UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported):
August 3, 2021

EPIZYME, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-35945**	**26-1349956**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

400 Technology Square, 4th Floor **Cambridge, Massachusetts**	**02139**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 229-5872

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock, $0.0001 par value	**EPZM**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On August 7, 2021, Epizyme, Inc. (the "Company") entered into a license agreement (the "License Agreement") with Hutchison China MediTech Investment Limited ("Hutchmed") for the development, manufacture and commercialization of tazemetostat, either as a monotherapy or as a part of combinations with other therapies, including Hutchmed proprietary compounds, agreed by the parties under the License Agreement ("Licensed Products") for the treatment of epithelioid sarcoma, follicular lymphoma, diffuse large B-cell lymphoma in humans, and any additional indications agreed by the parties in accordance with the terms of the License Agreement (the "Field") in mainland China, Taiwan, Hong Kong and Macau (each, a "Jurisdiction", and collectively, the "Territory").

The Company has granted Hutchmed licenses under patent rights and know-how controlled by the Company to enable Hutchmed to develop and commercialize Licensed Products in the Field in the Territory. The licenses granted to Hutchmed are co-exclusive with the Company with respect to the development of Licensed Products in the Field in the Territory and exclusive with respect to the commercialization of Licensed Products in the Field in the Territory. The Company also granted Hutchmed a license under patent rights and know-how controlled by the Company to enable Hutchmed to manufacture tazemetostat drug substance and drug product for the purpose of developing and commercializing Licensed Products in the Field in the Territory. The Company retains development and commercialization rights with respect to Licensed Products in the rest of the world outside of the Territory except for Japan. During the term of the License Agreement, each party and its affiliates is prohibited from developing or commercializing in the Field in the Territory any other compound or product that inhibits, modulates or degrades EZH1, EZH2, or any other member of the polycomb repressive complex 2, including the EED protein, provided that, subject to limitations specified in the License Agreement, Hutchmed may develop, without the use of know-how or patent rights licensed by Epizyme, its existing preclinical compound that inhibits EZH1 and EZH2.

The Company has agreed to conduct a technology transfer of manufacturing technology to Hutchmed to enable Hutchmed to manufacture clinical and commercial quantities of tazemetostat drug substance and drug product to carry out its obligations and exercise its rights under the License Agreement. Subject to the execution of a clinical supply agreement or commercial supply agreement, as applicable, and until the completion of the technology transfer to Hutchmed, the Company has agreed to manufacture and supply Hutchmed with tazemetostat drug substance and drug product in sufficient quantities for Hutchmed's development or commercialization activities for Licensed Products in the Field in the Territory.

Hutchmed has agreed to use commercially reasonable efforts to carry out development activities in the Territory as agreed by the parties and to seek to obtain and maintain regulatory approval of the Licensed Products in the Territory. Hutchmed agreed to use commercially reasonable efforts to commercialize Licensed Products in the Field in the Territory. Hutchmed is responsible for all costs it incurs in developing, obtaining regulatory approval of, and commercializing Licensed Products in the Field in the Territory, including costs incurred by Hutchmed in conducting clinical trials that only include clinical sites in the Territory. For global studies conducted by the Company that Hutchmed elects to participate in by conducting any such study in the Territory, Hutchmed will be responsible for enrolling and treating in the Territory 20% of the total number of study patients of such global study and will be responsible for costs for those patients enrolled and treated in such trials. Hutchmed will also be responsible for 20% of the costs of such global studies that are not specific to any territory and the Company will be responsible for all other costs of such global studies. Hutchmed has agreed to participate in the Company's EZH-301 and EZH-302 global studies, however under certain circumstances where the EZH-302 global study is not considered a confirmatory trial for regulatory approval in China, the Company shall be responsible for the costs of the trial in the Territory.

Pursuant to the License Agreement, the Company is entitled to receive an upfront payment of $25.0 million. The Company is also entitled to milestone payments of up to $110.0 million in the aggregate for achievement of specified development and regulatory milestones with respect to Licensed Products in the Territory, and up to $175.0 million in the aggregate for achievement of specified sales milestones in the Territory with respect to the Licensed Products. The Company will also be entitled to receive tiered royalties, ranging from a mid-teens percentage to a low twenties percentage based on Hutchmed's cumulative annual net sales, if any, of Licensed Products in the Territory. Royalties are payable for each Licensed Product commencing on the first commercial sale of the applicable Licensed Product and ending, on a Jurisdiction-by-Jurisdiction basis, on the latest of expiration of specified patent coverage, expiration of specified regulatory exclusivity or a specified period following the first commercial sale in such Jurisdiction and may be reduced in various circumstances.

Under the License Agreement, the Company issued a warrant (the "Warrant") to Hutchmed, exercisable at any time prior to August 7, 2025 for up to 5,653,000 shares of the Company's common stock at an exercise price of $11.50 per share. The Company has agreed to file a registration statement registering for resale the shares of the Company's common stock issuable upon exercise of the Warrant.

Unless earlier terminated, the License Agreement will expire upon the expiration of the last royalty term for the last Licensed Product in the Field in the Territory. Hutchmed may terminate the License Agreement in its entirety for any or no reason upon 12 months' prior written notice to the Company. Either party may, subject to specified cure periods, terminate the License Agreement in the event of the other party's uncured material breach, and under specified circumstances relating to the other party's insolvency or if the other party or its affiliates challenges the validity, patentability, or enforceability of patent rights that are owned by or licensed to such party or its affiliates and that are subject to the licenses granted in the License Agreement.

The License Agreement contains representations and warranties, covenants, indemnification and other negotiated provisions, including confidentiality obligations, customary for transactions of this nature.

The foregoing description of certain terms of the License Agreement does not purport to be complete and is qualified in its entirety by reference to the License Agreement that the Company intends to file as an exhibit to its Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2021.

Item 2.02 Results of Operations and Financial Condition.

On August 9, 2021, the Company announced its financial results for the quarter ended June 30, 2021. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information provided under Item 2.02 of this Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On August 3, 2021, the Board of Directors of the Company (the "Board") approved changes to the Company's commercial strategy and organization as well as a broader operational cost reduction plan. As part of this plan, the Board approved a reduction in the Company's workforce by approximately 11% across different areas and functions in the Company. This workforce reduction is expected to be completed by the end of the third quarter of 2021.

Affected employees will be offered separation benefits, including severance payments along with temporary healthcare coverage assistance. The Company estimates that the severance and termination-related costs will be approximately $2.0 million and expects to record these charges in the third quarter of 2021. The Company expects that payments of these costs will be made through the end of the first quarter of 2022.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 of this Current Report on Form 8-K with respect to the Warrant issued in connection with the License Agreement is incorporated by reference to this Item 3.02. The Warrant was issued in reliance upon the exemption from the registration requirements of the Securities Act, set forth under Section 4(a)(2) of the Securities Act relating to sales by an issuer not involving any public offering and in reliance on similar exemptions under applicable state laws. Hutchmed represented that it is an accredited investor and that it is acquiring the Warrant

for investment purposes only and not with a view to any resale, distribution or other disposition of such security in violation of the United States federal securities laws. Neither this Current Report on Form 8-K, nor the exhibits attached hereto, is an offer to sell or the solicitation of an offer to buy the securities described herein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 3, 2021, the Board approved the appointment of Grant Bogle as President and Chief Executive Officer of the Company effective as of August 9, 2021 (the "Commencement Date"). Mr. Bogle will succeed Robert B. Bazemore, who resigned as President and Chief Executive Officer and as a member of the Board on August 3, 2021, in each case effective as of the Commencement Date. Mr. Bogle will continue to serve on the Board. Effective August 9, 2021, Mr. Bogle will assume the role of principal executive officer of the Company.

Prior to accepting his new position with the Company, Mr. Bogle, 63, attended Harvard University as Senior Fellow in the 2020 cohort of the Advanced Leadership Initiative. From July 2015 to June 2019, Mr. Bogle served as Senior Vice President and Chief Commercial Officer of Tesaro, Inc, a biopharmaceutical company ("Tesaro") and left the organization after the purchase of Tesaro by GlaxoSmithKline plc. Prior to joining Tesaro, Mr. Bogle served as Senior Vice President, Pharmaceutical and Biotech Solutions at McKesson Specialty Health (formerly U.S. Oncology) from July 2007 to June 2015. Previously, he was Senior Vice President of Sales and Marketing for Millennium Pharmaceuticals. Mr. Bogle holds a B.A. in economics from Dartmouth College, an M.B.A. from Columbia University.

Mr. Bogle has no family relationship with any of the executive officers or directors of the Company. There are no arrangements or understandings between Mr. Bogle and any other person pursuant to which he was elected as an officer of the Company.

Bogle Employment Arrangements. Mr. Bogle has entered into an employment offer letter dated August 4, 2021 (the "Offer Letter") with the Company that establishes the terms of his employment with the Company, including his title, salary, bonus and eligibility for benefits. Under the Offer Letter, Mr. Bogle's annual base salary will be $675,000 and his annual target bonus opportunity will equal 65% of his annual base salary.

Pursuant to the Offer Letter the Company has granted to Mr. Bogle, effective as of August 16, 2021, a stock option to purchase 417,500 shares of common stock of the Company ("Common Stock") at an exercise price equal to the closing price of the Common Stock on the Nasdaq Global Select Market on August 16, 2021. Subject to Mr. Bogle's continued employment with the Company, the stock options will vest as to 33.33% of the underlying shares on August 16, 2022, and the balance of the underlying shares will vest thereafter in 24 equal monthly installments until August 16, 2024. The Company has also granted to Mr. Bogle, effective as of August 16, 2021, restricted stock units for 87,500 shares of Common Stock on August 16, 2021. Subject to Mr. Bogle's continued employment with the Company, the restricted stock units will vest in three equal installments over a three year period, with the first installment vesting on August 16, 2022 and the balance of the restricted stock units vesting thereafter in two equal annual installments on August 16, 2023 and August 16, 2024.

In addition, subject to Mr. Bogle's continued employment with the Company, the Company has agreed to grant Mr. Bogle in January 2022 (i) an additional stock option to purchase at least 417,500 shares of Common Stock, which will vest as to 33.33% of the underlying shares on August 16, 2022, and the balance of the underlying shares will vest thereafter in 24 equal monthly installments until August 16, 2024 and (ii) additional restricted stock units for at least 87,500 shares of Common Stock, which restricted stock units will vest in three equal installments over a three year period, with the first installment vesting on August 16, 2022 and the balance of the restricted stock units vesting thereafter in two equal annual installments on August 16, 2023 and August 16, 2024.

Mr. Bogle is also eligible for severance benefits under the Company's Executive Severance and Change in Control Plan (the "Severance Plan"). Under the Severance Plan, if the Company terminates Mr. Bogle's employment without cause or if he terminates his employment for good reason (each as defined in the Severance Plan) prior to or more than twelve months following a change in control (as defined in the Severance Plan), he will be entitled to receive his monthly base salary and medical benefits for twelve months following the date of such termination. If the Company terminates Mr. Bogle's employment without cause or he terminates his employment for good reason upon or within twelve months following a change in control, he will be entitled to receive his monthly base salary and medical benefits for eighteen months following the date of such termination and 150% of his target bonus, in both cases subject to Mr. Bogle's signing a severance agreement and release of claims.

Bazemore Consulting Arrangements. Mr. Bazemore has agreed to assist the Company in an advisory capacity for 12 months from the effective date of his resignation under the terms of a consulting agreement entered into with the Company on August 4, 2021 (the "Consulting Agreement") that will become effective upon the effectiveness of Mr. Bazemore's resignation. During the term of the Consulting Agreement, Mr. Bazemore will receive a monthly fee of (i) $42,635 per month through December 31, 2021 and (ii) $17,760 per month beginning January 1, 2022 through August 9, 2022. During the term of the Consulting Agreement, the Company will also pay on Mr. Bazemore's behalf, subject to Mr. Bazemore's eligibility for continued coverage under COBRA, the portion of the premiums for group health insurance coverage to the same extent that the Company paid such premiums immediately prior to the effectiveness of Mr. Bazemore's resignation. The continued effectiveness of the Consulting Agreement is subject to Mr. Bazemore's execution and non-revocation of a standard release of claims.

The foregoing descriptions of Mr. Bogle's Offer Letter and the Severance Plan and Mr. Bazemore's Consulting Agreement do not purport to be complete and are qualified in their entirety by reference to the Offer Letter and Consulting Agreement, copies of which will be filed with the Securities and Exchange Commission (the "SEC") in the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2021, and the Severance Plan, a copy of which was filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 26, 2019 (File No. 001-35945).

Forward-Looking Statements

Any statements in this Current Report on Form 8-K about future expectations, plans and prospects for the Company, including statements about the expected proceeds from the License Agreement and the Warrant, statements about the Company's cost reductions and expected costs and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: whether commercial sales of TAZVERIK for epithelioid sarcoma and follicular lymphoma in the approved indications will be accelerated; whether the refinement of the Company's commercial strategy and cost reductions will achieve the Company's objectives; whether the collaboration with Hutchmed will be successful, including whether tazemetostat as a monotherapy or in combination with any product will receive marketing approval for epithelioid sarcoma or follicular lymphoma or any other indication in the Territory and whether the Company will receive the payments contemplated by the License Agreement, including proceeds from the exercise of the Warrant; whether the cost reduction plan will achieve the anticipated savings; whether tazemetostat will receive marketing approval for epithelioid sarcoma or follicular lymphoma in other jurisdictions, full approval in the United States or approval in any other indication; whether results from preclinical studies or earlier clinical studies will be predictive of the results of future trials; whether results from clinical studies will warrant meetings with regulatory authorities, submissions for regulatory approval or review by governmental authorities under the accelerated approval process; whether the Company will receive regulatory approvals, including accelerated approval, to conduct trials or to market products; the impact of the COVID-19 pandemic on the Company's business, results of operations and financial condition; other matters that could affect the availability or commercial success of tazemetostat in the Territory; whether the company's cash resources will be sufficient to fund the company's foreseeable and unforeseeable operating expenses and capital expenditure requirements; and other factors discussed in the "Risk Factors" section of the Company's most recent Form 10-K or Form 10-Q filed with the SEC and in the Company's other filings from time to time with the SEC. In addition, the forward-looking statements included in this Current Report on Form 8-K represent the Company's views as of the date hereof and should not be relied upon as representing the Company's views as of any date subsequent to the date hereof. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1	Press release issued by the Company on August 9, 2021*
104	Cover Page Interactive Data File (embedded within XBRL document)

* The exhibit shall be deemed to be furnished, and not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EPIZYME, INC.

Date: August 9, 2021

By: /s/ John Weidenbruch
John Weidenbruch
Senior Vice President, General Counsel and Secretary

Exhibit 99.1

Epizyme Reports Second Quarter 2021 Financial Results and Provides Business Update

Total Revenue of $13.0 Million in 2Q 2021; TAZVERIK® Net Product Revenues of $8.0 Million

Revised Commercial Strategy and Operating Plan to Accelerate Adoption of TAZVERIK® and Focus Investment on Important Value-Driving Programs

IND Clearance for Novel SETD2 Inhibitor, EZM-0414; Clinical Trial Initiation Anticipated in 2H 2021

Strategic Partnership with HutchMed to Bring TAZVERIK® to Patients in Greater China

CAMBRIDGE, Mass., August 9, 2021 – Epizyme (Nasdaq: EPZM), a fully integrated, commercial-stage biopharmaceutical company developing and delivering novel epigenetic therapies, today reported its second quarter 2021 financial results and provided a business update.

"TAZVERIK has significant potential as a backbone of therapy in both epithelioid sarcoma and follicular lymphoma based on real-world evidence and physician feedback. With that in mind, the challenging launch environment and evolving expectations of the future commercial landscape have led us to revise our commercial strategy and operating plans, prioritizing company resources on our most important value-driving activities," said Robert Bazemore, President and Chief Executive Officer of Epizyme. "Most significantly, we have taken steps to realign our current commercial organization, reducing traditional sales roles and creating new field roles to achieve better access to thought leaders and large community oncology practices. These, and other changes across our business, are designed to reduce our cash burn and allow us to maintain sufficient operating capital to achieve important milestones."

"As we implement these changes, we continue to execute across the business. During the second quarter we launched EZH2Now, a sponsored program to improve access to EZH2 mutation testing; received FDA clearance of our IND for EZM-0414, our novel SETD2 inhibitor, which we anticipate advancing into clinical development later this year; and advanced the ongoing clinical trials of TAZVERIK, all of which remain on track with previous guidance. In addition, this morning we announced a strategic partnership with HutchMed to bring TAZVERIK to patients in China and expand the development of tazemetostat in new combinations. These important accomplishments bring diversity to our pipeline while advancing TAZVERIK's potential."

Recent Highlights

- **Commercial Execution:** TAZVERIK generated net product revenue of $8.0 million in the second quarter of 2021 consisting of $4.8 million in commercial sales in Epithelioid Sarcoma (ES) and Follicular Lymphoma (FL) and $3.2 million related to the sale of commercial product to a third-party pharmaceutical company for use in its combination clinical trials. Although commercial sales were down from the first quarter 2021, total patient demand slightly increased by 3%, offset by higher demand for the Company's patient assistance program during the quarter. The Company continued to expand adoption through the addition of new prescribing accounts, including among large community practices, in the second quarter of 2021.

- **Announced Collaboration with HutchMed in China:** The commercial and development collaboration with HutchMed will extend TAZVERIK's reach to China and allow for additional exploration of TAZVERIK in new combinations across multiple tumor types. Epizyme will receive an upfront payment of $25 million from HutchMed in the fourth quarter of 2021 as a result of the collaboration, with potential future development, regulatory and commercial milestone payments of up to an aggregate of $285 million over the life of the collaboration, in addition to royalties on TAZVERIK sales in Greater China.
- **EZH-302 Phase 1b/3 Confirmatory Study of TAZVERIK in Follicular Lymphoma:** The combination of TAZVERIK with R^2 (lenalidomide and rituximab) is being evaluated in a Phase 1b/3 confirmatory study in relapsed or refractory (R/R) FL patients. During the second quarter of 2021, Epizyme completed enrollment of all Phase 1b cohorts of the Phase 1b/3 trial. Of the 36 patients enrolled in this safety run-in, 17 patients are evaluable for efficacy to date based on the availability of tumor scans. All 17 patients have achieved an objective response to treatment, with six patients having a complete response and 11 patients having a partial response.
- **IND Clearance for Epizyme's Novel SETD2 Inhibitor:** Epizyme today announced the clearance of its Investigational New Drug (IND) application from the FDA for its novel SETD2 inhibitor, EZM-0414. The Company expects to initiate a first-in-human clinical trial later this year. SETD2 inhibition has been shown to have clinical potential in multiple settings, including high risk t(4;14) multiple myeloma and in other B-cell malignancies such as Large-cell Lymphoma, as monotherapy and in combination with existing and emerging therapies including tazemetostat.
- **Launched EZH2 Now Testing Program:** Epizyme launched the EZH2Now Testing Program on June 16, 2021, with Quest Diagnostics, the leading provider of diagnostic information services, to provide EZH2 mutation testing for patients with R/R FL. The Company expects this program will promote interest in, and access to, EZH2 single gene mutation testing. Epizyme created this program with Quest in response to market research conducted in the first quarter of 2021 that indicated approximately one-third of physicians surveyed did not have an easy way to test their patients for EZH2 mutation.
- **Additional Ongoing Clinical Trials of Tazemetostat in Follicular Lymphoma:** EZH-1401, Epizyme's Phase 2 trial evaluating TAZVERIK plus rituximab in R/R FL continues to move forward as planned and is actively enrolling. Patient enrollment also continues in the Lymphoma Study Association (LYSA) trial in front-line FL and Diffuse Large B-cell Lymphoma (DLBCL), as well as other investigator sponsored trials.
- **IND Clearance for Solid Tumor Basket Trial:** Epizyme received clearance of its IND from the FDA for a solid tumor basket trial, EZH-1301, which will evaluate tazemetostat safety and efficacy across multiple solid tumors. With this approach, the Company plans to study multiple combinations with standard-of-care therapies and novel mechanisms of action to expand the potential of tazemetostat. Epizyme plans to initiate the study later this year.
- **EZH-1101 Phase 1b/2 Study of Tazemetostat in Prostate Cancer:** Based on encouraging preliminary safety and activity data, Epizyme initiated enrollment in the Phase 2 efficacy portion of this study evaluating enzalutamide plus tazemetostat compared to enzalutamide

alone earlier this year in metastatic castration resistant Prostate Cancer (mCRPC) patients. The Phase 2 portion of the study is now over one-third enrolled. Epizyme plans to present updated safety and efficacy data from the Phase 1b safety run-in as part of a poster presentation during the European Society for Medical Oncology (ESMO) Congress 2021 in September.

- **Presented Preclinical and Clinical Data at EHA and ASCO in June:** Epizyme shared the discovery of a selective inhibitor of the SETD2 histone methyltransferase with potent *in vitro* and *in vivo* activity in a European Hematology Association (EHA) 2021 oral presentation. The Company separately shared results of the Phase 1b Soft-tissue Sarcoma (STS) portion of its ongoing global randomized, double-blind, placebo-controlled study of tazemetostat plus doxorubicin as front-line therapy for advanced ES in an American Society of Clinical Oncology (ASCO) 2021 poster presentation.

Operating Plan Refinement

- **Organizational Changes:** In response to challenging market dynamics experienced over the course of the last twelve months since launching TAZVERIK, Epizyme will be making important changes to its operating plans that reduce the Company's budgeted workforce and effect other cost reductions across the business. These changes include a refinement of Epizyme's current field organization, aligned with a revised strategy for improved customer access and TAZVERIK adoption. The Company is creating new field roles meant to achieve better access to thought leaders and to large community accounts at the executive decision-maker level, while reducing the number of traditional sales roles. Epizyme is also shifting commercial resources to implement several digital approaches to reach both healthcare providers and patients directly. The new operating plan also achieves reductions in headcount and external spending across other areas of the business. The Company reduced its budgeted headcount by 20 percent. This includes 11 percent of current employees, resulting in estimated severance and termination costs of approximately $2.0 million. Epizyme expects to record these charges in the third quarter of 2021.

  These changes are intended to allow the Company to better deliver on TAZVERIK adoption, and execute more effectively on the most important value-creating initiatives, continuing to advance the four pillars of its long-term growth strategy.

- **Revised Financial Guidance:** Based on its refined commercial strategy and operating plan, including the cash it expects to generate from product sales and the $25 million upfront payments from its collaboration with HutchMed, Epizyme expects its current cash runway to extend into the fourth quarter of 2022. Additionally, the Company expects its non-GAAP adjusted operating expenses for 2021 to be between $220 and $230 million, down from previous guidance of $235 to $255 million.

Second Quarter 2021 Financial Results

- **Cash Position:** Cash, cash equivalents and marketable securities were $244.0 million as of June 30, 2021, as compared to $298.9 million as of March 31, 2021.

- **Revenue:** Total revenue for the second quarter of 2021 was $13.0 million, compared to $2.5 million for the second quarter of 2020. Total revenue for the second quarter of 2021

consisted of $8.0 million of net product revenue, comprised of $4.8 million in commercial net sales of TAZVERIK and $3.2 million of TAZVERIK related to the sale of commercial product by one of the Company's customers to a third-party pharmaceutical company for use in its clinical trials. The remaining $5.0 million was collaboration revenue related to Epizyme's supply agreement with Eisai.

- **Operating Expenses:** Total GAAP operating expenses were $71.2 million for the second quarter of 2021 compared to $60.0 million for the second quarter of 2020. Total non-GAAP adjusted operating expenses were $63.2 million for the second quarter of 2021 compared to $50.9 million for the second quarter of 2020.
    - **R&D expenses:** GAAP R&D expenses were $34.9 million for the second quarter of 2021 compared to $26.4 million for the second quarter of 2020. Non-GAAP adjusted R&D expenses were $32.7 million for the second quarter of 2021 compared to $23.4 million for the second quarter of 2020.
    - **SG&A expenses:** GAAP SG&A expenses were $33.9 million for the second quarter of 2021 compared to $32.7 million for the second quarter of 2020. Non-GAAP adjusted SG&A expenses were $29.1 million for the second quarter of 2021 compared to $27.1 million for the second quarter of 2020.
- **Net Loss (GAAP):** Net loss attributable to common stockholders was $64.4 million, or $0.63 per share, for the second quarter of 2021, compared to $58.5 million, or $0.58 per share, for the second quarter of 2020.
- A reconciliation of non-GAAP adjusted financial measures directly comparable to GAAP financial measures is presented in the table attached to this press release.

Conference Call Information

Epizyme will host a conference call today, August 9, at 8:30 a.m. ET. To participate in the conference call, please dial (877) 844-6886 (domestic) or (970) 315-0315 (international) and refer to conference ID 3658407. A webcast, as well as supplemental slides to support the webcast, will be available in the investor section of the Company's website at www.epizyme.com, and will be archived for 60 days following the call.

About Non-GAAP Financial Measures

In addition to financial information prepared in accordance with the U.S. generally accepted accounting principles (GAAP), this press release includes the following non-GAAP financial measures: total non-GAAP adjusted operating expenses on a historical and projected basis, non-GAAP adjusted R&D expenses on a historical basis and non-GAAP adjusted SG&A expenses on a historical basis. Epizyme derives these non-GAAP financial measures by excluding certain expenses and other items from the respective GAAP financial measure, that is most directly comparable to each non-GAAP financial measure. Specifically, the non-GAAP financial measures exclude stock-based compensation expense and depreciation and amortization of intangibles. The company's management believes that these non-GAAP financial measures are useful to both management and investors in analyzing its ongoing business and operating performance. Management does not intend the presentation of these non-GAAP financial measures to be considered in isolation or as a substitute for results prepared in accordance with GAAP, but as a complement to provide greater transparency. In addition, these non-GAAP

financial measures may differ from similarly named measures used by other companies. A quantitative reconciliation of projected non-GAAP adjusted operating expenses to total operating expenses is not available without unreasonable effort primarily due to the company's inability to predict with reasonable certainty the amount of future stock-based compensation expense.

About TAZVERIK® (tazemetostat)

TAZVERIK is a methyltransferase inhibitor indicated for the treatment of:

- Adults and pediatric patients aged 16 years and older with metastatic or locally advanced epithelioid sarcoma not eligible for complete resection.
- Adult patients with relapsed or refractory follicular lymphoma whose tumors are positive for an EZH2 mutation as detected by an FDA-approved test and who have received at least two prior systemic therapies.
- Adult patients with relapsed or refractory follicular lymphoma who have no satisfactory alternative treatment options.

These indications are approved under accelerated approval based on overall response rate and duration of response. Continued approval for these indications may be contingent upon verification and description of clinical benefit in confirmatory trials.

The most common (³20%) adverse reactions in patients with epithelioid sarcoma are pain, fatigue, nausea, decreased appetite, vomiting and constipation. The most common (³20%) adverse reactions in patients with follicular lymphoma are fatigue, upper respiratory tract infection, musculoskeletal pain, nausea and abdominal pain.

View the U.S. Full Prescribing Information here: Epizyme.com

About Epizyme, Inc.

Epizyme, Inc. is a fully integrated, commercial-stage biopharmaceutical company committed to its mission of rewriting treatment for cancer and other serious diseases through novel epigenetic medicines. In addition to an active research and discovery pipeline, Epizyme has one U.S. FDA approved product, TAZVERIK® (tazemetostat), for the treatment of adults and pediatric patients aged 16 years and older with metastatic or locally advanced epithelioid sarcoma (ES) who are not eligible for complete resection; adult patients with relapsed or refractory follicular lymphoma (FL) whose tumors are positive for an EZH2 mutation as detected by an FDA-approved test and who have received at least two prior systemic therapies; and adult patients with relapsed or refractory follicular lymphoma who have no satisfactory alternative treatment options. These indications are approved under accelerated approval based on overall response rate and duration of response. Continued approval for these indications may be contingent upon verification and description of clinical benefit in confirmatory trial(s). The Company is also exploring the treatment potential of tazemetostat in investigational clinical trials in other solid tumors and hematological malignancies, as a monotherapy and combination therapy in both relapsed and front-line disease settings. By focusing on the genetic drivers of disease, Epizyme seeks to match medicines with the patients who need them. For more information, visit www.epizyme.com.

TAZVERIK® is a registered trademark of Epizyme, Inc.

Cautionary Note on Forward-Looking Statements

Any statements in this press release about future expectations, plans and prospects for Epizyme, Inc. and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: whether commercial sales of TAZVERIK for epithelioid sarcoma and follicular lymphoma in the approved indications will be successful; whether the refinement of the company's commercial strategy and cost reductions will achieve the company's objectives; whether tazemetostat will receive marketing approval for epithelioid sarcoma or follicular lymphoma in other jurisdictions, full approval in the United States or approval in any other indication; whether results from preclinical studies or earlier clinical studies will be predictive of the results of future trials, such as the ongoing confirmatory trials; whether results from clinical studies will warrant meetings with regulatory authorities, submissions for regulatory approval or review by governmental authorities under the accelerated approval process; whether the company will receive regulatory approvals, including accelerated approval, to conduct trials or to market products; the impact of the COVID-19 pandemic on the company's business, results of operations and financial condition; whether the company's cash resources will be sufficient to fund the company's foreseeable and unforeseeable operating expenses and capital expenditure requirements; other matters that could affect the availability or commercial success of tazemetostat; and other factors discussed in the "Risk Factors" section of the company's most recent Form 10-K or Form 10-Q filed with the SEC and in the company's other filings from time to time with the SEC. In addition, the forward-looking statements included in this press release represent the company's views as of the date hereof and should not be relied upon as representing the company's views as of any date subsequent to the date hereof. The company anticipates that subsequent events and developments will cause the company's views to change. However, while the company may elect to update these forward-looking statements at some point in the future, the company specifically disclaims any obligation to do so.

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Contacts
Media:
Erin Graves
media@epizyme.com
(617) 500-0615

Investors:
Craig West
cwest@epizyme.com
(857) 270-6001

EPIZYME, INC
CONSOLIDATED BALANCE SHEET DATA (UNAUDITED)
(Amounts in thousands)

	June 30, 2021	December 31, 2020
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 80,164	$ 168,215
Marketable securities	163,842	205,391
Intangible assets, net	44,926	47,002
Total assets	352,549	473,573
Total current liabilities	40,893	43,400
Related party long-term debt, net of debt discount	216,052	215,670
Related party liability related to sale of future royalties	15,143	14,176
Total stockholders' equity	67,629	184,897

EPIZYME, INC.
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
Revenues				
Product revenue, net	$ 7,984	$ 2,234	$ 14,175	$ 3,519
Collaboration and other revenue	5,026	233	6,466	303
Total revenue	13,010	2,467	20,641	3,822
Operating expenses				
Cost of revenue	2,492	1,022	5,346	1,637
Research and development	34,858	26,352	67,561	51,516
Selling, general and administrative	33,891	32,659	70,303	59,584
Total operating expenses	71,241	60,033	143,210	112,737
Operating loss	(58,231)	(57,566)	(122,569)	(108,915)
Other (expense) income, net:				
Interest (expense) income, net	(5,581)	(569)	(11,057)	187
Other expense, net	(54)	(15)	(44)	(64)
Related party non-cash interest expense related to sale of future royalties	(497)	(301)	(967)	(596)
Other (expense) income, net:	(6,132)	(885)	(12,068)	(473)
Loss before income taxes	(64,363)	(58,451)	(134,637)	(109,388)
Income provision	—	—	—	—
Net loss	$ (64,363)	$ (58,451)	$(134,637)	$(109,388)
Net loss per share attributable to common stockholders - basic and diluted	$ (0.63)	$ (0.58)	$ (1.32)	$ (1.09)
Weighted-average common shares outstanding used in net loss per share attributable to common stockholders - basic and diluted	102,053	101,104	101,922	100,360

EPIZYME, INC.
Reconciliation of Selected GAAP Measures to Non-GAAP Measures (UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Reconciliation of GAAP to Non-GAAP Cost of Revenue				
GAAP Cost of Revenue	$ 2,492	$ 1,022	$ 5,346	$ 1,637
Less: Depreciation and Amortization	(1,038)	(623)	(2,077)	(921)
Non-GAAP Adjusted Cost of Revenue	$ 1,454	$ 399	$ 3,269	$ 716
Reconciliation of GAAP to Non-GAAP Research and Development				
GAAP Research and Development	$34,858	$26,352	$ 67,561	$ 51,516
Less: Stock-Based Compensation Expenses	(2,023)	(2,804)	(4,253)	(4,966)
Less: Depreciation and Amortization	(156)	(130)	(299)	(268)
Non-GAAP Adjusted Research and Development	$32,679	$23,418	$ 63,009	$ 46,282
Reconciliation of GAAP to Non-GAAP Selling, General and Administrative:				
GAAP Selling, General and Administrative	$33,891	$32,659	$ 70,303	$ 59,584
Less: Stock-Based Compensation Expenses	(4,695)	(5,488)	(9,480)	(9,836)
Less: Depreciation and Amortization	(118)	(100)	(219)	(173)
Non-GAAP Adjusted Selling, General and Administrative	$29,078	$27,071	$ 60,604	$ 49,575
Reconciliation of GAAP to Non-GAAP Operating Expenses				
GAAP Operating Expenses	$71,241	$60,033	$143,210	$112,737
Less: Stock-Based Compensation Expenses	(6,718)	(8,292)	(13,733)	(14,802)
Less: Depreciation and Amortization	(1,312)	(853)	(2,595)	(1,362)
Non-GAAP Adjusted Operating Expenses	$63,211	$50,888	$126,882	$ 96,573