
**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): April 27, 2021

Morphic Holding, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-38940
(Commission
File Number)

47-3878772
(I.R.S. Employer
Identification No.)

35 Gatehouse Drive, A2
Waltham, Massachusetts
(Address of principal executive offices)

02451
(Zip Code)

Registrant's telephone number, including area code: (781) 996-0955

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(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	MORF	Nasdaq Global 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 2.02 Results of Operations and Financial Condition.

On April 29, 2021, the Company issued a press release (the “Press Release”) announcing its preliminary financial results for the quarter ended March 31, 2021. The Press Release is attached hereto as Exhibit 99.1.

The preliminary financial results are estimates and subject to completion of the applicable quarter-end closing procedures. The Company’s actual results for the quarter ended March 31, 2021 may vary from these estimates. In addition, estimated financial information is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the estimated financial results described in the Press Release will not materialize or will vary significantly from actual results. Accordingly, undue reliance should not be placed on these estimates.

The information in Exhibit 99.1 is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in Exhibit 99.1 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

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

Appointment of Ms. Susannah Gray as a Class II Director of the Company

Effective on April 27, 2021, the Board of Directors (the “Board”) of Morphic Holding, Inc. (the “Company”) appointed Susannah Gray to serve on the Board as a Class II Director. Ms. Gray shall hold office for a term expiring at the 2021 Annual Meeting of the Company’s stockholders to be held on June 16, 2021 (the “2021 Annual Meeting”), which is the next stockholder meeting at which Class II directors will be elected. Ms. Gray has been named to serve on the audit committee of the Board. There is no arrangement or understanding between Ms. Gray and any other persons pursuant to which Ms. Gray was selected as a director. Ms. Gray is not a party to and does not have any direct or indirect material interest in any transaction with the Company required to be disclosed under Item 404(a) of Regulation S-K. The Board determined that Ms. Gray qualifies as an independent director pursuant to the Securities Act of 1933, as amended and the listing standards of the Nasdaq Stock Market, in each case as currently in effect. Ms. Gray also entered into the Company’s standard form of indemnity agreement for its directors and executive officers, which was filed as Exhibit 10.1 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the Securities and Exchange Commission on March 1, 2021.

Consistent with the Company’s compensation policy for non-employee directors, on April 27, 2021, Ms. Gray was granted a stock option grant for 24,000 shares of the Company’s common stock, with an exercise price per share equal to the fair market value of the share on the date of grant (the “Initial Grant”). The Initial Grant will vest as follows: 25% will vest on the first anniversary of the date of grant and the remaining 75% will vest in eight substantially equal quarterly installments on each quarterly anniversary of the first anniversary of the date of grant, such that the Initial Grant will become fully vested and exercisable on the three-year anniversary of the date of grant, subject to Ms. Gray’s continued service on each applicable vesting date. Pursuant to the Company’s compensation policy for non-employee directors, on the date of each annual meeting of the Company’s stockholders, if Ms. Gray will continue to serve on the Board following such meeting, she will also be entitled to an annual stock option grant for 12,000 shares of the Company’s common stock, with an exercise price per share equal to the fair market value of the share on the date of grant (the “Annual Grant”). The Annual Grant will vest on the one-year anniversary of the grant date, or if earlier, the next annual meeting of the Company’s stockholders, assuming continued service through such vesting date. The Initial Grant and the Annual Grant will each be issued under the Company’s 2019 Equity Incentive Plan and will accelerate in full upon a change of control. Ms. Gray will also be entitled to the applicable annual cash retainer paid to non-employee directors under the Company’s compensation policy for non-employee directors.

Resignation of Directors for Any Reason Other than Disagreement with the Company.

On April 27, 2021, Dr. Otello Stampacchia notified the Company of his decision to retire from the Board and resign as a member of the Board and the Company’s Compensation Committee. The resignation of Dr. Stampacchia was effective when the Board accepted Dr. Stampacchia’s resignation, on April 27, 2021.

On April 27, 2021 Mr. Vikas Goyal notified the Company of his determination not to stand for reelection at the 2021 Annual Meeting. Mr. Goyal will cease to be a member of the Board and the Audit Committee immediately prior to the 2021 Annual Meeting.

Immediately prior to the commencement of the Company's 2021 Annual Meeting, the size of the Board shall decrease from ten to nine members. After an extensive service as Board members, Dr. Stampacchia and Mr. Goyal respectively elected to voluntarily step down from the Board and retire or not to stand for reelection, respectively. Accordingly, Dr. Stampacchia's and Mr. Goyal's respective decisions to resign and not to stand for reelection, were not related to any disagreement with the Company over any of its operations, policies, or practices.

Item 8.01 Other Events

The Company announced the election of Ms. Gray to the Company's Board, Dr. Stampacchia's resignation and Mr. Goyal's determination not to stand for reelection, in a Press Release furnished as Exhibit 99.2 to this report and is incorporated herein by this reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press release issued by Morphic Holding, Inc. regarding its financial results for the quarter ended March 31, 2021, dated April 29, 2021.
99.2	Press Release dated April 28, 2021

SIGNATURE

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.

MORPHIC HOLDING, INC.

Date: April 29, 2021

By: /s/ Marc Schegerin
Marc Schegerin
Chief Financial Officer and Chief Operating Officer



Morphic Announces Corporate Highlights and First Quarter 2021 Financial Results

Expanded research and development collaboration with Janssen for third integrin program

Announced positive preliminary results from Phase 1 SAD clinical trial of MORF-057

Received acceptance to present full MORF-057 Phase 1 data set at the ECCO'21 Virtual Congress in July

Completed \$245 million upsized public offering of stock

Presented positive preclinical data from $\alpha\beta 8$ program at AACR Annual Meeting demonstrating anti-tumor activity in checkpoint refractory cancer models

WALTHAM, Mass., April 29, 2021 – Morphic Therapeutic (Nasdaq: MORF), a biopharmaceutical company developing a new generation of oral integrin therapies for the treatment of serious chronic diseases, today reported corporate highlights and financial results for the first quarter of 2021.

Recent Highlights and Outlook

- Expanded research and development collaboration with Janssen Pharmaceuticals for a third program, focused on activating antibodies against a new integrin target
- Announced positive preliminary results from Phase 1 single ascending dose portion of MORF-057 Phase 1 providing early clinical proof of concept for MORF-057 as an oral, selective $\alpha 4\beta 7$ inhibitor
 - MORF-057 was well tolerated in all dose cohorts
 - MORF-057 achieved greater than 95% mean receptor occupancy of $\alpha 4\beta 7$ integrin at three highest dose levels
 - Observed saturating levels of >99% RO in subjects in each cohort above 25mg
 - Morphic received an acceptance for its submission to present the complete MORF-057 Phase 1 data set at the ECCO'21 Virtual Congress in July 2021. This presentation will include additional data from the Phase 1 SAD study as well as results from the ongoing Phase 1 multiple ascending dose and food effect studies
- Completed \$245 million upsized public offering of stock providing runway until the end of 2024
- Presented positive preclinical data from the $\alpha\beta 8$ immuno-oncology program demonstrating that Morphic's small molecule inhibitors, in combination with checkpoint inhibitors, potentiated anti-tumor activity in tumors refractory to checkpoint inhibition monotherapy

“Morphic has made great strides in our mission to develop oral integrin medicines based on the MInT platform thus far in 2021. We made noteworthy advances across our proprietary and partnered integrin development programs as well as in the operational aspects of our business, including expanded partnerships, and the presentation of new data from emerging programs in our early integrin pipeline,” commented Praveen Tipirneni, M.D., president and chief executive officer of Morphic Therapeutic. “Most importantly, we provided proof-of-concept data for MORF-057 in IBD, with a favorable tolerability profile and excellent pharmacodynamic data. Finally, based on our recent fund-raising, Morphic has a strong cash position as we approach additional MORF-057 data this year and then continue to advance our integrin-targeted therapeutic candidates created with the MInT platform.”

Financial Results for the First Quarter 2021

- Net loss for the quarter ended March 31, 2021 was \$21.3 million or \$0.63 per share compared to a net loss of \$16.7 million or \$0.55 per share for the same quarter last year.
- Revenue was \$3.3 million for the quarter ended March 31, 2021 compared to \$5.6 million for the same quarter last year.
- Research and development expenses were \$18.6 million for the quarter ended March 31, 2021 as compared to \$19.0 million for the same quarter last year. The slight decrease was due to AbbVie's option exercise for αvβ6 program in 2020 resulting in lower costs in 2021 offset with higher costs associated with Morphic's wholly owned α4β7 program.
- General and administrative expenses were \$6.0 million for the quarter ended March 31, 2021, compared to \$4.4 million for the same quarter last year. The increase was primarily attributable to increased headcount and higher professional and consulting costs associated with Morphic operating as a public company.

As of March 31, 2021, Morphic had cash, cash equivalents and marketable securities of \$448.3 million, compared to \$228.3 million as of December 31, 2020. The increase was primarily due to the closing of the public offering of common stock in March. Morphic believes its cash, cash equivalents and marketable securities as of March 31, 2021, will be sufficient to fund operating expenses and capital expenditure requirements until the end of 2024.

About Morphic Therapeutic

Morphic Therapeutic is a biopharmaceutical company developing a new generation of oral integrin therapies for the treatment of serious chronic diseases, including autoimmune, cardiovascular, and metabolic diseases, fibrosis and cancer. In collaboration with AbbVie, Janssen, and Schrödinger, Morphic is advancing its pipeline and discovery activities using its proprietary MInT technology platform which leverages the Company's unique understanding of integrin structure and biology. For more information, visit www.morphictx.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to: Morphic's or our partners' plans or ability to develop, obtain approval for any indication or disease and/or commercialize any oral small-molecule integrin therapeutics, including MORF-057, MORF-720, MORF-627, and any other candidates in development, the ability of MORF-057 to treat inflammatory bowel disease, the ability of MORF-720 and MORF-627 to treat idiopathic pulmonary fibrosis as well as other fibrotic diseases, the potential impact of the COVID-19 pandemic and the sufficiency of our cash, cash equivalents and investments to fund our operations. Statements including words such as "believe," "plan," "continue," "expect," "will be," "develop," "signal," "potential," "anticipate" or "ongoing" and statements in the future tense are forward-looking statements. These forward-looking statements involve risks and uncertainties, as well as assumptions, which, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are subject to risks and uncertainties that may cause Morphic's actual activities or results to differ significantly from those expressed in any forward-looking statement, including risks and uncertainties related to Morphic's ability to develop, obtain regulatory approval for and commercialize MORF-057, MORF-720, and other product candidates, the timing and results of preclinical studies and clinical trials, the potential impact of the COVID-19 pandemic, Morphic's ability to protect intellectual property. We urge you to consider those factors, and the other risks and uncertainties described in our most recent annual report on Form 10-K as filed with the Securities and Exchange Commission (SEC), any subsequent quarterly reports on Form 10-Q as well as in other documents that may be subsequently filed by Morphic from time to time with the SEC, in evaluating our forward-looking statements. These forward-looking statements speak only as of the date hereof and Morphic specifically disclaims any obligation to update these forward-looking statements or reasons why actual results might differ, whether as a result of new information, future events or otherwise, except as required by law.

-Financial Tables to Follow-

Morphic Holding Inc.
Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2021	2020
Collaboration revenue	\$ 3,265	\$ 5,594
Operating expenses:		
Research and development	18,613	18,960
General and administrative	5,953	4,423
Total operating expenses	24,566	23,383
Loss from operations	(21,301)	(17,789)
Other income, net	17	886
Total other income	17	886
Loss before benefit from income taxes	(21,284)	(16,903)
Benefit from income taxes	—	157
Net loss	\$ (21,284)	\$ (16,746)
Net loss per share, basic and diluted	\$ (0.63)	\$ (0.55)
Weighted-average common shares outstanding - basic and diluted	33,532,405	30,188,575

Morphic Holding Inc.
Condensed Consolidated Balance Sheets
(unaudited)
(in thousands)

	March 31, 2020	December 31, 2020
Assets		
Cash, cash equivalents and marketable securities	\$ 448,324	\$ 228,264
Other current assets	8,527	11,171
Total current assets	456,851	239,435
Other assets	2,715	2,947
Total assets	<u>\$ 459,566</u>	<u>\$ 242,382</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 34,070	\$ 39,438
Long-term liabilities	56,604	57,747
Total liabilities	90,674	97,185
Total stockholders' equity	368,892	145,197
Total liabilities and stockholders' equity	<u>\$ 459,566</u>	<u>\$ 242,382</u>

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Morphic Therapeutic Announces Appointment of Susannah Gray as Member of its Board of Directors

-Otello Stampacchia steps down, Vikas Goyal to leave Morpnic Board at the end of current term-

Waltham, MA, April 28, 2021 -- Morpnic Therapeutic (Nasdaq: MORF), a biotechnology company developing oral integrin therapies, today announced the appointment of Susannah Gray to its Board of Directors. Ms. Gray is an accomplished leader in healthcare finance and serves as a director on the boards of multiple healthcare companies. Ms. Gray was most recently the executive vice president of finance and strategy at Royalty Pharma.

"Susannah Gray brings a broad range of senior healthcare finance strategy experience to Morpnic, with notable accomplishments in capital formation, strategy and corporate governance," stated Gustav Christensen, chairman of the board of directors of Morpnic Therapeutic. "I and the entire Morpnic team welcome Susannah and we look forward to her contributions as Morpnic continues to advance its portfolio of integrin-targeted oral therapeutics."

"Morpnic Therapeutic has the rare combination of an innovative drug discovery platform coupled with the human and financial resources to create innovative therapies," commented Susannah Gray. "I look forward to working with the Morpnic team as they advance MORF-057 in clinical development and continue to generate oral integrin drug candidates based on the MInT Platform."

Susannah Gray is a veteran leader in healthcare finance and strategy with three decades of experience in capital formation, operational management, healthcare asset monetization, investment research and strategy implementation. Ms. Gray is a member of the board of directors of corporate and non-profit institutions including Morpnic Therapeutic, 4D Molecular Therapeutics, Maravai Life Sciences, Wesleyan University, Susan G. Komen Foundation and StreetSquash.

Susannah Gray was executive vice president and chief financial officer at Royalty Pharma from 2005-2019. Prior to Royalty Pharma, she served as managing director of fixed income Research at CIBC World Markets and held positions of increasing leadership at Chase Securities and Merrill Lynch. Susannah Gray holds a BA from Wesleyan University and an MBA from Columbia University Business School.

Simultaneously, Otello Stampacchia, Ph.D., has stepped down from the Morpnic Board of Directors. Praveen Tipirneni, M.D., president and chief executive officer of Morpnic Therapeutic, commented "On behalf of Gustav and the Morpnic Board, I want to thank Otello for his counsel and many contributions to Morpnic's growth as it has matured from a preclinical organization based on an ambitious technology to the promising clinical company that we have become."

"It has been a pleasure to be a part of the Morpnic team and I commend the Company for the tremendous progress it has made in advancing several novel oral integrin therapeutic candidates in areas of significant unmet medical need," said Otello Stampacchia.

Further, Vikas Goyal has determined that he will not stand for re-election to the Morpnic Board of Directors when his current term expires. "It has been my privilege and honor to serve as a director of Morpnic since the Series A financing of the Company," commented Vikas Goyal. "Morpnic's notable advances in this technically challenging area of drug development are a testament to the team and the technology, and I wish them continued success."

"We thank Vikas deeply for his early recognition of the potential to create oral integrin medicines through the MInT platform and his steadfast support of the Morpnic team. I also congratulate him on his recent successes at Pandion and look forward to collaborating again in the future," stated Tipirneni.

About Morphic Therapeutic

Morphic Therapeutic is a biopharmaceutical company developing a new generation of oral integrin therapies for the treatment of serious chronic diseases, including autoimmune, cardiovascular, and metabolic diseases, fibrosis and cancer. In collaboration with AbbVie, Janssen, and Schrödinger, Morphic is advancing its pipeline and discovery activities using its proprietary MInT platform which leverages the Company's unique understanding of integrin structure and biology. For more information, visit www.morphictx.com.

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This press release contains "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to: the MInT Platform's ability to discover drug candidates, Morphic's plans to develop and commercialize oral small-molecule integrin therapeutics, any expectations about safety, efficacy, timing and ability to commence or complete clinical studies and to obtain regulatory approvals for its candidates in development, and the ability of its candidates in development to treat serious chronic diseases.

Statements including words such as "believe," "plan," "continue," "expect," "will," "develop," "signal," "potential," or "ongoing" and statements in the future tense are forward-looking statements. These forward-looking statements involve risks and uncertainties, as well as assumptions, which, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements.

Forward-looking statements are subject to risks and uncertainties that may cause Morphic's actual activities or results to differ significantly from those expressed in any forward-looking statement, including risks and uncertainties in this press release and other risks set forth in our filings with the Securities and Exchange Commission, including Morphic's or a partner's ability to develop, obtain regulatory approval for or commercialize any product candidate, Morphic's ability to protect intellectual property, the potential impact of the COVID-19 pandemic and the sufficiency of our cash, cash equivalents and investments to fund our operations. We urge you to consider those factors, and the other risks and uncertainties described in our most recent annual report on Form 10-K as filed with the Securities and Exchange Commission (SEC), any subsequent quarterly reports on Form 10-Q as well as in other documents that may be subsequently filed by Morphic from time to time with the SEC, in evaluating our forward-looking statements. These forward-looking statements speak only as of the date hereof and Morphic specifically disclaims any obligation to update these forward-looking statements or reasons why actual results might differ, whether as a result of new information, future events or otherwise, except as required by law.

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