



Inozyme Pharma Secures Flexible Debt Facility for up to \$70 Million with K2 HealthVentures

July 26, 2022

BOSTON, July 26, 2022 (GLOBE NEWSWIRE) -- [Inozyme Pharma, Inc.](#) (Nasdaq: INZY), a clinical-stage rare disease biopharmaceutical company developing novel therapeutics for the treatment of abnormal mineralization, today announced that it has entered into a debt financing facility for up to \$70 million with K2 HealthVentures (K2HV), a healthcare-focused specialty finance company.

"In 2022, Inozyme has delivered the first clinical validation of INZ-701 in ENPP1 Deficiency and ABCC6 Deficiency through our previously-announced positive preliminary data, and successfully raised capital through an underwritten offering supported by blue-chip healthcare investors. Together with our financing, this debt facility further strengthens our balance sheet and provides strategic and operational flexibility," said Sanjay Subramanian, M.S., MBA, Inozyme's chief financial officer. "We look forward to the milestone-rich quarters ahead, when we expect to announce topline data from our ongoing Phase 1/2 clinical trials in both indications. We also seek to advance to registrational trials as soon as possible. Our partnership with K2HV reduces our dependence on capital markets allowing us to focus on our mission of helping patients suffering from diseases of abnormal mineralization."

Under the terms of the agreement, Inozyme drew \$5 million from K2HV upon execution of the loan agreement, and has an option to draw down an additional \$20 million from the first tranche through March 31, 2023. Subsequently, an additional \$20 million will be available in two tranches upon the achievement of certain milestones during specified availability periods, and the final \$25 million is subject to lender approval. The Company is under no obligation to draw funds in the future.

Inozyme expects that its cash, cash equivalents and short-term investments as of March 31, 2022, together with net proceeds of \$68.3 million from its April 2022 offering and the \$25 million available under the first tranche of the loan agreement, will enable the Company to fund its operations into the second quarter of 2024.

"We are pleased to partner with Inozyme on this financing, which will support the company as it advances its lead asset through multiple indications and studies," said Nimesh Shah, managing director at K2HV. "Inozyme's deep understanding of the biology underpinning mineralization and its development of novel therapeutics to address underlying causes of diseases of abnormal mineralization, position them to transform the lives of people suffering from these rare conditions."

About Inozyme Pharma

Inozyme Pharma, Inc. (Nasdaq: INZY) is a clinical-stage rare disease biopharmaceutical company developing novel therapeutics for the treatment of diseases of abnormal mineralization impacting the vasculature, soft tissue, and skeleton. Through our in-depth understanding of the biological pathways involved in mineralization, we are pursuing the development of therapeutics to address the underlying causes of these debilitating diseases. It is well established that two genes, ENPP1 and ABCC6, play key roles in a critical mineralization pathway and that defects in these genes lead to abnormal mineralization. We are initially focused on developing a novel therapy, INZ-701, to treat the rare genetic diseases of ENPP1 and ABCC6 Deficiencies. INZ-701 is currently in Phase 1/2 clinical trials for the treatment of ENPP1 Deficiency and ABCC6 Deficiency.

Inozyme Pharma was founded in 2017 by Joseph Schlessinger, Ph.D., Demetrios Braddock, M.D., Ph.D., and Axel Bolte, MSc, MBA, with technology developed by Dr. Braddock and licensed from Yale University. For more information, please visit www.inozyme.com.

About K2 HealthVentures

K2 HealthVentures is an alternative investment firm focused on providing flexible, long-term financing solutions to innovative private and public companies in the life sciences and healthcare industries. The investment team comprises collaborative, experienced professionals with diverse backgrounds in finance and operations, as well as deep domain knowledge across various healthcare sectors. A uniquely flexible, permanent capital structure enables the firm to provide creative, adaptive financing solutions and meet the evolving capital needs of its portfolio companies as they grow. K2HV is driven by dual goals of Profit and Purpose—aiming to fuel the growth of innovative companies that will ultimately improve the lives of patients and giving a percentage of investment profits back to underserved areas in healthcare. www.k2hv.com

Cautionary Note Regarding Forward-Looking Statements

Statements in this press release about future expectations, plans, and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements relating to the timing of our clinical trials and other studies, the availability of data from clinical trials and other studies, the impact of the debt facility on the Company's balance sheet and the sufficiency of the Company's cash resources. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in, or implied by, such forward-looking statements. These risks and uncertainties include, but are not limited to, risks associated with the Company's ability to conduct its ongoing Phase 1/2 clinical trials of INZ-701 for ENPP1 Deficiency and ABCC6 Deficiency; obtain and maintain necessary approvals from the FDA and other regulatory authorities; continue to advance its product candidates in preclinical studies and clinical trials; replicate in later clinical trials positive results found in preclinical studies and early-stage clinical trials of its product candidates; advance the development of its product candidates under the timelines it anticipates in planned and future clinical trials; obtain, maintain, and protect intellectual property rights related to its product candidates; manage expenses; and raise the substantial additional capital needed to achieve its business objectives. For a discussion of other risks and uncertainties, and other important factors, any of which could cause the Company's actual results to differ from those contained in the forward-looking statements, see the "Risk Factors" section in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, as well as

discussions of potential risks, uncertainties, and other important factors, in the Company's most recent filings with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent the Company's views as of the date hereof and should not be relied upon as representing the Company's views as of any date subsequent to the date hereof. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so.

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