



Silence Therapeutics Reports Second Quarter 2023 Results

8/16/2023

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 second quarter ended June 30, 2023 and reviewed recent business highlights.

"Silence's strong second quarter results reflect continued execution and meaningful pipeline progress," said Craig Tooman, President and Chief Executive Officer at Silence. "We look forward to multiple clinical data readouts in the second half of this year from our wholly owned programs along with the continued success of our partnered portfolio. This is a very exciting time for Silence and our proprietary siRNA technology platform."

Second Quarter 2023 and Recent Business Highlights

mRNAi GOLD™ Proprietary Program Updates

zerlasiran (cardiovascular disease)

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

SLN124 (hematological disorders)

- We continued to enroll patients in the phase 1 portion of the SANRECO study in patients with polycythemia

vera ("PV").

- We continued to advance 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 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.
- In July 2023, we announced the future receipt of \$4.0 million from Hansoh following the achievement of two undisclosed preclinical milestones.

Second Quarter 2023 Financial Results

For the three-month period ending June 30, 2023, the net loss after tax was £10.4 million, or weighted average loss per share of 9.6 pence, compared to £11.9 million, or weighted average loss per share of 13.3 pence, for the same period in 2022. The decrease in net loss was primarily related to an increase in revenue from our collaboration agreements as we achieved additional milestones and we continue to further advance the partner programs, offset by an increase in research and development expense as we advance our proprietary pipeline.

For the six-month period ending June 30, 2023, the net loss after tax was £20.6 million, or weighted average loss per share of 19.0 pence, compared to £19.6 million, or weighted average loss per share of 21.9 pence, for the same period in 2022. The increase in net loss for the six-month period was primarily related to an increase in research and development expense as we advance our pipeline offset by an increase in revenue from our collaboration agreements.

Revenue

Revenue recognized for the quarter ending June 30, 2023 was £9.1 million, compared to £3.6 million for the quarter ending June 30, 2022. For the six-month period ending June 30, 2023, revenue recognized was £20.5 million, compared to £9.4 million for same period in 2022. The Company records revenue from collaborations based on percentage of contract completion and the increase in 2023 was primarily a result of our Mallinckrodt collaboration in which we reacquired exclusive worldwide rights to two preclinical siRNA assets resulting in a modification of the agreement, triggering additional revenue recognized. The 2023 revenue was also impacted by the achievement of additional milestones from our collaboration agreements.

Cost of sales

The cost of sales increased for the three months ending June 30, 2023 to £2.8 million from £2.4 million in the three-month period ending June 30, 2022. The cost of sales increased for the six-month period ending June 30, 2023 to £7.4 million from £4.6 million for the same period in 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 three-month period ending June 30, 2023, research and development expenditures were £12.6 million compared to £10.8 million for the same three-month period in 2022. Research and development expenditures increased for the six-month period ending June 30, 2023 to £25.2 million from £18.4 million for the same period in 2022. This was largely due to an increase in contracted research and development expenses as we continue to advance the SLN124 and SLN360 studies.

General and Administrative

General and administrative expenses increased by £0.6 million to £5.1 million for the three-month period ending June 30, 2023 from £4.5 million for the corresponding period in 2022. For the six-month period ending June 30, 2023, general and administrative expenses increased to £11.6 million compared to £10.3 million for the same period in 2022. This increase was predominantly related to the increase in equity-based compensation.

Liquidity, cash and cash equivalents

As of June 30, 2023, the Company had £50.2 million of cash and cash equivalents and U.S. Treasury Bills, or approximately \$63.4 million. We believe that our current cash, cash equivalents and U.S. Treasury Bills, as well as the receipt of the \$14 million in milestones achieved during the second quarter of 2023 and anticipated additional future milestone payments of up to \$10 million from existing collaboration agreements will extend the ability to fund operations into the fourth 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)

	Three months ended June 30, 2023 £000s	Three months ended June 30, 2022 £000s	Six months ended June 30, 2023 £000s	Six months ended June 30, 2022 £000s
£000s (except per share information)				
Revenue	9,104	3,643	20,478	9,365
Cost of sales	(2,831)	(2,352)	(7,365)	(4,627)
Gross profit	6,273	1,291	13,113	4,738
Research and development costs	(12,615)	(10,832)	(25,154)	(18,435)
General and administrative expenses	(5,115)	(4,548)	(11,565)	(10,314)
Operating loss	(11,457)	(14,089)	(23,606)	(24,011)

Finance and other expenses	(893)	-	(1,753)	-
Finance and other income	340	669	676	1,019
Loss for the period before taxation	(12,010)	(13,420)	(24,683)	(22,992)
Taxation	1,609	1,481	4,078	3,369
Loss for the period after taxation	(10,401)	(11,939)	(20,605)	(19,623)
Loss per ordinary share (basic and diluted)	(9.6) pence	(13.3) pence	(19.0) pence	(21.9) pence

Condensed consolidated balance sheet (unaudited)

	June 30, 2023 £000s	December 31, 2022 £000s
Non-current assets		
Property, plant and equipment	2,038	2,201
Goodwill	7,773	8,009
Other intangible assets	302	320
Financial assets at amortized cost	284	284
	10,397	10,814
Current assets		
Cash and cash equivalents	29,720	54,816
Financial assets at amortized cost	20,501	16,328
R&D tax credit receivable	12,998	14,882
Other current assets	6,772	9,745
Trade receivables	12,323	915
	82,314	96,686
Non-current liabilities		
Contract liabilities	(60,732)	(63,485)
Lease liability	(166)	-
	(60,898)	(63,485)
Current liabilities		
Contract liabilities	(7,162)	(8,864)
Trade and other payables	(12,197)	(12,633)
Lease liability	(198)	(446)
	(19,557)	(21,943)
Net assets	12,256	22,072
Capital and reserves attributable to the owners of the parent		
Share capital	5,512	5,390
Capital reserves	287,610	277,860
Translation reserve	1,896	2,085
Accumulated losses	(282,762)	(263,263)
Total shareholders' equity	12,256	22,072

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