Silence Therapeutics

FY19 Results call

April 14 2020

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Agenda

• Opening remarks	Iain Ross, Executive Chairman
• FY19 Results	Dr Rob Quinn, Chief Financial Officer
• Q&A	All participants

Iain Ross

Giles Campion

Rob Quinn

John Strafford

Full Year Results – Highlights

Operational Highlights

- Continued advancement of our two late stage preclinical programmes (SLN360 and SLN124)
- Research and collaboration agreement with Mallinckrodt Pharmaceuticals with an exclusive worldwide licence for SLN500 (targeting C3 in the complement pathway) and an option for up to two additional complement assets. $27m received in 2019 ($20m upfront, $5m equity investment, $2m milestone payment)
- Recognised first revenue under Settlement and Licence Agreement with Alnylam Pharmaceuticals for royalty on net sales of ONPATTRO™ in the EU
- New leadership team in place with a number of high-profile appointments being made during the year

Financial Highlights

- 2019 net cash inflow of £7m is driven primarily by receipts from Mallinckrodt offset by larger outflows corresponding to increased activity on SLN360 and SLN124
- 2019 losses of £19.6m were higher than 2018, primarily due to increased research and development spend in relation to SLN360 and SLN124, but were offset by a £1.2m decrease in general and admin expenses

Q1 2020 progress

- CEO recruitment progressing well with announcement possible as soon as mid-2020
- Technology Evaluation Agreement with Takeda signed in January 2020
- **Multi-target deal with AstraZeneca announced on 25th March**
- Scientific Advisory Board formed, to be led by Professor Sir Gordon Duff
- Silence Therapeutics, Inc. established, as well as a New York office, and 1st US-based employee (Dr. Barbara Ruskin, SVP, General Counsel and Chief Patent Officer)
- Expansion of US Investor Relations activity with participation at several investor conferences

Financial results

Income statement (GBP '000)	2019	2018
Revenue	244	0
Research and development costs	(13,336)	(9,743)
Administrative expenses	(9,642)	(10,828)
Operating loss	(22,734)	(20,571)
Other income/expense	(136)	45
Tax	3,288	2,115
Loss for the year after taxation	(19,582)	(18,411)
Cash* at year end	33,515	26,494

- Revenue recognised from Alnylam royalty (£73k) and Mallinckrodt collaboration (£171k). Revenue recognition relating to Mallinckrodt significantly less than cash received ($20m upfront and $2m milestone) as revenue is recognised over the course of the multi-year collaboration per IFRS15.
- R&D costs increased 37% due to progression of SLN360 and SLN124 towards the clinic.
- Admin expenses reduced from £10.8m to £9.6m. 2018 was higher due to the litigation proceedings against Alnylam.
- Tax is a credit due to the UK R&D Tax Credit scheme, whereby a portion of our R&D expenditure qualifies for tax credits. This payment is typically received in Q3 of the following year. A credit of £3.3m was recognised for 2019 and increased versus 2018 due to higher R&D expenditure.
- *Cash includes amounts held in term deposits. Pro-forma cash post AstraZeneca deal is >$110m

Collaboration with AstraZeneca for the Treatment of Cardiovascular, Renal, Metabolic and Respiratory diseases

- **Research, Collaboration, Option and Licence agreement to discover and develop RNA interference therapeutics for the treatment of serious diseases.**

> Draws on Silence's extensive experience in the development of siRNA therapeutics, together with AstraZeneca's industry leading expertise in disease biology and target identification, to develop first-in-class and differentiated therapeutics to address significant unmet need.

> Five targets anticipated to be started within three years with AstraZeneca having the option to extend the collaboration to a further five targets.

> Silence's GalNAc-siRNA platform to be harnessed for liver expressed gene targets. Both parties to collaborate to achieve targeted delivery of siRNA molecules to other tissues including heart, kidney and lung.

> Silence will be responsible for designing siRNA molecules against gene targets selected by AstraZeneca, and for manufacturing of material to support GLP toxicology studies and Phase I clinical studies.

> Silence will have the option to negotiate for co-development of two programs of their choice starting from Phase II.

> $60 million cash upfront and $20 million equity investment.

> Total deal value over $4 billion

> Option fee of $10 million per target at the point of candidate nomination. Up to $140 million in development milestones and up to $250 million in commercialisation milestones. Total milestones of up to $400 million per target.

> High single digit to low double-digit royalties on net sales for each target.

AstraZeneca

SILENCE THERAPEUTICS

Silence Therapeutics - Summary

Valuable Platform	> Reproducible, proprietary gene silencing (RNAi) therapeutics platform, rapidly generating internal pipeline and out-licensing options. Platform validated through collaborations with AstraZeneca, Mallinckrodt and Takeda
Growing Clinical Pipeline	> SLN360 (CVD with high LP(a)) - IND in H2 2020, interim data mid 2021 > SLN124 (β-Thalassemia and MDS[1]) - Phase Ib trial interim data H1 2021 > SLN500 (C3, complement mediated diseases) - IND/CTA in 2021
Strong Experienced Team	> Pioneers in siRNA for over 18 years, growing clinical team, and experienced biopharma Board and Management team > New CEO recruitment ongoing
Target Selection	> Focused on targeting indications in rare diseases and large population targets, including new medicines for cardiovascular disease and complement-mediated diseases
Strong Financial Position	> Strong financial position with a cash runway extending beyond key clinical milestones such as SLN360 and SLN124 Phase I trial readouts

HQ in London

R&D in Berlin

+ New office in New York

Approx. 47 employees across all sites

Notes:
[1] MDS = Myelodysplastic syndrome