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Cabaletta Bio Closes $50 Million Series B Financing to Establish Translational Research and Advanced Manufacturing Capabilities for Chimeric AutoAntibody Receptor (CAAR) T Cell Products to Treat B Cell-Mediated Autoimmune Diseases

Deerfield Management Company, Boxer Capital of Tavistock Group, Redmile Group and Cormorant Capital join founding investors Adage Capital, an undisclosed leading public equity healthcare investor and 5AM Ventures

RADNOR, Pa., Jan. 03, 2019 (GLOBE NEWSWIRE) -- Cabaletta Bio Inc., a biotechnology company focused on the discovery and development of T cell therapies for B cell-mediated autoimmune diseases, today announced that it has closed a $50 million Series B financing. The new investors include Deerfield Management Company, Boxer Capital of Tavistock Group, Redmile Group and Cormorant Capital with pro rata participation from founding investors including Adage Capital Management, an undisclosed leading public equity healthcare investor and 5AM Ventures. Proceeds from the financing will support establishment of translational research and advanced manufacturing capabilities to complement Cabaletta's relationship with the Center for Cellular Immunotherapies in the Abramson Center at the University of Pennsylvania ("Penn"). These capabilities will enable the Company to accelerate development of its product pipeline while advancing the Company's lead asset, DSG3-CAART, into clinical development.

"Following the completion of this round, which was capped at $50 million, we have raised $88 million since May 2018," said Steven Nichtberger, M.D., co-founder, CEO and Chairman of Cabaletta Bio. "These funds are sufficient to support our current objectives into 2021, including: 1) the planned second half 2019 IND submission for DSG3-CAART, and, once cleared by the FDA, initiation of our first clinical trial in patients with mucosal pemphigus vulgaris (mPV); 2) the accelerated buildout of our translational research and advanced manufacturing capabilities under the leadership of Gwendolyn Binder, Ph.D., our recently announced EVP of Science & Technology; and 3) the expansion of our already strong core institutional investor base.

"In addition to the $50 million in new capital, the University of Pennsylvania, a founding seed investor, has agreed to sell a portion of its preferred shares to existing Cabaletta institutional investors. This sale to existing investors allowed for additional new institutional investors to participate in the Series B financing. Cabaletta's operating relationship with Penn continues to expand and strengthen, with additional agreements for manufacturing and research

services being negotiated and signed over the past few months."

Howie Furst, M.D., partner at Deerfield Management Company said, "We believe Cabaletta, in partnership with Penn, has the right strategy and emerging team to be successful in employing its validated CAAR T platform to create a portfolio of high value products for the treatment of B cell-mediated autoimmune diseases."

Cowen served as exclusive placement agent for the financing.

Editor's Note: Dr. Nichtberger is a Penn faculty member and holds an equity stake in the Company, and the University of Pennsylvania is an equity holder and investor in the Company. In addition, both Penn and the inventors of the licensed technology may receive additional financial benefits under the license in the future.

About CAAR T Cell Therapy

Chimeric AutoAntibody Receptor (CAAR) T cells bind and destroy only disease-causing B cells, while sparing the normal B cells which are essential for human health. CAAR T cells are based on the revolutionary chimeric antigen receptor (CAR) T cell technology developed at the University of Pennsylvania that resulted in the first FDA-approved CAR T cell therapy. Rather than a CD19-targeting molecule, CAAR T cells express the autoantibody-targeted antigen on their surface. The 4-1BB co-stimulatory domain and the CD3-zeta signaling domain carry out the same activation and cytotoxic functions as in the CAR T setting. Thus, Cabaletta's CAARs direct the patient's T cells to kill only the self-reactive B cell population, potentially leading to complete and durable remission of disease while sparing all other B cell populations that provide beneficial immunity from infection.

About Cabaletta Bio

Cabaletta Bio is focused on the discovery and development of T cell therapies for B cell-mediated autoimmune diseases. Cabaletta's therapeutic platform produces highly selective autologous Chimeric AutoAntibody Receptor (CAAR) T cells that are designed to precisely bind and destroy only specific autoantibody-producing B cells while sparing normal antibody-producing B cells, which are essential for human health. The platform is based on the revolutionary Chimeric Antigen Receptor (CAR) T cell technology developed at the University of Pennsylvania ("Penn") that resulted in one of the first commercially-available CAR T cell products for the treatment of B cell malignancies. Cabaletta was founded by Penn physician/scientists Michael Milone, M.D., Ph.D., and Aimee Payne, M.D., Ph.D., who serve as co-chairs of Cabaletta's Scientific Advisory Board and Steven Nichtberger, M.D., CEO of Cabaletta. Cabaletta has an exclusive global licensing agreement and multiple sponsored research agreements with the University of Pennsylvania to develop the CAAR T technology to treat B cell-mediated autoimmune diseases. The Company's lead therapeutic program is a potential treatment for a prototypical B cell-mediated autoimmune disease, mucosal pemphigus vulgaris (mPV), which is a rare skin disorder that causes painful blisters and sores on mucous membranes leading to severe and sometimes debilitating and life-altering effects. An IND submission is planned for 2H19. For more information, visit www.cabalettabio.com.

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