might," "objective," "ongoing," "plan," "potential," "predict," "project," "should," "target," "will," or "would," or the negative of these terms, or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The Company may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements as a result of various important factors, including: uncertainties inherent in the development of product candidates, including the conduct of research activities, the initiation and completion of preclinical studies and clinical trials; uncertainties as to the availability and timing of results from preclinical studies; the timing of and our ability to submit and obtain regulatory approval for investigational new drug applications; whether results from preclinical studies will be predictive of the results of later preclinical studies and clinical trials; the Company's ability to obtain sufficient cash resources to fund the Company's foreseeable and unforeseeable operating expenses and capital expenditure requirements; the impact of the COVID-19 pandemic on the Company's business and operations; as well as the risks and uncertainties identified in the "Risk Factors" section of the Company's most recent Form 10-Q filed with the Securities and Exchange Commission ("SEC") and in subsequent filings the Company may make with the SEC. In addition, the forward-looking statements included in this press release represent the Company's views as of the date of this presentation. The Company anticipates that subsequent events and developments will cause its views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release.

Werewolf Therapeutics, Inc.
Condensed Consolidated Statements of Operations (unaudited)
(amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating expenses:				
Research and development	\$ 7,265	\$ 3,780	\$ 12,082	\$ 6,543
General and administrative	3,691	1,285	6,326	2,416
Total operating expenses	10,956	5,065	18,408	8,959
Operating loss	(10,956)	(5,065)	(18,408)	(8,959)
Other income	35	7,322	52	7,389
Net (loss) income	(10,921)	2,257	(18,356)	(1,570)
Accretion of redeemable convertible preferred stock to redemption value	(56,926)	(31)	(151,942)	(31)
Net (loss) income attributable to common stockholders	\$ (67,847)	\$ 2,226	\$ (170,298)	\$ (1,601)
Net (loss) income per share attributable to common stockholders, basic	\$ (3.82)	\$ 2.35	\$ (17.86)	\$ (1.80)
Net (loss) income per share attributable to common stockholders, diluted	\$ (3.82)	\$ 0.22	\$ (17.86)	\$ (1.80)
Weighted-average common shares outstanding, basic	17,750	947	9,535	891
Weighted-average common shares outstanding, diluted	17,750	10,327	9,535	891

Werewolf Therapeutics, Inc.
Selected Condensed Consolidated Balance Sheet Data (unaudited)
(amounts in thousands)

	June 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 183,233	\$ 92,570
Working capital	\$ 178,989	\$ 87,630
Total assets	\$ 190,418	\$ 96,398
Total stockholders' equity (deficit)	\$ 181,556	\$ (51,863)

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