



## Synthorx Reports Third Quarter Financial Results

November 5, 2019

SAN DIEGO, Nov. 05, 2019 (GLOBE NEWSWIRE) -- Synthorx, Inc. (Nasdaq: THOR), a clinical-stage biotechnology company developing optimized therapeutics for cancer and autoimmune disorders, today reported financial results and provided a business update for the third quarter ended September 30, 2019.

"This past quarter, we continued to advance our pipeline of novel, optimized biologics known as Synthorins™. We presented preclinical data on our lead immuno-oncology product candidate, THOR-707, currently in a global Phase 1/2 clinical trial in advanced or metastatic solid tumors, and debuted data on THOR-809, our IL-2 Synthorin in preclinical development for autoimmune disorders," said Laura Shawver, president and chief executive officer.

### Third Quarter 2019 and Other Recent Highlights

- **U.S. IND cleared for THOR-707:** In July, the U.S. Food and Drug Administration (FDA) cleared the investigational new drug (IND) application for THOR-707 in solid tumors.
- **Presented preclinical data on THOR-707 at ESMO 2019 Congress:** In September, Synthorx presented preclinical data at the European Society for Medical Oncology (ESMO) 2019 Congress demonstrating the pharmacologic properties of its lead immuno-oncology product candidate, THOR-707, a recombinant not-alpha interleukin-2 (IL-2) cytokine for the treatment of solid tumors.
- **Presented on THOR-809 at 2019 World Congress of Inflammation:** In September, Synthorx presented its approach to utilizing its first-of-its-kind Expanded Genetic Alphabet platform technology to engineer THOR-809 for the treatment of autoimmune disorders at the 2019 World Congress of Inflammation. THOR-809 is a site-specific, covalently-bound, monopegylated IL-2 Synthorin that selectively expands peripheral CD4+ regulatory T cells (Tregs) without expanding conventional effector and helper T cells (Tcons) in preclinical models.

### Financial Results

For the third quarter ended September 30, 2019, Synthorx reported a net loss of \$12.2 million, compared to a net loss of \$22.3 million for the comparable period in 2018. For the nine months ended September 30, 2019, the company reported a net loss of \$35.4 million, compared to a net loss of \$28.4 million for the comparable period in 2018. Included in the net losses for the three and nine months ended September 30, 2018 were non-cash charges of \$16.3 million related to the increase in the fair value of outstanding preferred stock purchase rights during the periods. The purchase rights were fully exercised in November 2018 and there were no such charges in 2019.

Research and development (R&D) expenses for the third quarter ended September 30, 2019 were \$10.2 million, compared to \$4.7 million for the same period in 2018. For the nine months ended September 30, 2019, R&D expenses were \$30.2 million, compared to \$9.8 million for the same period in 2018. The increase in the company's R&D expenses for the 2019 periods are primarily attributable to the advancement of its THOR-707 program and related activities, including costs to develop its clinical supply manufacturing capabilities and costs associated with its Phase 1/2 clinical trial. Further, the company has incurred additional costs for its THOR-809 program in 2019, as compared to 2018, and has expanded its R&D team in 2019 to support the development efforts for THOR-707, THOR-809 and its other programs.

General and administrative (G&A) expenses for the third quarter ended September 30, 2019 were \$3.0 million, compared to \$1.3 million for the same period in 2018. For nine months ended September 30, 2019, G&A expenses were \$8.4 million, compared to \$2.3 million for the same period in 2018. The increase in G&A expenses was primarily attributable to increased personnel and related costs as the company expanded its G&A team to support operations, including additional non-cash stock-based compensation cost of \$0.5 million and \$1.3 million for the three and nine months ended September 30, 2019, as compared to the same periods in 2018. Furthermore, the company incurred additional costs in 2019 that were not incurred during the same period in 2018 as Synthorx now operates as a public company, including additional insurance, legal and accounting fees.

As of September 30, 2019, Synthorx reported cash, cash equivalents and investment securities of \$150.9 million, compared to \$188.4 million at December 31, 2018.

### About Synthorx

Synthorx, Inc. is a clinical-stage biotechnology company focused on prolonging and improving the lives of people with cancer and autoimmune disorders. Synthorx' proprietary, first-of-its-kind Expanded Genetic Alphabet platform technology expands the genetic code by adding a new DNA base pair and is designed to create optimized biologics, referred to as Synthorins. A Synthorin is a protein optimized through incorporation of novel amino acids encoded by the new DNA base pair that enables site-specific modifications, which enhance the pharmacological properties of these therapeutics. The company's lead immuno-oncology (IO) product candidate, THOR-707, a variant of interleukin-2 (IL-2), is in development in multiple tumor types as a single agent and in combination with an immune checkpoint inhibitor. The company was founded based on important discoveries at The Scripps Research Institute. Synthorx is headquartered in La Jolla, Calif. For more information, visit [www.synthorx.com](http://www.synthorx.com).

### Forward-Looking Statements

Statements in this press release that are not strictly historical in nature are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to: plans underlying THOR-707 clinical trials and development; preclinical data or plans underlying THOR-809 or any of our other development programs; references to the development of our product candidates; the potential safety and efficacy of THOR-707, THOR-809 and our other product candidates; and the potential advantages of these drug programs. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by

such forward-looking statements. Words such as “believes,” “anticipates,” “plans,” “expects,” “intends,” “will,” “goal,” “potential” and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the Synthorx’s current expectations and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, which include, without limitation, risks associated with the process of discovering, developing and commercializing drugs that are safe and effective for use as human therapeutics and operating as a development stage company; Synthorx’s ability to develop, initiate or complete preclinical studies and clinical trials for, obtain approvals for and commercialize any of its product candidates; changes in Synthorx’s plans to develop and commercialize its product candidates; the potential for clinical trials of THOR-707 or any future clinical trials of other product candidates to differ from preliminary or expected results; Synthorx’s ability to raise any additional funding it will need to continue to pursue its business and product development plans; regulatory developments in the United States and foreign countries; Synthorx’s reliance on key third parties, including contract manufacturers and contract research organizations; Synthorx’s ability to obtain and maintain intellectual property protection for its product candidates; the loss of key scientific or management personnel; competition in the industry in which Synthorx operates; and market conditions. For a more detailed discussion of these and other factors, please refer to Synthorx’s filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement and Synthorx undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof, except as required by law.

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**SYNTHORX, INC.**  
**STATEMENTS OF OPERATIONS**  
 (in thousands, except share and per share data)  
 (unaudited)

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Operating expenses:</b>				
Research and development	\$ 10,219	\$ 4,664	\$ 30,208	\$ 9,816
General and administrative	2,958	1,267	8,353	2,294
Total operating expenses	13,177	5,931	38,561	12,110
Loss from operations	(13,177 )	(5,931 )	(38,561 )	(12,110 )
<b>Other income (expense):</b>				
Change in fair value of preferred stock purchase right liability	—	(16,323 )	—	(16,337 )
Interest income, net	961	—	3,124	—
Net loss	\$ (12,216 )	\$ (22,254 )	\$ (35,437 )	\$ (28,447 )
Net loss per common share, basic and diluted	\$ (0.38 )	\$ (23.06 )	\$ (1.12 )	\$ (29.85 )
Weighted average common shares outstanding, basic and diluted	31,788,314	965,137	31,594,587	953,019

**SYNTHORX, INC.**  
**BALANCE SHEETS**  
 (in thousands)  
 (unaudited)

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
<b>Assets</b>		
Current Assets:		
Cash, cash equivalents and investments	\$ 150,886	\$ 188,356
Prepaid expenses and other current assets	6,774	1,688
Total current assets	157,660	190,044

Operating lease right-of-use asset	3,612	—
Property and equipment, net	1,989	1,382
Other assets	410	80
Total assets	\$ 163,671	\$ 191,506
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 1,239	\$ 2,228
Accrued liabilities	6,616	4,814
Lease liability, current	502	—
Total current liabilities	8,357	7,042
Lease liability, noncurrent	3,351	—
Deferred rent	-	104
Total liabilities	11,708	7,146
Stockholders' equity	151,963	184,360
Total liabilities and stockholders' equity	\$ 163,671	\$ 191,506



Source: Synthorx, Inc.