



Silence Therapeutics Reports First Quarter 2023 Results

5/16/2023

LONDON--(BUSINESS WIRE)-- Silence Therapeutics plc, Nasdaq: SLN ("Silence" or "the Company"), an experienced and innovative biotechnology company committed to transforming people's lives by silencing diseases through precision engineered medicines, today reported its financial results for the first quarter ended March 31, 2023 and reviewed recent business highlights.

"2023 has been marked by strong execution across all areas of our business," said Craig Tooman, President and Chief Executive Officer at Silence. "We completed enrollment in the zerlasiran phase 2 study in four months which exceeded expectations, advanced SLN124 in the clinic and expanded our wholly owned pipeline with two very promising complement assets. We also made great headway with our partnered programs, including the achievement of a key milestone which will result in a \$10 million payment in our AstraZeneca collaboration. Our technology is increasingly being recognized as a platform and we expect this to continue along with our clinical advancement."

First Quarter 2023 and Recent Business Highlights

mRNAi GOLD™ Proprietary Program Updates

zerlasiran (cardiovascular disease)

- In January 2023, we initiated the ALPACAR-360 phase 2 study in subjects with atherosclerotic cardiovascular disease ("ASCVD") and high lipoprotein(a) ("Lp(a)"). In May 2023, we announced complete enrollment in the ALPACAR-360 phase 2 study. We expect to report topline data in mid-2024.
- In April 2023, we completed dosing in the multiple dose portion of the APOLLO phase 1 study in subjects with stable ASCVD and high Lp(a). We remain on-track to report topline data in the fourth quarter of 2023.

SLN124 (hematological disorders)

- In January 2023, we initiated the SANRECO phase 1/2 study in patients with polycythemia vera (“PV”).
- In March 2023, we completed dosing in the multiple dose portion of the GEMINI II phase 1 study in thalassemia patients. We remain on-track to report topline data in the fourth quarter of 2023.

mRNAi GOLD™ Partnered Program Updates

- In March 2023, we acquired back exclusive worldwide rights to two preclinical siRNA assets under our Mallinckrodt collaboration for complement-mediated diseases. Under the terms of the agreement, Silence did not make any upfront payment and Mallinckrodt is eligible to receive future success-based milestones and low single digit royalties on net sales if the projects advance. SLN501, the C3 targeting program, remains under the original collaboration agreement.
- In May 2023, we achieved a \$10.0 million milestone payment from AstraZeneca following the nomination of the first product candidate under our siRNA (“short interfering RNA”) collaboration focused on cardiovascular, renal, metabolic and respiratory diseases.

“We remain committed to responsibly investing in our pipeline and on initiatives where we see high value potential,” said Rhonda Hellums, Chief Financial Officer at Silence. “We ended March with approximately \$77.8 million in cash and cash equivalents. In May, we achieved a \$10 million milestone from our AstraZeneca collaboration, and we expect to receive additional non-dilutive capital from our existing partnerships, which we believe will further extend our cash runway beyond the zerlasiran phase 2 data readout.”

First Quarter 2023 Financial Results

For the three-month period ending March 31, 2023, the net loss after tax was £10.2 million, or weighted average loss per share of 9.5 pence, compared to £7.7 million, or weighted average loss per share of 8.6 pence, for the same period in 2022. The increase in net loss was primarily related to increased research and development spend offset by an increase in revenues from our collaboration agreements as we achieved an additional milestone and continue to further advance the programs.

Revenue

Revenue recognized for the quarter ending March 31, 2023 was £11.4 million, compared to £5.7 million for the quarter ending March 31, 2022. The Company records revenue from collaborations based on percentage of contract completion and the increase was primarily a result of our Mallinckrodt collaboration in which we reacquired exclusive worldwide rights to two preclinical siRNA assets. This resulted in a modification of the agreement triggering additional revenue recognized.

Cost of sales

The cost of sales increased for the three months ending March 31, 2023 to £4.5 million from £2.3 million in the period ending March 31, 2022. Cost of sales includes research and development expenditure that is directly related to work carried out on revenue-generating contracts. The increase was largely due to the further advancement of collaboration programs.

Research and Development

During the period, research and development expenditures were £12.5 million compared to £7.6 million for the same three-month period ending March 31, 2022. This was largely due to an increase in contracted research and development expenses of £4.2 million resulting from advancement of the studies for SLN124 and zerlasiran compared to the corresponding three-month period in the prior year.

General and Administrative

General and administrative expenses increased by £0.7 million to £6.5 million for the three-month period ending March 31, 2023 from £5.8 million for the corresponding period in 2022. This increase was predominantly related to increased personnel costs related to equity-based compensation.

Liquidity, cash and cash equivalents

As of March 31, 2023, the Company had £62.9 million of cash and cash equivalents, and U.S. Treasury Bills or approximately \$77.8 million. We believe that our current cash, cash equivalents and U.S. Treasury Bills, as well as the receipt of the \$10 million milestone achieved in May 2023 and anticipated additional future milestone payments of up to \$14 million from existing collaboration agreements will extend the ability to fund operations through the third quarter of 2024.

About Silence Therapeutics

Silence Therapeutics is developing a new generation of medicines by harnessing the body's natural mechanism of RNA interference, or RNAi, to inhibit the expression of specific target genes thought to play a role in the pathology of diseases with significant unmet need. Silence's proprietary mRNAi GOLD™ platform can be used to create siRNAs (short interfering RNAs) that precisely target and silence disease-associated genes in the liver, which represents a substantial opportunity. Silence's wholly owned product candidates include zerlasiran designed to address the high and prevalent unmet medical need in reducing cardiovascular risk in people born with high levels of lipoprotein(a) and SLN124 designed to address hematological diseases. Silence also maintains ongoing research and

development collaborations with AstraZeneca, Mallinckrodt Pharmaceuticals, and Hansoh Pharma, among others. For more information, please visit <https://www.silence-therapeutics.com/>.

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other securities laws, including with respect to the Company's cash runway and forecast operating cash flow, the Company's clinical and commercial prospects, regulatory approvals of the Company's product candidates, potential partnerships or collaborations or payments under new and existing collaborations, the initiation or completion of the Company's clinical trials and the anticipated timing or outcomes of data reports from the Company's clinical trials. These forward-looking statements are not historical facts but rather are based on the Company's current assumptions, beliefs, expectations, estimates and projections about its industry. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including those risks identified in the Company's most recent Admission Document and its Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on March 15, 2023. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Condensed consolidated income statement (unaudited)

£000s (except per share information)	Three months ended	Three months ended
	March 31, 2023 £000s	March 31, 2022 £000s
Revenue	11,374	5,722
Cost of sales	(4,534)	(2,275)
Gross profit	6,840	3,447
Research and development costs	(12,539)	(7,603)
General and administrative expenses	(6,450)	(5,766)
Operating loss	(12,149)	(9,922)
Finance and other expenses	(860)	-
Finance and other income	336	350
Loss for the period before taxation	(12,673)	(9,572)
Taxation	2,469	1,888

Loss for the period after taxation	(10,204)	(7,684)
Loss per ordinary equity share (basic and diluted)	(9.5) pence	(8.6) pence

Condensed consolidated balance sheet (unaudited)

	March 31, 2023 £000s	December 31, 2022 £000s
Non-current assets		
Property, plant and equipment	2,101	2,201
Goodwill	7,962	8,009
Other intangible assets	310	320
Financial assets at amortized cost	284	284
	<u>10,657</u>	<u>10,814</u>
Current assets		
Cash and cash equivalents	46,731	54,816
Financial assets at amortized cost	16,135	16,328
R&D tax credit receivable	10,736	14,882
Other current assets	8,385	9,745
Trade receivables	1,693	915
	<u>83,680</u>	<u>96,686</u>
Non-current liabilities		
Contract liabilities	(59,765)	(63,485)
Lease liability	(218)	-
	<u>(59,983)</u>	<u>(63,485)</u>
Current liabilities		
Contract liabilities	(4,338)	(8,864)
Trade and other payables	(13,246)	(12,633)
Lease liability	(180)	(446)
	<u>(17,764)</u>	<u>(21,943)</u>
Net assets	<u>16,590</u>	<u>22,072</u>
Capital and reserves attributable to the owners of the parent		
Share capital	5,403	5,390
Capital reserves	281,552	277,860
Translation reserve	2,046	2,085
Accumulated losses	(272,411)	(263,263)
Total shareholders equity	<u>16,590</u>	<u>22,072</u>

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