
**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): November 12, 2019

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 November 12, 2019, Morphic Holding, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2019. A copy of the press release is attached as Exhibit 99.1 to this report.

The information in this Item 2.02, including Exhibit 99.1 to this report, shall not be deemed to be “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 or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”). The information contained in this Item 2.02 and in the accompanying Exhibit 99.1 shall not be incorporated by reference into any other filing under the Exchange Act or under the Securities Act, except as shall be expressly set forth by specific reference in such filing.

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 September 30, 2019, dated November 12, 2019.</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: November 12, 2019

By: /s/ Robert E. Farrell, Jr.

Robert E. Farrell, Jr.

**Vice President of Finance and Operations and
Treasurer**

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Exhibit 99.1



Morphic Announces Corporate Highlights and Third Quarter 2019 Financial Results

- MORF-720, $\alpha_v\beta_6$ -targeted oral integrin inhibitor IND now anticipated in the second half of 2020
- $\alpha_4\beta_7$ -targeted oral integrin inhibitor candidate for IBD on track for IND by mid-2020
- Morphic ends third quarter of 2019 with favorable cash, cash equivalents and marketable securities of \$252 million

WALTHAM, Mass. – November 12, 2019 – 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 third quarter of 2019.

“Morphic began the third quarter of 2019 with a successful IPO, providing significant financial resources to fund the discovery and development of our portfolio of small-molecule integrin therapeutics,” commented Praveen Tipirneni, M.D., president and chief executive officer of Morphic Therapeutic. “As we look forward, we now believe that we will submit the IND for MORF-720, our oral $\alpha_v\beta_6$ inhibitor for patients with fibrotic disease being developed in collaboration with AbbVie, in the second half of 2020, based on the request for an additional preclinical study by the FDA. In Morphic’s wholly-owned portfolio, we remain on track to file an IND for our oral inhibitor of $\alpha_4\beta_7$ for patients with inflammatory bowel disease in mid-2020. Further, Morphic continues to refine and apply the MInT platform, a suite of technologies designed to streamline rapid and effective discovery of drug candidates across the entire integrin target class, where we have deep expertise.”

Third Quarter Highlights and Program Updates

Oral Integrin Development Program Updates

Oral $\alpha_v\beta_6$ Inhibition Program for Fibrotic Diseases

- Morphic now believes that the IND submission for MORF-720, a selective oral $\alpha_v\beta_6$ -specific integrin inhibitor will take place in the second half of 2020. Morphic has made this adjustment based on the request for an additional preclinical toxicology study received during pre-IND interactions with the FDA. Morphic’s $\alpha_v\beta_6$ inhibitors remain subject to an exclusive license option pursuant to Morphic’s collaboration agreement with AbbVie.

Oral $\alpha_4\beta_7$ Inhibition Program for Irritable Bowel Disease (IBD)

- Morphic remains on track to submit the IND for its wholly owned oral inhibitor of $\alpha_4\beta_7$ for the treatment of IBD in mid-2020 and begin clinical studies in the second half of 2020.

Morphic’s development portfolio is targeted to integrin receptors that are strongly implicated in diseases with

validated clinical need. The company's lead programs are inhibitors of the integrins $\alpha_v\beta_6$ and $\alpha_4\beta_7$, which Morphic's data suggests could be the basis of transformational treatments for patients with fibrotic diseases and inflammatory bowel disease (IBD), respectively. Fibrosis is a common feature of many chronic diseases involving tissue injury and can lead to the progressive failure of multiple organs, such as the lungs, liver, skin, and kidney. IBD is a group of chronic autoimmune and inflammatory conditions of the gastrointestinal tract that include ulcerative colitis and Crohn's disease, among others.

Financial Highlights

- Morphic's initial public offering (IPO) of common stock on The Nasdaq Global Market, including full exercise of the underwriters' option to purchase additional shares of common stock, closed on July 1, 2019. The IPO generated gross proceeds of approximately \$103.5 million, before deducting underwriting discounts and commissions and other estimated offering expenses.

Financial Results for Third Quarter 2019:

Net loss for the quarter ended September 30, 2019 was \$8.9 million or \$0.30 per share compared to a net loss of \$7.1 million or \$7.00 per unit (units were converted to shares as a result of converting from a limited liability company to a corporation prior to the IPO), for the same quarter last year).

- Revenue was \$5.7 million for the quarter ended September 30, 2019 compared to \$0 for the same quarter last year. The increase was due to collaboration agreements signed by AbbVie in October 2018 and Janssen in February 2019
- Research and development expenses were \$12.6 million for the quarter ended September 30, 2019, compared to \$5.8 million in the same quarter last year. The \$6.8 million increase year-over-year reflects higher development and manufacturing costs associated with our product candidate, MORF-720; research costs associated with preclinical studies; as well as increased personnel-related costs to support continued progress with the company's pipeline.
- General and administrative expenses were \$2.9 million for the quarter ended September 30, 2019, compared to \$1.4 million in the same quarter last year. The \$1.5 million increase year-over-year was primarily attributable to increased headcount and higher professional and consulting fees associated with ongoing business activities and Morphic's operating as a public company.

As of September 30, 2019, Morphic had cash, cash equivalents, and marketable securities of \$251.7 million, compared to \$185.9 million as of December 31, 2018. Morphic believes its cash, cash equivalents, and marketable securities as of September 30, 2019, will be sufficient to fund operating expenses and capital expenditure requirements at least through the end of 2022.

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 “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to: Morphic’s plan to develop and commercialize oral small-molecule integrin therapeutics and Morphic’s expectations about timing and ability to obtain regulatory approvals for MORF-720 and $\alpha_4\beta_7$ -specific integrin inhibitors. Statements including words such as “looks forward to,” “believe,” “plan,” “continue,” “expect,” 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-720 and $\alpha_4\beta_7$ -specific integrin inhibitors and other product candidates, the timing and results of preclinical studies and clinical trials, Morphic’s ability to protect intellectual property; and other risks set forth in our filings with the Securities and Exchange Commission. 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 unit, share, per unit and per share data)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
Collaboration revenue	\$ 5,675	\$ —	\$ 17,311	\$ —
Operating expenses				
Research and development	12,635	5,767	36,912	15,344
General and administrative	2,898	1,405	6,807	3,311
Total operating expenses	<u>15,533</u>	<u>7,172</u>	<u>43,719</u>	<u>18,655</u>
Loss from operations	(9,858)	(7,172)	(26,408)	(18,655)
Interest income, net	1,392	111	3,574	214
Other expense	(94)	(16)	(94)	(46)
Total other income	<u>1,298</u>	<u>95</u>	<u>3,480</u>	<u>168</u>
Loss before provision for income taxes	(8,560)	(7,077)	(22,928)	(18,487)
Provision for income taxes	(304)	—	(569)	—
Net loss	<u>\$ (8,864)</u>	<u>\$ (7,077)</u>	<u>\$ (23,497)</u>	<u>\$ (18,487)</u>
Net loss per share, basic and diluted	<u>\$ (0.30)</u>		<u>\$ (2.06)</u>	
Net loss per unit, basic and diluted		<u>\$ (7.00)</u>		<u>\$ (18.28)</u>
Weighted-average common shares outstanding - basic and diluted	<u>29,999,170</u>		<u>11,393,192</u>	
Weighted-average common units outstanding - basic and diluted		<u>1,011,227</u>		<u>1,011,227</u>

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

	September 30, 2019	December 31, 2018
Assets		
Cash, cash equivalents and marketable securities	\$ 251,746	\$ 185,901
Other current assets	5,290	1,222
Total current assets	257,036	187,123
Other assets	3,043	2,182
Total assets	<u>\$ 260,079</u>	<u>\$ 189,305</u>
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current liabilities	\$ 26,479	\$ 34,903
Long-term liabilities	74,252	67,145
Total liabilities	100,731	102,048
Convertible preferred stock	—	139,809
Total stockholders' equity (deficit)	159,348	(52,552)
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	<u>\$ 260,079</u>	<u>\$ 189,305</u>

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