Synta Reports Second Quarter 2015 Financial Results

August 6, 2015

- Phase 3 GALAXY-2 Trial on Track for Interim Analysis by Year End 2015 -

- Webcast and Conference Call Today, August 6, at 10:00 AM ET -

LEXINGTON, Mass.--(BUSINESS WIRE)--Aug. 6, 2015-- Synta Pharmaceuticals Corp. (NASDAQ: SNTA) today reported financial results for the second quarter ended June 30, 2015 and provided a pipeline update.

“The ganetespib development program is approaching its first key milestone, with the Phase 3 GALAXY-2 trial in non-small cell lung cancer nearing its first interim analysis, which is anticipated by year end, followed by the second interim and final analyses expected in 2016,” said Chen Schor, President and Chief Executive Officer of Synta. “A positive outcome of this trial has the potential to be transformational for Synta, bringing us closer to our goal of making this novel therapeutic with a unique mechanism of action available to non-small cell lung cancer patients in need of additional treatment options. Ganetespib is also being evaluated in a series of large, randomized investigator-sponsored studies for other indications, including AML, ovarian cancer and breast cancer, and we continue to move the lead candidate from our HDC program, STA-12-8666, toward the clinic. Each of these programs continues to make important progress toward value-creating milestones, and we look forward to providing updates in the months ahead.”

Second Quarter Accomplishments and Recent Updates

- ***Pivotal, Phase 3 GALAXY-2 Clinical Trial Remains on Track for Interim Analysis of Overall Survival in 2015.*** The Company’s pivotal GALAXY-2 trial, a Phase 3 global, randomized, multi-center study comparing the combination of ganetespib and docetaxel to docetaxel alone for the second-line treatment of advanced non-small cell lung adenocarcinoma, remains on track to meet previously provided data readout timelines. Ganetespib, the Company’s lead program, is a novel, potent small molecule inhibitor of heat shock protein 90 (Hsp90). Based on current projections and statistical assumptions, the Company expects that the first interim overall survival (OS) analysis of GALAXY-2 will be conducted by the end of 2015, and the second interim and final OS analysis will be conducted in 2016. Assuming positive interim results from the ongoing GALAXY-2 trial of ganetespib, and pending regulatory feedback, the Company plans to seek regulatory approval of ganetespib for NSCLC in 2016.
- ***Results from the Phase 2 GALAXY-1 trial published in* Annals of Oncology.** Results from the Company’s Phase 2 GALAXY-1 trial were published in the May 21, online first issue of the journal *Annals of Oncology*. GALAXY-1 was a global, randomized, multi-center study designed to identify the patients with advanced NSCLC most likely to benefit from second-line treatment with ganetespib in combination with docetaxel versus docetaxel alone. The results from this trial demonstrated that patients diagnosed with advanced non-small cell lung adenocarcinoma more than six months prior to study entry derived the most benefit from combination treatment, leading to the selection of this population for the ongoing Phase 3 GALAXY-2 trial.
- ***First patient enrolled in Phase 2 Portion of GANNET53 Study of ganetespib in ovarian cancer.*** In June, Synta announced commencement of patient enrollment in the Phase 2 portion of the GANNET53 study, a randomized, pan-European study evaluating ganetespib in combination with paclitaxel vs. paclitaxel alone in over 200 patients with metastatic, predominantly p53 mutant, platinum-resistant ovarian cancer. Enrollment in the Phase 2 portion of GANNET53 follows the successful completion of the Phase 1 portion, the results of which were recently presented at the 2015 American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago. The Phase 1 data demonstrated that the combination of ganetespib 150 mg/m² with paclitaxel 80 mg/m² once weekly for 3 out of 4 weeks was generally well tolerated, with no dose limiting toxicities, and was therefore chosen for the randomized phase 2 trial. GANNET53 is sponsored by Innsbruck Medical University in Austria and funded by the European Commission.
- ***Results from three investigator-sponsored trials of ganetespib and preclinical results of STA-12-8666 presented at ASCO.*** Promising results from three studies evaluating ganetespib combination therapy in ALK-positive lung cancer, platinum-resistant ovarian cancer, and rectal cancer were presented at the 2015 ASCO Annual Meeting. In addition, preclinical results for the Company’s lead HDC candidate, STA-12-8666, in pediatric sarcoma were also presented at this year’s ASCO Annual Meeting. STA-12-8666 is a conjugate of an Hsp90 inhibitor and SN-38, the active metabolite of the widely used drug irinotecan. The Company remains on track for an IND submission by the first quarter of 2016 to begin clinical studies of STA-12-8666.

Second Quarter 2015 Financial Results

There were no revenues recognized in the second quarters of 2015 and 2014.

Research and development expenses were $16.4 million for the second quarter in 2015, compared to $18.8 million for the same period in 2014. General and administrative expenses were $3.1 million for the second quarter in 2015, compared to $2.9 million for the same period in 2014.

The Company reported a net loss of $19.8 million, or $0.15 per basic and diluted share, in the second quarter of 2015, compared to a net loss of $22.3 million, or $0.24 per basic and diluted share, for the same period in 2014.

As of June 30, 2015, the Company had $98.3 million in cash, cash equivalents and marketable securities, compared to $97.7 million in cash, cash equivalents and marketable securities as of December 31, 2014.

More detailed financial information and analysis may be found in the Company's Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission (SEC) on August 6, 2015.

Guidance

The Company expects its cash, cash equivalents and marketable securities of approximately $98.3 million as of June 30, 2015 will be sufficient to fund operations at least through the first half of 2016. This estimate assumes no additional funding from new partnership agreements, equity financings or further sales under its ATM facility. The timing and nature of certain activities contemplated for the remainder of 2015 and 2016 will be conducted subject to the availability of sufficient financial resources.

Conference call

Synta will host a conference call at 10:00 AM ET today to discuss clinical updates and second quarter 2015 financial results. The conference call will be webcast live over the Internet and can be accessed by logging on to the “Investors” section of the Synta Pharmaceuticals website, www.syntapharma.com, prior to the event.

The conference call can also be accessed by dialing (877) 407-8035 (U.S.) or (201) 689-8035 (International). For those unable to join the live call, a replay will be available from 2:00 p.m. ET on August 6 through 11:59 p.m. ET on August 13. To access the replay, please dial (877) 660-6853 (U.S.) or (201) 612-7415 (International) and refer to conference ID 13615051.

About Synta Pharmaceuticals

Synta Pharmaceuticals Corp. is an innovative, agile biopharmaceutical company focused on research, development and commercialization of novel oncology medicines that have the potential to change the lives of cancer patients. Synta’s lead oncology drug candidate, ganetespib, a novel heat shock protein 90 (Hsp90) inhibitor, is currently being evaluated in several clinical trials including the pivotal GALAXY-2 Phase 3 trial in non-small cell lung cancer. Building on its extensive expertise in the science of Hsp90, Synta also has a novel proprietary Hsp90 inhibitor Drug Conjugate (HDC) small molecule drug development program. IND enabling studies have commenced for the first clinical candidate from the HDC program, STA-12-8666, and preclinical evaluation of additional HDC candidates is ongoing. For more information, please visit www.syntapharma.com.

Safe Harbor Statement

This media release may contain forward-looking statements about Synta Pharmaceuticals Corp. Such forward-looking statements can be identified by the use of forward-looking terminology such as "will", "would", "should", "expects", "anticipates", "intends", "plans", "believes", "may", "estimates", "predicts", "projects", or similar expressions intended to identify forward-looking statements. Such statements, including statements relating to the anticipated timing for the interim and final analyses from the GALAXY-2 trial, the potential for a positive outcome of the GALAXY-2 trial to be transformational, the potential to make ganetespib available for non-small cell lung cancer patients, the timing around seeking regulatory approval of ganetespib, the timing of an IND submission for STA-12-8666, as well as the expectation that Synta’s existing cash resources will be sufficient to fund operations at least through the first half of 2016, reflect Synta’s current views with respect to future events and are based on assumptions and subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including those described in "Risk Factors" of our Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission. Synta undertakes no obligation to publicly update forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

Synta Pharmaceuticals Corp.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	**2014**	**2015**	**2014**
Revenues:				
Total revenues	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	16,377	18,761	32,559	36,344
General and administrative	3,127	2,940	7,277	8,264
Total operating expenses	19,504	21,701	39,836	44,608
Loss from operations	(19,504)	(21,701)	(39,836)	(44,608)
Interest expense, net	(296)	(585)	(671)	(1,235)
Net loss	$ (19,800)	$ (22,286)	$ (40,507)	$ (45,843)

Basic and diluted net loss per common share	$ (0.15)	$ (0.24)	$ (0.34)	$ (0.51)
Basic and diluted weighted average number of common shares outstanding	132,295,909	94,046,278	120,402,163	89,765,982

Synta Pharmaceuticals Corp.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	June 30, 2015	December 31, 2014
Assets		
Cash, cash equivalents and marketable securities	$ 98,334	$ 97,690
Other current assets	2,213	1,656
Property, plant and equipment, net	714	1,024
Other non-current assets	278	305
Total assets	$ 101,539	$ 100,675
Liabilities and Equity		
Current liabilities	$ 32,525	$ 30,889
Long-term liabilities	32	4,650
Stockholders' equity	68,982	65,136
Total liabilities and Stockholders' equity	$ 101,539	$ 100,675

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