
**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 4, 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 August 4, 2021, the Company issued a press release (the “Press Release”) announcing its preliminary financial results for the quarter ended June 30, 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 June 30, 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 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit Number | Description |
|---------------------------|---|
| 99.1 | <u>Press release issued by Morphic Holding, Inc. regarding its financial results for the quarter ended June 30, 2021, dated August 4, 2021.</u> |

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: August 4, 2021

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



Morphic Announces Corporate Highlights and Second Quarter 2021 Financial Results

MORF-057 phase 1 safety, receptor occupancy, PK and mechanistic measures exceeded objectives; phase 2 program expected to begin 1Q22

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

Announced Appointment of Susannah Gray to Morphic Board of Directors

WALTHAM, Mass., August 4, 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 second quarter of 2021.

Recent Highlights and Outlook

- Presented positive phase 1 data fully supporting MORF-057 target product profile at the European Crohn's and Colitis Organisation (ECCO) Virtual Congress 2021
 - MORF-057 well tolerated at all doses (25 to 400 mg), no safety signals observed
 - Predictable and dose-dependent pharmacokinetics (PK) surpassing preclinical modeling
 - Pharmacodynamic (PD) results strongly supportive of MORF-057 continued clinical development
 - Dose and time dependent $\alpha 4\beta 7$ receptor occupancy including receptor saturation in all subjects at 100 mg BID
 - Biomarker changes, including lymphocyte subset migration and CCR9 transcript levels, provide early proof of biology
 - Changes in lymphocyte subsets and CCR9 levels are consistent with published literature on intravenous integrin inhibitors in inflammatory bowel disease (IBD), despite the brief 14-day duration of exposure to MORF-057 in the Phase 1 trial
- Phase 2a open-label trial design
 - 12-week induction phase with rollover to 40-week maintenance phase in patients with moderate to severe ulcerative colitis scheduled to commence first quarter 2022
 - The primary endpoint is the change in Robarts Histopathological Index (RHI) at 12 weeks of treatment with MORF-057
 - Study will assess additional PK and PD measures including the key PD measure of $\alpha 4\beta 7$ receptor occupancy
 - 100 mg BID MORF-057 dose enrolling up to 30-35 patients
 - All phase 2 readiness work, including chronic toxicology studies, scheduled for completion in third and fourth quarters of 2021
- Phase 2b randomized controlled trial design
 - Global, randomized, placebo-controlled trial enrolling approximately 280 patients with moderate to severe ulcerative colitis, staggered and in parallel to the phase 2a trial
 - The primary efficacy endpoint will be the proportion of subjects with Mayo Clinic Score Response at 12 weeks and patients will then be followed beyond the 52-weeks of treatment duration
 - The trial will also measure multiple secondary endpoints including Mayo Clinic Score Remission at 12 weeks, RHI, Patient Reported Outcome scores and translational markers
 - Multiple dose-ranging cohorts including at least one MORF-057 QD arm, at least one MORF-057 BID arm and one placebo arm
- Presented positive preclinical data from Morphic's immuno-oncology program demonstrating that small molecule inhibition of $\alpha\beta 8$, in combination with checkpoint inhibitors, potentiated anti-tumor activity in tumors refractory to checkpoint inhibition monotherapy
- Appointed Susannah Gray, 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 implementations, to the Morphic Board of Directors and the Audit Committee of the Board of Directors

"The MORF-057 program has achieved the selectivity, PK, and PD trinity required for an oral $\alpha 4\beta 7$ inhibitor. I'm extremely proud of the team who designed the molecule and the studies, and now excited to bring this program one step closer to the ultimate goal of helping patients with IBD," said Praveen Tipirneni, MD, president and chief executive officer of Morphic

Therapeutic. “Our vision had two parts. Deliver integrin therapeutics. At scale. With intense technical and business efforts, we’re well on our way to the first. The new MORF-057 clinical data, along with our robust fundraising activities, allow us to now imagine, build and scale our capabilities to advance additional programs including immuno-oncology with our $\alpha v \beta 8$ inhibitors.”

Financial Results for the Second Quarter 2021

- Net loss for the quarter ended June 30, 2021 was \$27.8 million or \$0.77 per share compared to a net loss of \$15.9 million or \$0.52 per share for the same quarter last year
- Revenue was \$3.8 million for the quarter ended June 30, 2021 compared to \$7.7 million for the same quarter last year
- Research and development expenses were \$24.6 million for the quarter ended June 30, 2021 as compared to \$19.9 million for the same quarter last year. The increase was primarily due to costs associated with clinical trials costs associated with MORF-057 along with manufacturing costs associated with the upcoming phase 2 clinical trial
- General and administrative expenses were \$7.1 million for the quarter ended June 30, 2021, compared to \$4.2 million for the same quarter last year. The increase was due to an increase in headcount and higher professional and consulting costs associated with Morphic operating as a public company.

As of June 30, 2021, Morphic had cash, cash equivalents and marketable securities of \$431.6 million, compared to \$228.3 million as of December 31, 2020. Morphic believes its cash, cash equivalents and marketable securities as of June 30, 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: the MInT Platform’s ability to discover drug candidates, Morphic’s plans to develop and commercialize oral small-molecule integrin therapeutics, the initiation, execution and completion of the future MORF-057 phase 2 clinical trial, any expectations about safety, efficacy, timing and ability to commence or complete clinical studies and/or trials and to obtain regulatory approvals for MORF-057 and other candidates in development, the timing of further data presentation and the ability of MORF-057 to treat inflammatory bowel disease, including ulcerative colitis, or related indications. 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 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 complete a current or future clinical trial of any of our current or future product candidates, develop or 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. 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.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Collaboration revenue | \$ 3,848 | \$ 7,693 | \$ 7,114 | \$ 13,287 |
| Operating expenses: | | | | |
| Research and development | 24,552 | 19,918 | 43,165 | 38,878 |
| General and administrative | 7,139 | 4,195 | 13,091 | 8,618 |
| Total operating expenses | 31,691 | 24,113 | 56,256 | 47,496 |
| Loss from operations | (27,843) | (16,420) | (49,142) | (34,209) |
| Other income: | | | | |
| Interest income, net | 35 | 413 | 63 | 1,299 |
| Other expenses | (7) | (6) | (20) | (6) |
| Total other income, net | 28 | 407 | 43 | 1,293 |
| Loss before benefit from income taxes | (27,815) | (16,013) | (49,099) | (32,916) |
| Benefit from income taxes | — | 155 | — | 312 |
| Net loss | \$ (27,815) | \$ (15,858) | \$ (49,099) | \$ (32,604) |
| Net loss per share, basic and diluted | \$ (0.77) | \$ (0.52) | \$ (1.41) | \$ (1.08) |
| Weighted average common shares outstanding, basic and diluted | 36,179,085 | 30,360,851 | 34,863,056 | 30,274,713 |

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

| | June 30, 2021 | December 31, 2020 |
|--|----------------------|--------------------------|
| Assets | | |
| Cash, cash equivalents and marketable securities | \$ 431,618 | \$ 228,264 |
| Other current assets | 5,228 | 11,171 |
| Total current assets | 436,846 | 239,435 |
| Other assets | 2,637 | 2,947 |
| Total assets | <u>\$ 439,483</u> | <u>\$ 242,382</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | \$ 34,912 | \$ 39,438 |
| Long-term liabilities | 56,662 | 57,747 |
| Total liabilities | 91,574 | 97,185 |
| Total stockholders' equity | 347,909 | 145,197 |
| Total liabilities and stockholders' equity | <u>\$ 439,483</u> | <u>\$ 242,382</u> |