UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-37813

SYROS PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**45-3772460**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
35 CambridgePark Drive, 4th Floor Cambridge, Massachusetts	**02140**
(Address of Principal Executive Offices)	**(Zip Code)**

(617) 744-1340
(Registrant's Telephone Number, Including Area Code)

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, $0.001 par value	**SYRS**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☑
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Number of shares of the registrant's common stock, $0.001 par value, outstanding on May 8, 2023: 20,595,503

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Cautionary Note Regarding Forward-Looking Statements and Industry Data

This Quarterly Report on Form 10-Q, or Quarterly Report, contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management and expected market growth are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. The forward-looking statements and opinions contained in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information.

These forward-looking statements include, among other things, statements about:

•our plans to initiate and expand clinical trials of our product candidates and our expectations for the timing, quantity and quality of information to be reported from our clinical trials of tamibarotene, SY-2101 and SY-5609;

•our planned clinical trials for our product candidates, whether conducted by us or by any collaborators, including the timing of these trials and of the anticipated results;

•our ability to discover and develop compounds suitable for clinical development and the timing for designation of future development candidates;

•our ability to replicate in any clinical trial of one of our product candidates the results we observed in preclinical or earlier clinical studies of such product candidate;

•our plans to research, develop, seek approval for, manufacture and commercialize our current and future product candidates;

•our plans to develop and seek approval of companion diagnostic tests for use in identifying patients who may benefit from treatment with our products and product candidates;

•our ability to enter into, and the terms and timing of, any collaborations, license agreements, or other arrangements;

•whether a drug candidate will be nominated to enter into investigational new drug application-enabling studies under our sickle cell disease collaboration with Global Blood Therapeutics, Inc., or GBT, whether GBT will exercise its option to exclusively license intellectual property arising from the collaboration, whether and when any option exercise fees, milestone payments or royalties under the collaboration agreement with GBT will ever be paid, and whether we exercise our U.S. co-promotion option under the GBT agreement;

•whether our target discovery collaboration with Incyte Corporation, or Incyte, will yield any validated targets, whether Incyte will exercise any of its options to exclusively license intellectual property directed to such targets, and whether and when any of the target validation fees, option exercise fees, milestone payments or royalties under the Incyte collaboration will ever be paid;

•the potential benefits of any collaboration;

•developments relating to our competitors and our industry;

•the impact of government laws and regulations;

•the timing of and our ability to file new drug applications and obtain and maintain regulatory approvals for our product candidates;

•the rate and degree of market acceptance and clinical utility of any products for which we receive marketing approval;

•our commercialization, marketing and manufacturing capabilities and strategy;

•our intellectual property position and strategy;

•our ability to identify additional products or product candidates with significant commercial potential;

•our expectations related to the use of our current cash, cash equivalents and marketable securities and the period of time in which such capital will be sufficient to fund our planned operations;

•our estimates regarding expenses, future revenue, capital requirements and need for additional financing; and

•general economic conditions, including inflation, recession risk and increasing interest rates.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report.

We have included important factors in the cautionary statements included in this Quarterly Report that could cause actual results or events to differ materially from the forward-looking statements that we make. In particular, the extent to which the COVID-19 pandemic continues to impact our operations and those of the third parties on which we rely will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the pandemic, additional or modified government actions, and the actions that may be required to contain the coronavirus or treat its impact. COVID-19 has and may continue to adversely impact our operations and workforce, including our discovery research, supply chain and clinical trial operations activities, which in turn could have an adverse impact on our business and financial results.

Our forward-looking statements also do not reflect the potential impact of any future acquisitions, mergers, dispositions, collaborations, joint ventures or investments that we may make or enter into.

This report also includes statistical and other industry and market data that we obtained from industry publications and research, surveys, and studies conducted by third parties as well as our own estimates. All of the market data used in this report involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. Industry publications and third-party research, surveys, and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Our estimates of the potential market opportunities for our drug candidates include several key assumptions based on our industry knowledge, industry publications, third-party research, and other surveys, which may be based on a small sample size and may fail to accurately reflect market opportunities. While we believe that our internal assumptions are reasonable, no independent source has verified such assumptions.

You should read this Quarterly Report completely and with the understanding that our actual future results may be materially different from what we expect. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 104,765	$ 167,467
Marketable securities	61,038	34,837
Unbilled receivable	1,765	1,694
Prepaid expenses and other current assets	6,076	7,394
Total current assets	173,644	211,392
Property and equipment, net	10,950	11,353
Other long-term assets	4,647	5,348
Restricted cash	3,086	3,086
Right-of-use asset – operating lease	12,986	13,231
Right-of-use assets – financing leases	10	76
Total assets	$ 205,323	$ 244,486
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,795	$ 6,411
Accrued expenses	13,749	17,966
Deferred revenue, current portion	3,245	4,330
Financing lease obligations, current portion	12	65
Operating lease obligation, current portion	2,083	2,006
Debt, current portion	1,667	—
Total current liabilities	23,551	30,778
Operating lease obligation, net of current portion	20,295	20,851
Warrant liabilities	15,607	24,472
Debt, net of debt discount, long term	39,117	40,649
Commitments and contingencies (See Note 10)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized at March 31, 2023 and December 31, 2022; 0 shares issued and outstanding at March 31, 2023 and December 31, 2022	—	—
Common stock, $0.001 par value; 70,000,000 and 70,000,000 shares authorized at March 31, 2023 and December 31, 2022, respectively; 20,409,130 and 20,263,116 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	20	20
Additional paid-in capital	688,492	685,847
Accumulated other comprehensive loss	263	102
Accumulated deficit	(582,022)	(558,233)
Total stockholders' equity	106,753	127,736
Total liabilities and stockholders' equity	$ 205,323	$ 244,486

See accompanying notes to unaudited condensed consolidated financial statements.

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenue	$ 2,954	$ 5,467
Operating expenses:		
Research and development	28,761	25,171
General and administrative	7,405	6,949
Total operating expenses	36,166	32,120
Loss from operations	(33,212)	(26,653)
Interest income	1,775	35
Interest expense	(1,217)	(976)
Change in fair value of warrant liabilities	8,865	2,448
Net loss applicable to common stockholders	$ (23,789)	$ (25,146)
Net loss per share applicable to common stockholders - basic and diluted	$ (0.85)	$ (3.99)
Weighted-average number of common shares used in net loss per share applicable to common stockholders - basic and diluted	27,842,218	6,306,142

See accompanying notes to unaudited condensed consolidated financial statements.

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	**2022**
Net loss	$ (23,789)	$ (25,146)
Other comprehensive gain (loss):		
Unrealized holding gain (loss) on marketable securities, net of tax	161	(194)
Comprehensive loss	$ (23,628)	$ (25,340)

See accompanying notes to unaudited condensed consolidated financial statements.

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the three months ended March 31, 2023 and 2022
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Stockholders' Equity
	Number of Shares	Par Value				
Balance at December 31, 2021	6,202,403	$ 6	$ 548,870	$ (79)	$ (463,579)	$ 85,218
Exercise of stock options	3,770	—		—	—	—
Vesting of restricted stock units	73,956	1	—	—	—	1
Stock-based compensation expense	—	—	2,863	—	—	2,863
Other comprehensive loss	—	—	—	(194)	—	(194)
Net loss	—	—	—	—	(25,146)	(25,146)
Balance at March 31, 2022	6,280,129	$ 7	$ 551,733	$ (273)	$ (488,725)	$ 62,742
Balance at December 31, 2022	20,263,116	$ 20	$ 685,847	$ 102	$ (558,233)	$ 127,736
Vesting of restricted stock units	111,023	—	—	—	—	—
Exercise of prefunded warrants	34,991		—	—	—	—
Stock-based compensation expense	—	—	2,645	—	—	2,645
Other comprehensive gain	—	—	—	161	—	161
Net loss				—	(23,789)	(23,789)
Balance at March 31, 2023	20,409,130	$ 20	$ 688,492	$ 263	$ (582,022)	$ 106,753

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Operating activities		
Net loss	$ (23,789)	$ (25,146)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	638	681
Non-cash lease expense	66	66
Stock-based compensation expense	2,645	2,863
Change in fair value of warrant liabilities	(8,865)	(2,448)
Net amortization of premiums and discounts on marketable securities	(527)	76
Amortization of debt-discount and accretion of deferred debt costs	135	185
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,318	203
Unbilled receivable	(71)	(203)
Other long-term assets	701	(338)
Accounts payable	(3,616)	(969)
Accrued expenses	(4,217)	(2,372)
Deferred revenue	(1,085)	(2,408)
Operating lease liabilities	(234)	(207)
Net cash used in operating activities	(36,901)	(30,017)
Investing activities		
Purchases of property and equipment	(235)	(128)
Purchases of marketable securities	(48,500)	—
Maturities of marketable securities	22,987	7,511
Net cash (used in) provided by investing activities	(25,748)	7,383
Financing activities		
Payments on financing lease obligations	(53)	(70)
Proceeds from the issuance of common stock through exercise of option	—	1
Payment of issuance costs related to out of period offering	—	(24)
Net cash provided by financing activities	(53)	(93)
Net increase (decrease) in cash, cash equivalents and restricted cash	(62,702)	(22,727)
Cash, cash equivalents and restricted cash (See reconciliation in Note 7)		
Beginning of period	170,553	95,388
End of period	107,851	$ 72,661
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,053	$ 783
Non-cash investing and financing activities:		
Property and equipment received but unpaid as of period end	$ —	$ 165
Offering costs incurred but unpaid as of period end	$ 10	$ 10

See accompanying notes to unaudited condensed consolidated financial statements.

1. Nature of Business

Syros Pharmaceuticals, Inc. (the "Company"), a Delaware corporation formed in November 2011, is a biopharmaceutical company committed to developing new standards of care for the frontline treatment of patients with hematologic malignancies.

The Company is subject to a number of risks similar to those of other early stage companies, including dependence on key individuals; risks inherent in the development and commercialization of medicines to treat human disease; competition from other companies, many of which are larger and better capitalized; risks relating to obtaining and maintaining necessary intellectual property protection; and the need to obtain adequate additional financing to fund the development of its product candidates and discovery activities. If the Company is unable to raise capital when needed or on favorable terms, it would be forced to delay, reduce, eliminate or out-license certain of its research and development programs or future commercialization rights to its product candidates.

The Company has incurred significant net operating losses in every year since its inception. It expects to continue to incur significant and increasing net operating losses for at least the next several years. As of March 31, 2023, the Company had cash, cash equivalents and marketable securities of $165.8 million and an accumulated deficit of $582.0 million. The Company has not generated any revenues from product sales, has not completed the development of any product candidate and may never have a product candidate approved for commercialization. The Company has financed its operations to date primarily through a credit facility, the sale of equity securities and through license and collaboration agreements. The Company has devoted substantially all of its financial resources and efforts to research and development and general and administrative activities to support such research and development. The Company's net losses may fluctuate significantly from quarter to quarter and year to year. Net losses and negative cash flows have had, and will continue to have, an adverse effect on the Company's stockholders' equity and working capital.

On September 16, 2022, the Company filed an amendment to its Restated Certificate of Incorporation (the "Restated Certificate of Incorporation") with the Secretary of State of the State of Delaware to effect the reverse stock split of its common stock, such that every 10 shares of the Company's common stock held by a stockholder immediately prior to the reverse stock split were combined and reclassified into one share of the Company's common stock (the "Reverse Stock Split"). Except where otherwise indicated, all share and per share amounts in the accompanying financial statements, related footnotes, and management's discussion and analysis have been adjusted retroactively to reflect the Reverse Stock Split as if it had occurred at the beginning of the earliest period presented.

On September 16, 2022, the Company completed its acquisition of Tyme Technologies, Inc., a Delaware corporation ("Tyme"), in accordance with an Agreement and Plan of Merger, dated as of July 3, 2022 (the "Merger Agreement"). The Company issued approximately 7.5 million shares of its common stock to the former Tyme stockholders in exchange for all of the shares of Tyme common stock issued and outstanding immediately prior to the merger, with Tyme surviving as a wholly-owned subsidiary of the Company (the "Merger"). In connection with the closing of the Merger, and in accordance with the terms of the Merger Agreement, the Company acquired net cash, cash equivalents and marketable securities of approximately $67.1 million.

On September 16, 2022, the Company issued in a private placement (the "2022 Private Placement") 6,387,173 shares of common stock, and, in lieu of shares of common stock, pre-funded warrants (the "2022 Pre-Funded Warrants") to purchase an aggregate of up to 7,426,739 shares of common stock, and, in each case, accompanying warrants (the "2022 Warrants") to purchase an aggregate of up to 13,813,912 additional shares of common stock (or 2022 Pre-Funded Warrants to purchase common stock in lieu thereof) at a price of $10.34 per share and accompanying 2022 Warrant (or $10.33 per 2022 Pre-Funded Warrant and accompanying 2022 Warrant). The 2022 Private Placement resulted in aggregate gross proceeds of $129.9 million, before $10.1 million of transaction costs.

Based on its current operating plan, the Company's management believes that as of March 31, 2023, the Company will meet its liquidity requirements for a period of at least 12 months from the issuance date of this Quarterly Report on Form 10-Q.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Any reference in these notes to applicable guidance is meant to

refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB").

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited financial statements. In the opinion of the Company's management, the accompanying unaudited interim condensed consolidated financial statements contain all adjustments that are necessary to present fairly the Company's financial position as of March 31, 2023, the results of its operations for the three months ended March 31, 2023 and 2022, statements of stockholders' equity for the three months ended March 31, 2023 and 2022, and statements of cash flows for the three months ended March 31, 2023 and 2022. Such adjustments are of a normal and recurring nature. The results for the three months ended March 31, 2023 are not necessarily indicative of the results for the year ending December 31, 2023, or for any future period.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, (i) Syros Securities Corporation, a Massachusetts corporation formed by the Company in December 2014 to exclusively engage in buying, selling and holding securities on its own behalf, (ii) Syros Pharmaceuticals (Ireland) Limited, an Irish limited liability company formed by the Company in January 2019, and (iii) Tyme Technologies, Inc., a Delaware corporation, which is the surviving corporation in connection with the filing of a certificate of merger with the Secretary of State of the State of Delaware on September 16, 2022, pursuant to which Tack Acquisition Corp., a Delaware corporation formed by the Company in June 2022 to effect the Merger, merged with and into Tyme Technologies, Inc. (refer to Note 1). All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Management considers many factors in selecting appropriate financial accounting policies and in developing the estimates and assumptions that are used in the preparation of the financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, which include, but are not limited to, expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates and whether historical trends are expected to be representative of future trends. Management's estimation process may yield a range of potentially reasonable estimates and management must select an amount that falls within that range of reasonable estimates. On an ongoing basis, the Company's management evaluates its estimates, which include, but are not limited to, estimates related to revenue recognition, warrant liability, stock-based compensation expense, accrued expenses, income taxes and the evaluation of the existence of conditions and events that raise substantial doubt regarding the Company's ability to continue as a going concern. Actual results may differ from those estimates or assumptions.

Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief operating decision maker is its chief executive officer. The Company and the chief operating decision maker view the Company's operations and manage its business in one operating segment. The Company operates only in the United States.

Cash and Cash Equivalents

The Company considers all highly liquid instruments that have original maturities of three months or less when acquired to be cash equivalents. Cash equivalents, which consist of money market funds that invest in U.S. Treasury obligations, as well as overnight repurchase agreements and corporate debt securities, are stated at fair value. The Company maintains its bank accounts at one major financial institution.

Off-Balance Sheet Risk and Concentrations of Credit Risk

The Company has no financial instruments with off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash equivalents and marketable securities. Under its investment policy, the Company limits amounts invested in such securities by credit rating, maturity, industry group, investment type and

issuer, except for securities issued by the U.S. government. The Company is not exposed to any significant concentrations of credit risk from these financial instruments. The goals of the Company's investment policy, in order of priority, are safety and preservation of principal and liquidity of investments sufficient to meet cash flow requirements.

Fair Value of Financial Instruments

ASC 820, *Fair Value Measurement* ("ASC 820"), established a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are those that reflect the Company's assumption about the inputs that market participants would use in pricing the asset or liability. These are developed based on the best information available under the circumstances.

ASC 820 identified fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 established a three-tier fair value hierarchy that distinguishes between the following:

Level 1—Quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—Unobservable inputs developed using estimates or assumptions developed by the Company, which reflect those that a market participant would use.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts reflected in the condensed consolidated balance sheets for cash and cash equivalents, prepaid expenses, other current assets, restricted cash, accounts payable, accrued expenses and deferred revenue approximate their respective fair values due to their short-term nature.

Property and Equipment

Property and equipment consists of laboratory equipment, computer equipment, furniture and fixtures and leasehold improvements, all of which are stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are recorded to expense as incurred. Major betterments are capitalized as additions to property and equipment. Depreciation and amortization are recognized over the estimated useful lives of the assets using the straight-line method.

Construction-in-progress is stated at cost, which relates to the cost of leasehold improvements not yet placed into service. No depreciation expense is recorded on construction-in-progress until such time as the relevant assets are completed and put into use.

Impairment of Long-Lived Assets

The Company continually evaluates long-lived assets for potential impairment when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparing the book values of the assets to the expected future net undiscounted cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book values of the assets exceed their fair value. The Company has not recognized any impairment losses from inception through March 31, 2023.

Other Long-Term Assets

Other long-term assets primarily consisted of advance payments made to the contract research organizations responsible for conducting the Company's tamibarotene clinical trials.

Revenue Recognition

To date the Company's only revenue has consisted of collaboration and license revenue. The Company has not generated any revenue from product sales and does not expect to generate any revenue from product sales for the foreseeable future.

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps:

(i)identify the contract(s) with a customer;

(ii)identify the performance obligations in the contract;

(iii)determine the transaction price;

(iv)allocate the transaction price to the performance obligations in the contract; and

(v)recognize revenue when (or as) the entity satisfies a performance obligation.

The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. If a contract is determined to be within the scope of ASC 606 at inception, the Company assesses the goods or services promised within such contract, determines which of those goods and services are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company records a contract asset, excluding any amounts presented as accounts receivable. The Company includes unbilled accounts receivable as contract assets on its consolidated balance sheets. The Company records accounts receivable for amounts billed to the customer for which the Company has an unconditional right to consideration. The Company assesses contract assets and accounts receivable for impairment and, to date, no impairment losses have been recorded.

From time to time, the Company may enter into agreements that are within the scope of ASC 606. The terms of these arrangements typically include payment to the Company of one or more of the following: non-refundable, up-front license fees or prepaid research and development services; development, regulatory and commercial milestone payments; and royalties on net sales of licensed products. Each of these payments results in license and collaboration revenues, except for revenues from royalties on net sales of licensed products, which will be classified as royalty revenues.

The Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808"), to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to ASC 606. For those elements of the arrangement that are accounted for pursuant to ASC 606, the Company applies the five-step model described above.

Research and Development

Expenditures relating to research and development are expensed in the period incurred. Research and development expenses consist of both internal and external costs associated with the development of the Company's gene control platform and product candidates. Research and development costs include salaries and benefits, materials and supplies, external research, preclinical and clinical development expenses, stock-based compensation expense and facilities costs. Facilities costs primarily include the allocation of rent, utilities, depreciation and amortization.

In certain circumstances, the Company is required to make non-refundable advance payments to vendors for goods or services that will be received in the future for use in research and development activities. In such circumstances, the non-refundable advance payments are deferred and capitalized, even when there is no alternative future use for the research and development, until related goods or services are provided.

The Company records accruals for estimated ongoing research costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the work being performed, including the phase or completion of the event, invoices received and costs. Significant judgements and estimates may be made in determining the accrued balances at the end of any reporting period. Actual results could differ from the Company's estimates.

The Company may in-license the rights to develop and commercialize product candidates. For each in-license transaction the Company evaluates whether it has acquired processes or activities along with inputs that would be sufficient to constitute a "business" as defined under U.S. GAAP. A "business" as defined under U.S. GAAP consists of inputs and processes applied to those inputs that have the ability to create outputs. Although businesses usually have outputs, outputs are not required for an integrated set of activities to qualify as a business. When the Company determines that it has not acquired sufficient processes or activities to constitute a business, any up-front payments, as well as milestone payments, are immediately expensed as acquired research and development in the period in which they are incurred.

Warrants

The Company accounts for issued warrants either as a liability or equity in accordance with ASC 480-10, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* ("ASC 480-10") or ASC 815-40, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock* ("ASC 815-40"). Under ASC 480-10, warrants are considered a liability if they are mandatorily redeemable and they require settlement in cash, other assets, or a variable number of shares. If warrants do not meet liability classification under ASC 480-10, the Company considers the requirements of ASC 815-40 to determine whether the warrants should be classified as a liability or as equity. Under ASC 815-40, contracts that may require settlement for cash are liabilities, regardless of the probability of the occurrence of the triggering event. Liability-classified warrants are measured at fair value on the issuance date and at the end of each reporting period. Any change in the fair value of the warrants after the issuance date is recorded in the consolidated statements of operations as a gain or loss. If warrants do not require liability classification under ASC 815-40, in order to conclude warrants should be classified as equity, the Company assesses whether the warrants are indexed to its common stock and whether the warrants are classified as equity under ASC 815-40 or other applicable GAAP standard. Equity-classified warrants are accounted for at fair value on the issuance date with no changes in fair value recognized after the issuance date.

Stock-Based Compensation Expense

The Company accounts for its stock-based compensation awards in accordance with ASC 718, *Compensation—Stock Compensation* ("ASC 718"). ASC 718 requires all stock-based payments to employees and directors, including grants of restricted stock units and stock option awards, to be recognized as expense in the consolidated statements of operations based on their grant date fair values. Consistent with the grants for employees and directors, grants of restricted stock units and stock option awards to other service providers, referred to as non-employees, are measured based on the grant-date fair value of the award and expensed in the Company's condensed consolidated statement of operations over the vesting period. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The expected term of stock options granted to non-employees can be determined using either the contractual term of the option award or the "simplified" method. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future. The Company uses the value of its common stock to determine the fair value of restricted stock awards.

The Company expenses the fair value of its stock-based awards to employees and non-employees on a straight-line basis over the associated service period, which is generally the vesting period. The Company accounts for forfeitures as they occur instead of estimating forfeitures at the time of grant. Ultimately, the actual expense recognized over the vesting period will be for only those options that vest.

Compensation expense for discounted purchases under the employee stock purchase plan is measured using the Black-Scholes model to compute the fair value of the lookback provision plus the purchase discount and is recognized as compensation expense over the offering period.

For stock-based awards that contain performance-based milestones, the Company records stock-based compensation expense in accordance with the accelerated attribution model. Management evaluates when the achievement of a performance-based milestone is probable based on the expected satisfaction of the performance conditions as of the reporting date.

Income Taxes

The Company accounts for uncertain tax positions using a more-likely-than-not threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in the law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity, and changes in facts or circumstances related to a tax position.

Net Loss per Share

Basic net earnings per share applicable to common stockholders is calculated by dividing net earnings applicable to common stockholders by the weighted average shares outstanding during the period, without consideration for common stock equivalents. Diluted net earnings per share applicable to common stockholders is calculated by adjusting the weighted average shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method and the if-converted method. For purposes of the calculation of dilutive net loss per share applicable to common stockholders, stock options, unvested restricted stock units, and warrants are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share applicable to common stockholders, as their effect would be anti-dilutive; therefore, basic and diluted net loss per share applicable to common stockholders were the same for all periods presented.

As of March 31, 2023, 100,000 pre-funded warrants to purchase common stock issued in connection with the December 2020 private placement (the "2020 Pre-Funded Warrants"), and 7,391,739 2022 Pre-Funded Warrants issued in connection with the September 2022 private placement (refer to Note 11) were included in the basic and diluted net loss per share calculation. As of March 31, 2022, 100,000 pre-funded warrants to purchase common stock issued in connection with the December 2020 private placement (the "2020 Pre-Funded Warrants") (refer to Note 11) were included in the basic and diluted net loss per share calculation.

The following common stock equivalents were excluded from the calculation of diluted net loss per share applicable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	As of March 31,	
	2023	**2022**
Stock options	1,714,298	752,715
Unvested restricted stock units	2,294,651	453,972
Warrants*	14,142,298	499,010
Total	18,151,247	1,705,697

* As of March 31, 2023 , this is comprised of 2,754 warrants to purchase common stock issued in connection with the execution and first draw of the Company's loan agreement in February 2020 (refer to Note 8), 1,738 warrants to purchase common stock issued in connection with the second draw on this loan agreement in December 2020 (refer to Note 8), 282,809 warrants to purchase common stock issued in connection with the private placement in December 2020 (refer to Note 11), 13,813,912 warrants to purchase common stock issued in connection with the private placement in September 2022 (refer to Note 11), and 41,085 warrants to purchase common stock that were issued upon the assumption and conversion of Tyme warrants in connection with the Merger (refer to Note 3). As of March 31, 2022, this is comprised of 211,709 warrants to purchase common stock issued in connection with the Company's April 2019 financing (refer to Note 11), 2,754 warrants to purchase common stock issued in connection with the execution and first draw of the Company's

loan agreement in February 2020 (refer to Note 8), 1,738 warrants to purchase common stock issued in connection with the second draw on this loan agreement in December 2020 (refer to Note 8), and 282,809 warrants to purchase common stock issued in connection with the private placement in December 2020 (refer to Note 11).

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the incurred loss impairment model with an expected loss model that requires the use of forward-looking information to calculate credit loss estimates. It also eliminates the concept of other-than-temporary impairment and requires credit losses on available-for-sale debt securities to be recorded through an allowance for credit losses instead of as a reduction in the amortized cost basis of the securities. ASU 2016-13 becomes effective for smaller reporting companies for fiscal years beginning after December 15, 2022, and early adoption is permitted. The Company adopted this new standard on January 1, 2023, and it did not have a material impact on its condensed consolidated financial statements and related disclosures.

3. Recapitalization

On September 16, 2022, the Company issued approximately 7.5 million shares of its common stock to the former Tyme stockholders in connection with the Merger. The Company also issued options and warrants to purchase 733,545 shares of the Company's common stock to certain holders of Tyme options and warrants that were outstanding immediately before the consummation of the Merger. The Merger is accounted for as a recapitalization because the Company was determined to be a legal and accounting acquirer under Financial Accounting Standards Board's Accounting Standards Codification Topic 805, Business Combinations ("ASC 805"). This determination was primarily based on the following facts and circumstances:

- The pre-combination equity holders of the Company hold the relative majority of voting rights in the combined entity;
- The pre-combination equity holders of the Company have the right to appoint the majority of the directors on the combined entity's board of directors;
- Senior management of the Company comprises the senior management of the combined entity;
- Operations of the Company comprise the ongoing operations of the combined entity; and
- Upon effectiveness of the Merger, the primary assets of Tyme at the effective date were primarily cash, cash equivalents and marketable securities.

Under the recapitalization accounting model, the net assets acquired are recognized at fair value and any excess consideration transferred over the fair value of the net assets are reflected as a reduction to equity. Transaction costs incurred attributable to the Merger are also reflected as a reduction to the equity.

The carrying value of Tyme's net assets as of September 16, 2022, which approximates fair value because of its short-term nature, is set forth below:

		Fair Value
Cash and cash equivalents	$	14,898
Marketable securities		52,220
Prepaid expenses		1,350
Total	$	68,468

No value has been ascribed to the development programs acquired from Tyme in the Merger.

The Company incurred $3.1 million of transaction costs attributable to the Merger which are reflected as a reduction of additional paid-in capital. In addition, the Company paid $4.5 million of severance to former Tyme employees which was expensed at the closing of the transaction.

4. Collaboration and Research Arrangements

Collaboration with Global Blood Therapeutics

On December 17, 2019, the Company entered into a license and collaboration agreement (the "GBT Collaboration Agreement") with Global Blood Therapeutics, Inc. ("GBT"), now a subsidiary of Pfizer Inc., pursuant to which the parties agreed to a research collaboration to discover novel targets that induce fetal hemoglobin in order to develop new small molecule treatments for sickle cell disease and beta thalassemia. The research term (the "Research Term") is for an initial period of three years and can be extended for up to two additional one-year terms upon mutual agreement. In November 2022, the Company and GBT agreed to extend the Research Term for an additional one-year period, with the Research Term now scheduled to end in December 2023.

Pursuant to the terms of the GBT Collaboration Agreement, GBT paid the Company an upfront payment of $20.0 million. GBT also agreed to reimburse the Company for full-time employee and out-of-pocket costs and expenses incurred by the Company in accordance with the agreed-upon research budget, which was anticipated to total approximately $40.0 million over the initial Research Term.

The Company granted to GBT an option (the "Option") to obtain an exclusive, worldwide license, with the right to sublicense, under relevant intellectual property rights and know-how of the Company arising from the collaboration to develop, manufacture and commercialize any compounds or products resulting from the collaboration. GBT may exercise the Option at any time during the period (i) commencing on the earlier of (a) the date of GBT's designation of the first product candidate to enter into investigational new drug application-enabling studies, or (b) if no such candidate is designated as of the expiration of the Research Term, the date of expiration of the Research Term, and (ii) ending on the 180th day after the date of expiration or earlier termination of the Research Term. GBT's exercise of the Option will be subject to any required filings with the applicable antitrust authority as required by the antitrust laws and satisfaction of any applicable antitrust conditions.

Should GBT exercise its Option, the Company could receive up to $315.0 million in option exercise, development, regulatory, commercialization and sales-based milestones per product candidate and product resulting from the collaboration.

The Company will also be entitled to receive, subject to certain reductions, tiered mid-to-high single digit royalties as percentages of calendar year net sales on any product.

Either party may terminate the GBT Collaboration Agreement for the other party's uncured material breach or insolvency, and in certain other specified circumstances, subject to specified notice and cure periods. GBT may unilaterally terminate the GBT Collaboration Agreement in its entirety, for any or no reason, upon nine-months' prior written notice to the Company if such notice is delivered during the Research Term, or 90 days' prior written notice to the Company if such notice is delivered after the expiration or termination of the Research Term.

GBT Collaboration Revenue

The Company analyzed the GBT Collaboration Agreement and concluded that it represents a contract with a customer within the scope of ASC 606.

The Company identified a single performance obligation, which includes a (i) non-exclusive research license that GBT will have access to during the initial Research Term and (ii) research and development services provided during the initial Research Term. The GBT Collaboration Agreement includes the Option. The Option does not provide a material right to GBT that it would receive without entering into the GBT Collaboration Agreement, principally because the Option exercise fee is at least equal to the standalone selling price for the underlying goods. The non-exclusive research license is not distinct as GBT cannot benefit from the license without the research and development services that are separately identifiable in the contract. The non-exclusive research license only allows GBT to evaluate the candidate compounds developed under the research plan or to conduct work allocated to it during the Research Term. GBT cannot extract any benefit from the non-exclusive research license without the research and development services performed by the Company, including the provision of data package information. As such, these two promises are inputs to a combined output (the delivery of data package allowing GBT to make an Option exercise decision) and are bundled into a single performance obligation (the non-exclusive research license and research and development service performance obligation).

At inception, the total transaction price was determined to be approximately $60.0 million, which consisted of a $20.0 million upfront non-refundable and non-creditable technology access fee and approximately $40.0 million in reimbursable costs for employee and external research and development expenses. The GBT Collaboration Agreement also provides for development and regulatory milestones which are only payable subsequent to the exercise of the Option, and therefore are excluded from the transaction price at inception. The Company will re-evaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur. As of March 31, 2023, the transaction price was estimated at $56.4 million, which reflects a reduction in the initial estimate of $60.0 million due to a lower reimbursable cost incurred, partially offset by additional consideration of $7.1 million related to the one year extension of the Research Term. The Company accounted for the contract amendment as if it were part of the existing contract, since the remaining goods and services are not distinct, and form part of a single performance obligation that was partially satisfied at the date of the amendment.

ASC 606 requires an entity to recognize revenue only when it satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. As the non-exclusive research license and research and development services represent one performance obligation, the Company has determined that it will satisfy its performance obligation over a period of time as services are performed and GBT receives the benefit of the services, as the overall purpose of the arrangement is for the Company to perform the services. The Company will recognize revenue associated with the performance obligation as the research and development services are provided using an input method, according to the costs incurred as related to the research and development activities and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs during this time and is the best measure of progress towards satisfying the performance obligation.

During the three months ended March 31, 2023 and 2022, the Company recognized revenue of $3.0 million and $5.1 million, respectively, under the GBT Collaboration Agreement. As of March 31, 2023, the Company had deferred revenue outstanding under the GBT Collaboration Agreement of approximately $3.2 million, all of which is classified as deferred revenue, current portion on the Company's condensed consolidated balance sheets.

Agreements with Incyte Corporation

In January 2018, the Company and Incyte entered into a Target Discovery, Research Collaboration and Option Agreement (the "Incyte Collaboration Agreement"). The Incyte Collaboration Agreement was amended in November 2019. Under the Incyte Collaboration Agreement, the Company is using its proprietary gene control platform to identify novel therapeutic targets with a focus on myeloproliferative neoplasms, and Incyte has received options to obtain exclusive worldwide rights to intellectual property resulting from the collaboration for the development and commercialization of therapeutic products directed to up to seven validated targets. For each option exercised by Incyte, Incyte will have the exclusive worldwide right to use the licensed intellectual property to develop and commercialize therapeutic products that modulate the target as to which the option was exercised. Under the terms of the Incyte Collaboration Agreement, Incyte paid the Company $10.0 million in up-front consideration, consisting of $2.5 million in cash and $7.5 million in pre-paid research funding (the "Prepaid Research Amount"). The Company's activities under the Incyte Collaboration Agreement are subject to a joint research plan and, subject to certain exceptions, Incyte is responsible for funding the Company's activities under the research plan, including amounts in excess of the Prepaid Research Amount. As of March 31, 2023, the Company has completed all of the target validation activities allocated to it under the research plan.

In January 2018, the Company also entered into a Stock Purchase Agreement with Incyte (the "Stock Purchase Agreement") whereby, for an aggregate purchase price of $10.0 million, Incyte purchased 79,302 shares of the Company's common stock at $126.10 per share. Under the terms of the Stock Purchase Agreement, the shares were purchased at a 30% premium over the volume-weighted sale price of the shares of the Company's common stock over the 15-trading day period immediately preceding the date of the Stock Purchase Agreement.

Incyte Collaboration Revenue

The Company analyzed the Incyte Collaboration Agreement and concluded that it represents a contract with a customer within the scope of ASC 606.

The Company identified a single performance obligation which includes (i) a research license that Incyte retains as long as there remains an unexercised option (the "Research License"), and (ii) research and development services

provided during the research term. The Incyte Collaboration Agreement includes options to (x) obtain additional time to exercise the license options for certain targets designated as definitive validation targets, and (y) obtain license rights to each validated target, both of which were not considered by the Company's management to be material rights, and therefore not performance obligations, at inception.

At inception, the total transaction price was determined to be $12.3 million and was subsequently increased to $12.8 million following a November 2019 amendment. As of March 31, 2023, the total transaction price is $12.8 million, consisting of a $2.5 million upfront non-refundable and non-creditable payment, the $7.5 million Prepaid Research Amount, $2.3 million in premium paid on the equity investment made pursuant the Stock Purchase Agreement, and $0.5 million of additional consideration. The Company accounted for the contract amendment as a modification as if it were part of the existing contract as the remaining goods and services are not distinct, and therefore form part of a single performance obligation that was partially satisfied at the date of the amendment.

The Incyte Collaboration Agreement also provides for development and regulatory milestones that are only payable subsequent to the exercise of an option and were therefore excluded from the transaction price at inception. The Company re-evaluates the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur.

The Company recognizes revenue associated with the performance obligation as the research and development services are provided using an input method, according to the costs incurred as related to the research and development activities and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs during this time and is the best measure of progress towards satisfying the performance obligation. As of December 31, 2022, the Company has completed all of the target validation activities allocated to it under the research plan and all deferred revenue were recognized.

For the three months ended March 31, 2023, the Company did not recognize any revenue under the Incyte Collaboration Agreement. For three months ended March 31, 2022, the Company recognized revenue of $0.4 million under the Incyte Collaboration Agreement. As of March 31, 2023, the Company has no deferred revenue outstanding under the Incyte Collaboration Agreement.

The following table presents the changes in accounts receivable, contract assets and liabilities for the three months ended March 31, 2023 (in thousands):

	Balance at December 31, 2022	Additions	Deductions	Balance at March 31, 2023
Contract liabilities:				
Deferred revenue - GBT	$ 4,330	$ 104	1,189	$ 3,245
Total contract liabilities	$ 4,330	$ 104	$ 1,189	$ 3,245

5. Cash, Cash Equivalents and Marketable Securities

Cash equivalents are highly liquid investments that are readily convertible into cash with original maturities of three months or less when purchased. Marketable securities consist of securities with original maturities greater than 90 days when purchased. The Company classifies these marketable securities as available-for-sale and records them at fair value in the accompanying condensed consolidated balance sheets. Unrealized gains or losses are included in accumulated other comprehensive loss. Premiums or discounts from par value are amortized to interest income over the life of the underlying security.

Cash, cash equivalents and marketable securities consisted of the following as of March 31, 2023 and December 31, 2022 (in thousands):

March 31, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market funds	$ 104,765	$ —	$ —	$ 104,765
Marketable securities:				
Corporate debt securities - due in one year or less	9,053	139	—	9,192
Municipal bonds	2,699	110	—	2,809
US Treasury obligation - due in one year or less	49,022	15	—	49,037
Total	$ 165,540	$ 263	$ —	$ 165,803

December 31, 2022	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market funds	$ 167,467	$ —	$ —	$ 167,467
Marketable securities:				
Corporate debt securities - due in one year or less	22,257	116	(53)	22,320
Commercial paper	2,491	—	—	2,491
Municipal bonds	5,987	51	—	6,038
US Treasury obligation - due in one year or less	4,000		(12)	3,988
Total	$ 202,202	$ 167	$ (65)	$ 202,304

Although available to be sold to meet operating needs or otherwise, securities are generally held through maturity. The cost of securities sold is determined based on the specific identification method for purposes of recording realized gains and losses. During the three months ended March 31, 2023 and 2022, there were no realized gains or losses on sales of investments, and no investments were adjusted for other-than-temporary declines in fair value.

As of March 31, 2023, marketable securities with maturities of one year or less when purchased are presented in current assets and those with maturities of more than one year are presented in the noncurrent assets in the accompanying condensed consolidated balance sheet.

As of March 31, 2023, the Company had no securities that were in an unrealized loss position. The Company determined that there was no material change in the credit risk of the above marketable securities. As a result, the Company determined it did not hold any marketable securities with an other-than temporary impairment as of March 31, 2023.

6. Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2023 and December 31, 2022 were as follows (in thousands):

Description	March 31, 2023	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash	$ 104,765	$ 104,765	$ —	$ —
Corporate debt securities - due in one year or less	9,192	—	9,192	—
Municipal bonds	2,809	—	2,809	—
US Treasury obligation - due in one year or less	49,037	49,037	—	—
Total	$ 165,803	$ 153,802	$ 12,001	$ —
Liabilities:				
Warrant liabilities	$ 15,607	$ —	$ —	$ 15,607
Total	$ 15,607	$ —	$ —	$ 15,607

Description	December 31, 2022	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash	$ 167,467	$ 167,467	$ —	$ —
Corporate debt securities - due in one year or less	22,320	—	22,320	—
Commercial paper	2,491	—	2,491	—
Municipal bonds	6,038	—	6,038	—
US Treasury obligation - due in one year or less	3,988	3,988	—	—
Total	$ 202,304	$ 171,455	$ 30,849	$ —
Liabilities:				
Warrant liabilities	$ 24,472	$ —	$ —	$ 24,472
Total	$ 24,472	$ —	$ —	$ 24,472

Assumptions Used in Determining Fair Value of Warrants

The Company issued the 2022 Warrants to purchase an aggregate of up to 13,813,912 shares of common stock in connection with the 2022 Private Placement (see Note 11) and warrants to purchase an aggregate of up to 282,809 shares of common stock in connection with a private placement on December 8, 2020 (the "2020 Warrants") (see Note 11). The Company accounted for the 2022 Warrants and 2020 Warrants as liabilities. The Company recorded the fair value of these warrants upon issuance using the Black-Scholes valuation model and is required to revalue these warrants at each reporting date with any changes in fair value recorded on the Company's statement of operations. The valuation of the 2022 Warrants and 2020 Warrants is considered under Level 3 of the fair value hierarchy and influenced by the fair value of the underlying common stock of the Company.

A summary of the Black Scholes pricing model assumptions used to record the fair value of the Warrants is as follows:

	March 31, 2023	December 31, 2022
Stock price	$ 2.67	$ 3.59
Average risk-free interest rate	3.66 %	4.02 %
Dividend yield	—	—
Average expected life (in years)	4.42	4.67
Average expected volatility	88.09 %	86.79 %

Changes in Level 3 Liabilities Measured at Fair Value on a Recurring Basis

The following table reflects the change in the Company's Level 3 warrant liability for the three months ended March 31, 2023 and the year ended December 31, 2022 (in thousands):

	March 31, 2023	December 31, 2022
Fair value of warrant liabilities as of beginning of year	$ 24,472	$ 3,029
Warrants issued in connection with 2022 Private Placement	—	64,664
Change in fair value	(8,865)	(43,221)
Fair value of warrant liabilities as of end of period	$ 15,607	$ 24,472

7. Restricted Cash

As of March 31, 2023 and December 31, 2022, the Company had $3.1 million in restricted cash, which was classified as long-term on the Company's condensed consolidated balance sheets, and all of which was attributable to the HQ Lease (See Note 10).

In connection with the execution of the HQ Lease, the Company was required to provide the landlord with a letter of credit in the amount of $3.1 million that will expire 95 days after expiration or early termination of the HQ Lease. The Company will have the right, under certain conditions, to reduce the amount of the letter of credit to $2.1 million in October 2023.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the amounts shown in the Company's condensed consolidated statement of cash flows as of March 31, 2023 and 2022 (in thousands):

	March 31,	
	2023	2022
Cash and cash equivalents	$ 104,765	$ 69,575
Restricted cash, net of current portion	$ 3,086	3,086
Total cash, cash equivalents and restricted cash	$ 107,851	$ 72,661

8. Oxford Finance Loan Agreement

On February 12, 2020, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with Oxford Finance LLC (the "Lender"). Pursuant to the Loan Agreement, a term loan of up to an aggregate principal amount of $60.0 million is available to the Company. A first tranche term loan for $20.0 million was funded on February 12, 2020, and a second tranche term loan for $20.0 million was funded on December 23, 2020. The remaining $20.0 million is still available under the Loan Agreement, at the sole discretion of the Lender.

The term loan initially bore interest at an annual rate equal to the greater of (i) 7.75% and (ii) the sum of 5.98% and the greater of (A) one-month LIBOR or (B) 1.77%. The Loan Agreement initially provided for interest-only payments until March 1, 2023, and repayment of the aggregate outstanding principal balance of the term loan in monthly installments starting on March 1, 2023 and continuing through February 1, 2025 (the "Maturity Date"). Pursuant to the terms of an amendment to the Loan Agreement dated July 3, 2022 (the "Loan Agreement Amendment"), effective September 16, 2022, Oxford agreed to extend the interest-only period from March 1, 2023 to March 1, 2024 and to extend the Maturity Date from February 1, 2025 to February 1, 2026, and upon the achievement of certain milestones and subject to the payment of certain fees, further extend the interest only period to September 1, 2024 and the Maturity Date to August 1, 2026. Pursuant to the terms of a subsequent amendment to the Loan Agreement dated November 15, 2022, the floating annual rate for each term loan was amended to equal the greater of (i) 7.75% and (ii) the sum of (a) the 1-month CME Term SOFR reference rate, (b) 0.10%, and (c) 5.98%.

The Company paid a facility fee of $0.1 million upon the funding of the first tranche, paid a facility fee of $75,000 upon funding of the second tranche and must pay a $50,000 facility fee if and when the third loan tranche is funded. The Company also paid fees of $300,000 related to the Loan Agreement Amendment. The Company will be required to make a final payment fee of 5.00% of the amount of the term loan drawn payable on the earlier of (i) the prepayment of the term loan or (ii) the Maturity Date. At the Company's option, the Company may elect to prepay the loans subject to a prepayment fee equal to the following percentage of the principal amount being prepaid: 2% if an advance is prepaid during the first 12 months following the applicable advance date, 1% if an advance is prepaid after 12 months but prior to 24 months following the applicable advance date, and 0.5% if an advance is prepaid any time after 24 months following the applicable advance date but prior to the Maturity Date.

In connection with the Loan Agreement, the Company granted the Lender a security interest in all of the Company's personal property now owned or hereafter acquired, excluding intellectual property (but including the right to payments and proceeds of intellectual property), and a negative pledge on intellectual property. The Loan Agreement also contains certain events of default, representations, warranties and non-financial covenants of the Company.

In connection with the funding of the first tranche in February 2020, the Company issued the Lender warrants to purchase 2,754 shares of the Company's common stock at an exercise price per share of $72.60. In connection with the funding of the second tranche in December 2020, the Company issued the Lender warrants to purchase 1,738 shares of the Company's common stock at an exercise price of $115.00 per share (collectively, the "Oxford Warrants"). The Oxford Warrants are exercisable within five years from their respective dates of issuance.

The Oxford Warrants are classified as a component of permanent equity because they are freestanding financial instruments that are legally detachable and separately exercisable from the shares of common stock with which they were issued, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, and permit the holders to receive a fixed number of shares of common stock upon exercise. In addition, the Oxford Warrants do not provide any guarantee of value or return.

The Company has the following minimum aggregate future loan payments as of March 31, 2023 (in thousands):

Nine months ending December 31, 2023	$	—
Year ending December 31, 2024		16,667
Year ending December 31, 2025		20,000
Year ending December 31, 2026		3,333
Total minimum payments		40,000
Less unamortized debt discount		(500)
Plus accumulated accretion of final fees		1,284
Less current portion		(1,667)
Long-term debt, net of current portion	$	39,117

For the three months ended March 31, 2023 and 2022, interest expense related to the Loan Agreement was approximately $1.2 million and $1.0 million, respectively.

9. Accrued Expenses

Accrued expenses consisted of the following as of March 31, 2023 and December 31, 2022 (in thousands):

	March 31, 2023	December 31, 2022
External research and preclinical development	$ 9,410	$ 8,219
Employee compensation and benefits	2,998	8,529
Professional fees	1,184	1,164
Facilities and other	157	54
Accrued expenses	$ 13,749	$ 17,966

10. Commitments and Contingencies

Operating Lease

On January 8, 2019, the Company entered into a lease (the "HQ Lease") with respect to approximately 52,859 square feet of space in Cambridge, Massachusetts for a lease term commencing in January 2019 and ending in February 2030. The Company has the option to extend the lease term for one additional ten-year period. The HQ Lease has escalating rent payments and the Company records rent expense on a straight-line basis over the term of the HQ Lease, including any rent-free periods.

In connection with the execution of the HQ Lease, the Company was required to provide the landlord with a letter of credit in the amount of $3.1 million (See Note 7). The Company determined that, for purposes of applying the lease accounting guidance codified in ASU No. 2016-02, Leases (Topic 842) ("ASC 842"), the commencement date of the HQ Lease occurred on May 1, 2019. The Company recorded a right-of-use asset and lease liability of $15.8 million using an incremental borrowing rate of 9.3%, net of tenant allowances expected to be received of $9.3 million, on the May 1, 2019 lease commencement date. The Company is amortizing the tenant allowance to offset rent expenses over the term of the HQ Lease starting at the lease commencement date on a straight-line basis. On the Company's condensed consolidated balance sheets, the Company classified $2.1 million of the lease liability as short-term and $20.3 million of the lease liability as long-term as of March 31, 2023.

The Company elected the practical expedient provided under ASC 842 and therefore combined all lease and non-lease components when determining the right-of-use asset and lease liability for the HQ Lease.

Financing Lease

In March 2019, the Company entered into an equipment lease agreement (the "Equipment Lease") that has a 48-month term. At the end of the term, the Company has the right to return the leased equipment, extend the lease, or buy the equipment at the then-current fair market value of the equipment. The Company accounted for the Equipment Lease as a financing lease under ASC 842 and recorded a financing lease right-of-use asset and a corresponding financing lease liability of approximately $1.0 million at the time the Equipment Lease was executed. As of March 31, 2023, the Company has exercised its option to buy the equipment at the end of the lease term.

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating and financing lease liabilities as of March 31, 2023 (in thousands):

	Operating	Financing
Nine Months ending December 31, 2023	$ 3,041	$ 13
Year ending December 31, 2024	4,166	—
Year ending December 31, 2025	4,287	—
Year ending December 31, 2026	4,412	—
Year ending December 31, 2027 and beyond	14,844	—
Total minimum lease payments	30,750	13
Less imputed interest	(8,372)	(1)
Total lease liability	$ 22,378	$ 12

The following table outlines the total lease cost for the Company's operating and financing leases as well as weighted average information for these leases as of March 31, 2023 (in thousands):

	Three Months Ended March 31, 2023
Lease cost:	
Operating lease cost	$ 772
Financing lease cost:	
Amortization of right-of-use asset	$ 65
Interest on lease liabilities	1
Total financing lease cost	$ 66
Cash paid for amounts included in the measurement of liabilities:	
Operating cash flows from operating lease	$ 1,007
Operating cash flows from financing lease	$ 54

Other information:	Three Months Ended March 31, 2023
Weighted-average remaining lease term (in years) - operating lease	6.92
Weighted-average discount rate - operating lease	9.30
Weighted-average remaining lease term (in years) - financing lease	0.70
Weighted-average discount rate - financing lease	9.47

Following the adoption of ASC 842, the Company has a right-of-use asset and lease liability that results in recording a temporary tax difference. This temporary tax difference is the result of recognizing a right-of-use asset and related lease liability while such asset and liability have no corresponding tax basis.

Asset Purchase Agreement

Orsenix, LLC

On December 4, 2020, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") with Orsenix, LLC ("Orsenix"), pursuant to which the Company acquired Orsenix's assets related to a novel oral form of arsenic trioxide, which the Company refers to as SY-2101. Under the terms of the Asset Purchase Agreement, the Company is required to pay to Orsenix:

- an upfront fee of $12.0 million, which was paid with cash on hand upon the closing of the transaction;
- single-digit million dollar milestone payments related to the development of SY-2101 in indications other than APL;
- $6.0 million following the achievement of a regulatory milestone related to the development of SY-2101 in APL; and
- up to $10.0 million upon the achievement of certain commercial milestones with respect to SY-2101.

The Company's obligation to pay the commercial milestone payments expires following the tenth anniversary of the first commercial sale of SY-2101. The Asset Purchase Agreement requires the Company to use commercially

reasonable efforts to develop and commercialize SY-2101 for APL in the United States during such period, and to use commercially reasonable efforts to dose the first patient in a Phase 3 clinical trial of SY-2101 on or before the third anniversary of the closing of the transaction; however, the Company retains sole discretion to operate the acquired assets as it determines. The assets acquired from Orsenix do not meet the definition of a business under ASC 805 "Business Combinations" ("ASC 805") because substantially all of the fair value of the assets acquired is concentrated in a single identifiable asset, the rights to SY-2101. Furthermore, as the acquired asset does not include a substantive process, the asset does not meet the minimum requirements to be considered a business under ASC 805. As SY-2101 does not have an alternative future use, the Company recorded the $12.0 million upfront cash payment as research and development expense on the date of acquisition in December 2020. The Company will expense any future milestone payments made prior to the time an alternative future use for SY-2101 has been established. Once an alternative future use for SY-2101 has been established, the Company will capitalize milestone payments as an addition to the carrying value of SY-2101.

License Agreement

TMRC Co. Ltd.

In September 2015, the Company entered into an exclusive license agreement with TMRC Co. Ltd. ("TMRC") to develop and commercialize tamibarotene in North America and Europe for the treatment of cancer. This agreement was amended and restated in April 2016, and further amended in January 2021 to expand the territory under which the Company is licensed to include Central and South America, Australia, Israel, and Russia.

In exchange for this license, the Company agreed to a non-refundable upfront payment of $1.0 million, for which $0.5 million was paid in September 2015 upon execution of the agreement, and the remaining $0.5 million was paid in May 2016. Under the agreement, the Company is also obligated to make payments upon the successful achievement of clinical and regulatory milestones totaling approximately $13.0 million per indication, defined as a distinct tumor type. The Company paid $1.0 million to TMRC for a development milestone achieved upon the successful dosing of the first patient in its Phase 2 clinical trial of tamibarotene in 2016. In May 2021, the Company paid $2.0 million to TMRC for a development milestone achieved upon the successful dosing of the first patient in its Phase 3 clinical trial of tamibarotene in MDS patients. In September 2021, the Company paid $1.0 million to TMRC for a development milestone achieved upon the successful dosing of the first patient in its Phase 2 clinical trial of tamibarotene in AML patients. In addition, the Company is obligated to pay TMRC a single-digit percentage royalty, on a country-by-country and product-by-product basis, on net product sales of tamibarotene using know-how and patents licensed from TMRC in North America and Europe for a defined royalty term.

The Company also entered into a supply management agreement with TMRC under which the Company agreed to pay TMRC a fee for each kilogram of tamibarotene that is produced. The Company incurred no fees under this supply management agreement during the three months ended March 31, 2023 and 2022.

11. Stockholders' Equity

Increase of Authorized Shares and Reverse Stock Split

Effective on September 15, 2022, the number of authorized shares of the Company's common stock was increased from 200,000,000 shares (on a pre-split basis) to 700,000,000 shares (on a pre-split basis).

On September 16, 2022, the number of authorized shares of the Company's common stock was proportionately adjusted from 700,000,000 to 70,000,000 as a result of the Reverse Stock Split. Immediately following the Reverse Stock Split, and without giving effect to the shares of the Company's common stock issued in connection with the Merger and the 2022 Private Placement, there were approximately 6.3 million shares of the Company's common stock outstanding. The Company's common stock began trading on The Nasdaq Global Select Market on a split-adjusted basis on September 19, 2022.

No fractional shares were issued in connection with the Reverse Stock Split. Any fractional shares resulting from the Reverse Stock Split were rounded down to the nearest whole number, and each stockholder who would have otherwise been entitled to a fraction of a share of common stock upon the Reverse Stock Split (after aggregating all fractions of a share to which such stockholder would have otherwise been entitled) was, in lieu thereof, entitled to receive a cash payment.

Issuance of Securities through a Private Placement

On September 16, 2022, the Company issued in a private placement 6,387,173 shares of common stock, and, in lieu of shares of common stock, the 2022 Pre-Funded Warrants to purchase an aggregate of 7,426,739 shares of common stock, and, in each case, the accompanying 2022 Warrants to purchase an aggregate of up to 13,813,912 additional shares of common stock (or 2022 Pre-Funded Warrants to purchase common stock in lieu thereof) at a price of $10.34 per share and accompanying 2022 Warrant (or $10.33 per 2022 Pre-Funded Warrant and accompanying 2022 Warrant). The 2022 Private Placement resulted in aggregate gross proceeds of $129.9 million, before $10.1 million of transaction costs.

On December 8, 2020, the Company issued in a private placement (the "2020 Private Placement") 1,031,250 shares of common stock, and, in lieu of shares of common stock, the 2020 Pre-Funded Warrants to purchase an aggregate of 100,000 shares of common stock, and, in each case, the accompanying 2020 Warrants to purchase an aggregate of up to 282,809 additional shares of common stock (or 2020 Pre-Funded Warrants to purchase common stock in lieu thereof) at a price of $80.00 per share and accompanying 2020 Warrant (or $79.90 per 2020 Pre-Funded Warrant and accompanying 2020 Warrant). The 2020 Private Placement resulted in aggregate gross proceeds of $90.5 million, before $0.4 million of transaction costs.

In the event of certain fundamental transactions involving the Company, the holders of the 2022 Warrants and 2020 Warrants may require the Company to make a payment based on a Black-Scholes valuation, using specified inputs. The holders of 2022 Pre-Funded Warrants and 2020 Pre-Funded Warrants do not have similar rights. Therefore, the Company accounted for the 2022 Warrants and 2020 Warrants as liabilities, while the 2022 Pre-Funded Warrants and 2020 Pre-Funded Warrants met the permanent equity criteria classification. The 2022 Pre-Funded Warrants and 2020 Pre-Funded Warrants are classified as a component of permanent equity because they are freestanding financial instruments that are legally detachable and separately exercisable from the shares of common stock with which they were issued, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, and permit the holders to receive a fixed number of shares of common stock upon exercise. In addition, the 2022 Pre-Funded Warrants and 2020 Pre-Funded Warrants do not provide any guarantee of value or return. The initial fair value of the 2022 Warrants and the 2020 Warrants at issuance was $64.7 million and $19.3 million, respectively, determined using the Black-Scholes valuation model. For the three months ended March 31, 2023, the Company recorded a change in fair value of $8.9 million in its condensed statement of operations for the remeasurment of the aggregate fair value of the 2022 Warrants and the 2020 Warrants as of March 31, 2023 and December 31, 2022 as $15.6 million and $24.5 million, respectively. For the three months ended March 31, 2022, the Company recorded a change in fair value of $2.4 million in its condensed statement of operations.

Issuance of Securities through an Underwritten Public Offering

On January 22, 2021, the Company issued and sold an aggregate of 540,000 shares of its common stock in an underwritten public offering at a public offering price of $140.00 per share, resulting in gross proceeds of $75.6 million before deducting underwriting discounts and commissions and other transaction expenses of approximately $5.1 million.

Convertible Preferred Stock and 2019 Warrants

On April 9, 2019, the Company completed two concurrent underwritten public offerings of its equity securities. In the first public offering, the Company sold 866,733 shares of its common stock and accompanying Class A warrants (the “2019 Warrants”) to purchase 195,184 shares of the Company’s common stock at a combined price to the public of $75.0 per common share and accompanying 2019 Warrant. In the second public offering, the Company sold 666 shares of its Series A convertible preferred stock (the “Series A Preferred Stock”) and accompanying 2019 Warrants to purchase 16,650 shares of the Company’s common stock at a combined public offering price of $75,000 per share and accompanying 2019 Warrant. The offerings resulted in aggregate gross proceeds to the Company of $70.0 million, before underwriting discounts and commissions and offering expenses payable by the Company of approximately $5.0 million.

In November 2019, all 666 shares of Series A Preferred Stock were converted by the holder into 66,600 shares of common stock. As of March 31, 2023, there were no shares of Series A Preferred Stock outstanding.

Each 2019 Warrant had an exercise price per share of common stock of $86.25, subject to adjustment in certain circumstances. Each 2019 Warrant was immediately exercisable, provided that the holder was prohibited, subject to certain exceptions, from exercising the 2019 Warrant for shares of the Company’s common stock to the extent that

immediately prior to or after giving effect to such exercise, the holder, together with its affiliates and other attribution parties, would own more than 4.99% of the total number of shares of the Company's common stock then issued and outstanding. This percentage could be changed at the holders' election to a higher or lower percentage upon 61 days' notice to the Company.

As of March 31, 2023, there are no outstanding 2019 Warrants as the remaining unexercised 2019 Warrants expired on October 10, 2022.

12. Stock-Based Payments

2016 Stock Incentive Plan

The 2016 Stock Incentive Plan (the "2016 Plan") was adopted by the board of directors on December 15, 2015, approved by the stockholders on June 17, 2016, and became effective on July 6, 2016 upon the closing of the Company's initial public offering ("IPO"). The 2016 Plan replaced the 2012 Equity Incentive Plan (the "2012 Plan"). Any options or awards outstanding under the 2012 Plan remained outstanding and effective. The 2016 Plan was replaced by 2022 Equity Incentive Plan on September 16, 2022, and no further awards may be made under the 2016 Plan.

2016 Employee Stock Purchase Plan

The 2016 Employee Stock Purchase Plan (the "2016 ESPP") was adopted by the board of directors on December 15, 2015, approved by the stockholders on June 17, 2016, and became effective on July 6, 2016 upon the closing of the IPO. The number of shares of the Company's common stock reserved for issuance under the 2016 ESPP automatically increases on the first day of each calendar year through the 2025 calendar year, in an amount equal to the least of (i) 117,333 shares of the Company's common stock, (ii) 1.0% of the total number of shares of the Company's common stock outstanding on the first day of the applicable year, and (iii) an amount determined by the Company's board of directors. For the calendar year beginning January 1, 2023, the number of shares reserved for issuance under the 2016 ESPP was increased by 202,631 shares. As of March 31, 2023, 439,800 shares remained available for future issuance under the 2016 ESPP.

Inducement Grants

During the year ended December 31, 2021, the Company granted non-statutory stock options to purchase an aggregate of 111,000 shares of the Company's common stock. These stock options were granted outside of the 2016 Plan as an inducement material to the applicable employee's acceptance of employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4).These stock options will vest over a four-year period, with 25% of the shares underlying each option award vesting on the one-year anniversary of the applicable employee's employment commencement date and the remaining 75% of the shares underlying each award vesting monthly thereafter for three-years. Vesting of each option is subject to such employee's continued service with the Company through the applicable vesting dates.

2022 Inducement Stock Incentive Plan

On January 25, 2022, the Company's board of directors adopted the 2022 Inducement Stock Incentive Plan (the "2022 Plan"), pursuant to which the Company may grant non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards with respect to an aggregate of 100,000 shares of common stock. Awards under the 2022 Plan may only be granted to persons who (i) were not previously an employee or director of the Company or (ii) are commencing employment with the Company following a bona fide period of non-employment, in either case as an inducement material to the individual's entering into employment with the Company and in accordance with the requirements of Nasdaq Stock Market Rule 5635(c)(4). In January 2023, the Company's board of directors amended the 2022 Plan to increase the aggregate number of shares that can be granted by 750,000 shares of common stock of the Company. As of March 31, 2023, 754,303 shares remained available for future issuance under the 2022 Plan.

2022 Equity Incentive Plan

The 2022 Stock Incentive Plan (the "2022 EIP") was adopted by the board of directors on July 14, 2022, approved by the stockholders and became effective on September 15, 2022. The 2022 EIP replaced the 2016 Plan. Any

options or awards outstanding under the 2016 Plan remained outstanding and effective. Under the 2022 EIP, the Company may grant incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. 4,737,534 shares of the Company's common stock are reserved for issuance under the 2022 EIP. As of March 31, 2023, 814,871 shares remained available for future issuance under the 2022 EIP. Under the 2022 EIP, stock options may not be granted at less than fair value on the date of grant.

Stock Options

Terms of stock option agreements, including vesting requirements, are determined by the board of directors, subject to the provisions of the applicable stock plan. Stock option awards granted by the Company generally vest over four years, with 25% vesting on the first anniversary of the vesting commencement date and 75% vesting ratably, on a monthly basis, over the remaining three years. Such awards have a contractual term of ten years from the grant date.

A summary of the status of stock options as of December 31, 2022 and March 31, 2023 and changes during the three months ended March 31, 2023 is presented below:

	Shares	Weighted Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2022	1,727,237	$ 39.94	5.7	$ 0
Granted	—	—	—	—
Exercised	—	—	—	—
Cancelled	(12,939)	97.02	—	—
Outstanding at March 31, 2023	1,714,298	$ 39.49	5.5	$ —
Exercisable at March 31, 2023	1,111,125	$ 50.07	3.4	$ —

Pursuant to the terms of the Merger Agreement, the Company assumed certain Tyme stock options that were outstanding and unexercised immediately prior to the completion of the Merger. The Company issued options to purchase 692,460 shares of the Company's common stock at the completion of the Merger on September 16, 2022. The original terms and restrictions on such Tyme options shall continue in full force and effect except for certain options held by certain Tyme employees which were modified to extend the exercise period to up to two years. The Company recorded $0.4 million of one-time additional stock-based compensation expense related to the modification.

There were no stock options exercised during the three months ended March 31, 2023. The intrinsic value of stock options exercised during the three months ended March 31, 2022 was $0.1 million.

As of March 31, 2023, there was $8.4 million of total unrecognized compensation cost related to unvested stock options granted to employees, which is expected to be recognized over a weighted-average period of 2.0 years.

Restricted Stock Units and Restricted Stock Awards

From time to time, upon approval by the Company's board of directors, certain employees have been granted restricted stock units with time-based vesting criteria. The majority of these restricted stock units vest annually over a four-year term with 25% vesting on each anniversary of the grant date. In addition, pursuant to our director compensation policy, members of our board of directors have been granted, at their election, either restricted stock units or restricted stock awards, which awards vest annually over a three-year term with 33.33% vesting on each anniversary of the grant date. The fair value of restricted stock units and restricted stock awards are calculated based on the closing sale price of the Company's common stock on the date of grant.

The Company has granted performance-based restricted stock units to management for which vesting occurs upon the achievement of certain clinical development milestones. Stock-based compensation expense associated with these performance-based restricted stock units is recognized when the achievement of the vesting conditions becomes probable. The Company did not recognize any stock-based compensation expense relating to the achievement of performance-based milestones during the three months ended March 31, 2023.

A summary of the status of restricted stock units and restricted stock awards as of December 31, 2022 and March 31, 2023 and changes during the three months ended March 31, 2023 is presented below:

	Shares Subject to Restricted Stock Units and Restricted Stock Awards	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2022	1,204,421	$ 14.68
Granted	1,262,186	4.02
Vested	(63,023)	34.21
Forfeited	(60,933)	22.75
Outstanding at March 31, 2023	2,342,651	$ 8.10

As of March 31, 2023, there was $15.1 million of unrecognized stock-based compensation expense related to outstanding restricted stock units and restricted stock awards, with an expected recognition period of 2.3 years.

Stock-based Compensation Expense

There were no options granted during the three months ended March 31, 2023. The fair value of each stock option granted during the three months ended March 31, 2022 was estimated on the date of grant using the Black-Scholes option-pricing model based on the following weighted-average assumptions:

	Three Months Ended March 31, 2022
Weighted-average risk-free interest rate	1.98 %
Expected dividend yield	— %
Expected option term (in years)	6.07
Volatility	80.70 %

The weighted-average grant date fair value per share of options granted in the three months ended March 31, 2022 was $1.11.

The following table summarizes the stock-based compensation expense for stock options, restricted stock units and restricted common stock granted to employees and non-employees and from the 2016 ESPP recorded in the Company's condensed consolidated statements of operations:

	Three Months Ended March 31,	
	2023	2022
Research and development	$ 1,267	$ 1,395
General and administrative	1,378	1,468
Total stock-based compensation expense	$ 2,645	$ 2,863

Due to an operating loss, the Company does not record tax benefits associated with stock-based compensation or option exercises. Tax benefits will be recorded when realized.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial information and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022 that we filed with the Securities and Exchange Commission, or SEC, on March 2, 2023, or the 2022 10-K. Our actual results and timing of certain events may differ materially from the results discussed, projected, anticipated, or indicated in any forward-looking statements. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Quarterly Report, they may not be predictive of results or developments in future periods.

The following information and any forward-looking statements should also be considered in light of risks identified under the caption "Risk Factors" in the 2022 10-K and in this Quarterly Report on Form 10-Q. We caution you not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a biopharmaceutical company committed to developing new standards of care for the frontline treatment of patients with hematologic malignancies. Driven by the motivation to help patients with blood disorders that have largely eluded other targeted approaches, we are advancing a late-stage clinical pipeline which includes our lead product candidates:

- Tamibarotene, a selective retinoic acid receptor alpha, or RARα, agonist for which we are conducting SELECT-MDS-1, a Phase 3 clinical trial evaluating tamibarotene in combination with azacitidine in a genomically defined subset of patients with higher-risk myelodysplastic syndrome, or HR-MDS, and for which we are conducting SELECT-AML-1, a randomized Phase 2 clinical trial evaluating tamibarotene in combination with venetoclax and azacitidine in a genomically defined subset of newly diagnosed patients with acute myeloid leukemia, or AML, who are not suitable candidates for standard intensive chemotherapy; and

- SY-2101, a novel oral form of arsenic trioxide, or ATO, which we are evaluating in a dose confirmation study in patients with newly diagnosed low-risk acute promyelocytic leukemia, or APL.

In addition, we are evaluating SY-5609, a highly selective and potent oral inhibitor of cyclin-dependent kinase 7, or CDK7, as a single agent in patients with select solid tumors and in combination with chemotherapy in pancreatic cancer patients in a Phase 1 clinical trial. SY-5609 is also being evaluated in combination with atezolizumab, a PD-L1 inhibitor, in BRAF-mutant colorectal cancer in an arm of a Phase 1/1b clinical trial sponsored by F. Hoffmann-La Roche AG, or Roche, which is actively enrolling. We also have multiple preclinical and discovery programs in oncology, including SY-12882, our oral CDK12 inhibitor, and programs targeting the inhibition of CDK11 and WRN. We are currently exploring partnership opportunities for SY-5609 and for our oncology discovery programs. We have also entered into a collaboration with Global Blood Therapeutics, Inc., now a subsidiary of Pfizer Inc., or GBT, to discover, develop and commercialize novel therapies for sickle cell disease and beta thalassemia.

Tamibarotene

At the 62nd American Society of Hematology Annual Meeting and Exposition held in December 2020, or ASH 2020, we presented data from our fully enrolled Phase 2 clinical trial assessing the safety and efficacy of tamibarotene in combination with azacitidine in newly diagnosed AML patients who are not suitable candidates for standard intensive chemotherapy, as well as in relapsed or refractory, or R/R, AML patients who have been prospectively selected using our proprietary *RARA*, the gene that codes for RARα, biomarker. As of an October 1, 2020 data cut-off, 51 newly diagnosed unfit AML patients, including patients with and without *RARA* gene overexpression, were eligible for a safety analysis. Among these patients, tamibarotene in combination with azacitidine was generally well-tolerated, with no evidence of increased toxicity relative to either as a single agent, including rates of myelosuppression that were comparable to single agent azacitidine. As of the data cut-off, of the 18 patients with *RARA* overexpression that were

evaluable for clinical response, the composite complete response rate was 61%, with 50% of patients achieving complete response, or CR, and 11% achieving a complete response with incomplete blood count recovery, or CRi. The median time to initial composite CR was 1.2 months, the median duration of composite complete remission was 10.8 months, and the median overall survival, or OS, among patients who achieved a CR or CRi was 18.0 months. As of the data cut-off, of the 28 patients without *RARA* overexpression that were evaluable for clinical response, the overall response rate, or ORR, was 43%, with a composite complete response rate of 32%, with 25% of patients achieving CR and 7% achieving CRi. The median time to initial composite complete remission was 3.0 months, and the median duration of composite complete remission was 10.3 months. We also presented translational data demonstrating that most newly diagnosed unfit AML patients with *RARA* overexpression enrolled in our Phase 2 study had a monocytic disease phenotype that is associated with resistance to venetoclax. These data suggest that the *RARA* biomarker not only selects for patients who are more likely to respond to treatment with tamibarotene but also for patients who may be less likely to benefit from treatment with venetoclax. Approximately 25,000 patients are diagnosed with unfit AML in the United States and Europe annually and we expect the overall total addressable market opportunity for all AML patients to grow to approximately $6.6 billion by 2025.

Based on these data and our assessment of ongoing areas of high unmet need, we advanced tamibarotene in combination with azacitidine into a registration-enabling Phase 3 clinical trial in newly diagnosed HR-MDS patients with *RARA* overexpression, which we refer to as SELECT-MDS-1. HR-MDS is a hematologic malignancy that is closely related to AML, and we believe that approximately 50% of HR-MDS patients overexpress *RARA*. We believe that approximately 21,000 patients are diagnosed with HR-MDS in the United States and Europe annually and we expect the total addressable market opportunity for MDS patients of all risk groups to grow to approximately $3.3 billion by 2026. The SELECT-MDS-1 trial is evaluating newly diagnosed HR-MDS patients with *RARA* overexpression in a double-blind placebo-controlled study design, randomized 2:1 to receive tamibarotene in combination with azacitidine, or placebo in combination with azacitidine, respectively. The primary efficacy endpoint is based on 190 patients to provide over 90% power to detect a difference in CR rates between the experimental and control arms with a one-sided alpha of 0.025. In recent communications, the United States Food and Drug Administration, or FDA, has continued to support the use of the CR rate as an acceptable efficacy endpoint for either full or accelerated approval for treatment of newly diagnosed HR-MDS with supporting data on durability of remission. Informed by feedback from the FDA, we amended the SELECT-MDS-1 clinical trial protocol in March 2023 to include a total of approximately 550 patients to enable us to assess overall survival, or OS, as a key secondary endpoint, which could allow the trial to serve as a confirmatory study if needed to convert an accelerated approval to a full approval in the future. The amended clinical trial protocol is designed with 80% power to detect a difference in OS rates for the key secondary endpoint between the experimental and control arms, also with a one-sided alpha of 0.025. We are currently dosing patients in SELECT-MDS-1, and we expect to complete enrollment of the patients for the CR primary endpoint analysis in the fourth quarter of 2023, and to report pivotal CR data from the SELECT-MDS-1 trial in the third quarter of 2024.

In addition, we advanced tamibarotene in combination with venetoclax and azacitidine in newly diagnosed unfit AML patients with *RARA* overexpression. Our ongoing Phase 2 clinical trial, known as SELECT-AML-1, included a single-arm safety lead-in to confirm the dosing regimen of the triplet to be used in the randomized portion of the trial, which will evaluate the safety and efficacy of tamibarotene in combination with venetoclax and azacitidine compared to venetoclax and azacitidine in approximately 80 patients randomized 1:1. We reported clinical activity data from the safety lead-in portion of the ongoing trial at the 64th Annual Meeting of the American Society of Hematology in December 2022, or ASH 2022. As of the data cut-off, eight newly diagnosed, unfit patients who were positive for *RARA* overexpression had been enrolled in the trial, including six who were evaluable for response. In this population, tamibarotene in combination with venetoclax and azacitidine administered at approved doses showed no evidence of increased toxicity relative to the doublet combination of venetoclax and azacitidine. This includes rates of myelosuppression, which were comparable to reports with venetoclax and azacitidine in this population. Among these patients, the CR/CRi rate was 83%, consisting of two patients (33%) who achieved a CR and three patients (50%) who achieved a CRi. Four of five patients (80%) who achieved a CR or CRi had a high monocytic expression score, or MES, which may be associated with venetoclax resistance. The median time to CR/CRi response was 33 days, the median duration of treatment was 76.5 days, and the median duration of follow-up was 107 days. These early data compare favorably to the standard-of-care combination of venetoclax and azacitidine, which shows composite CR rates of 66% in newly diagnosed unfit AML patients. The primary endpoint of the trial will be the composite CR rate. The trial will also evaluate the triplet as a salvage strategy for patients in the control arm who do not respond to venetoclax and azacitidine. We initiated the randomized portion of the trial in the first quarter of 2023, and we expect to report initial randomized data in the fourth quarter of 2023 and additional data in 2024.

In March 2022, we entered into an agreement with Qiagen Manchester Limited, or Qiagen, under which Qiagen agreed to develop and commercialize an assay as a companion diagnostic test to determine the expression level of our

proprietary *RARA* biomarker for use with tamibarotene in newly diagnosed higher-risk MDS patients. Qiagen will also be responsible for obtaining and maintaining regulatory approvals for the commercial diagnostic test.

SY-2101

In December 2020, we acquired from Orsenix, LLC, or Orsenix, a novel oral form of ATO, which we refer to as SY-2101. SY-2101 is in development for the treatment of APL, a subtype of AML defined by a fusion of the *RARA* and promyelocytic leukemia, or *PML*, genes. APL represents approximately 10% of all AML cases, and approximately 2,000 patients are diagnosed with APL in the United States and Europe annually. An intravenously administered, or IV, formulation of ATO is approved for use in combination with All-Trans-Retinoic-Acid, or ATRA, in patients with newly diagnosed low-risk APL and, while curative in more than 80% of patients, its administration requires up to 140 two- to four-hour infusions over the typical course of induction and consolidation treatment. We believe SY-2101 has the potential to become the standard-of-care frontline therapy for APL by providing a substantially more convenient option that reduces the treatment burden on patients, improving access, and lowering costs to the healthcare system. In a prior Phase 1 clinical trial, SY-2101 demonstrated bioavailability, pharmacokinetic, or PK, exposures similar to IV ATO, and a generally well-tolerated safety profile. We are dosing patients in a dose confirmation study of SY-2101. The ongoing dose confirmation study is designed to evaluate the PK, food effect, safety and tolerability of SY-2101 and is expected to enroll between six and 24 adult APL patients undergoing consolidation with IV ATO plus ATRA. Participants receive a single dose of 15 mg of SY-2101 in both the fasted and in the fed state, and a single dose of IV ATO for PK assessments, with flexibility to allow for other SY-2101 doses to be evaluated. Daily administration of SY-2101 is also being evaluated in a multiple-dose treatment module substituting for IV ATO during consolidation to assess steady state SY-2101 PK and safety. Based on preliminary data available to date in our ongoing Phase 1 dose confirmation study, SY-2101 administered at 15 mg achieved comparable PK (AUC and Cmax) exposures to IV ATO at the approved dose of 0.15 mg/kg. Additionally, based on the data available to date, SY-2101 showed high oral bioavailability of approximately 80% and continues to support a favorable tolerability profile.

To date, feedback from the FDA and the European Medicines Agency, or EMA, in the context of the original SY-2101 PK data supports a single registration-enabling study of approximately 215 patients with newly diagnosed low-risk APL, randomized 2:1 to receive SY-2101 or IV ATO and designed with molecular complete response and event-free survival as primary endpoints for potential approval. Based on the emerging PK cross-over data directly comparing SY-2101 to the approved dose of IV ATO in our dose confirmation trial, and assuming that additional data is supportive, we believe there may be an opportunity to explore a more efficient registration pathway to potential approval. We plan to provide an update on the dose confirmation study, as well as the development path and timing for further evaluation of SY-2101 in a registration enabling study in APL, in the second half of 2023.

SY-5609

At the European Society for Medical Oncology Congress held in September 2021, or ESMO 2021, we presented data from the dose-escalation portion of the Phase 1 multi-center, open-label study of SY-5609 evaluating patients with advanced breast, colorectal, lung, ovarian and pancreatic cancers, as well as patients with solid tumors of any histology harboring Rb pathway alterations. Patients were treated in cohorts exploring continuous daily dosing as well as intermittent dosing regimens, including seven days on treatment and seven days off, or 7d on/7d off, and five days on treatment and two days off, or 5d on/2d off. As of a July 6, 2021 data cut-off, 54 patients treated with single-agent SY-5609 in the study were eligible for a safety analysis and 45 patients were evaluable for clinical response. The median age of patients enrolled in the study was 65.5. Patients had been heavily pre-treated with as many as eight prior therapies and a median of four prior therapies. Across all doses and schedules, the majority of adverse events, or AEs, were low-grade and reversible, and there was a low rate of discontinuations due to AEs. The most common treatment-emergent AEs were gastrointestinal (nausea, diarrhea, decreased appetite, abdominal pain, vomiting), fatigue, thrombocytopenia, and anemia. Tolerability was optimized with the 7d on/7d off schedule, which had the lowest rates of treatment-emergent AEs relative to other regimens, while demonstrating comparable rates of stable disease, or SD, as seen with more dose-intense regimens, supporting the selection of this schedule for further development of SY-5609. The maximum tolerated dose of the 7d on/7d off schedule has not yet been reached as of the data cut-off date. Changes in POLR2A mRNA expression, a pharmacodynamic marker for CDK7 inhibition, were associated with anti-tumor activity and were sustained for at least three days following drug cessation, supporting intermittent dosing. As of the data cut-off date, thirteen response-evaluable patients (29%) had achieved SD, with tumor regressions of up to 20% in six of those patients, across multiple tumor types. The most substantial clinical activity was observed in heavily pre-treated patients with advanced pancreatic cancer, for which five of 13 (39%) evaluable patients achieved SD, with tumor reductions in two of those SD patients. Further, reductions in the CA 19-9 tumor marker, which is used in clinical

practice to monitor tumor progression, were observed in three of four pancreatic cancer patients with serial CA 19-9 data, with these reductions ranging from 32% to 72%. Notably, one metastatic pancreatic cancer patient who had failed two prior lines of therapy and relapsed after a third line of treatment experienced prolonged SD of up to ten months. The analysis of clinical activity by tumor type and mutational status supported the mechanistic rationale for SY-5609 in Rb-altered and KRAS-mutant cancers.

Based on these data, we are evaluating an expansion cohort that includes two arms evaluating SY-5609 in combination with chemotherapy for the treatment of pancreatic cancer, one of which is evaluating SY-5609 in combination with gemcitabine in patients in first or second relapse who have progressed following treatment with the chemotherapy regimen known as FOLFIRINOX, and the other is exploring SY-5609 in combination with gemcitabine and nab-paclitaxel in patients following first relapse after FOLFIRINOX. SY-5609 is administered 7d on/7d off at a starting dose of 4 mg in both the gemcitabine combination and triplet combination arms, and the combination agents are administered at the approved doses. The study is designed to evaluate safety and tolerability, as well as efficacy measures such as progression free survival and disease control rate, or DCR, which is the combined rate of CR, partial response, or PR, and SD.

As of a October 12, 2022 safety data cut-off, a maximum tolerated dose, or MTD, of single agent SY-5609 administered in a 7 day on/7 day off dosing regimen has not been reached. The 10 mg dose level did not result in any dose limiting toxicities, or DLTs, further supporting the tolerability of the 7 day on/7 day off dosing regimen in which 30 patients have been dosed across five dose levels (4, 5, 6, 7, and 10 mg), with one DLT observed at the 4 mg single agent dose level. PK analyses demonstrated an expected increase in SY-5609 exposure levels, with the 10 mg single-agent dose also supporting a preliminary exposure-response relationship. At the time of the October 20, 2022 clinical activity data-cut off, two of three study patients treated at the 10 mg single-agent dose level were response evaluable, with two of two response-evaluable patients achieving SD (one with pancreatic ductal adenocarcinoma, or PDAC, and one with colorectal cancer, or CRC), with the PDAC patient experiencing a 10% tumor reduction. As of the safety data cut-off, an MTD for either the doublet or the triplet has not been reached in the 7 day on/7 day off dosing regimen, with dosing of SY-5609 up to 5 mg in the doublet and up to 4 mg in the triplet regimen, respectively. SY-5609 has been combined with gemcitabine and with gemcitabine plus nab-paclitaxel, with no new safety signals identified and the majority of AEs being low grade and reversible. The most common related AEs in the cohort with SY-5609 and gemcitabine, where the highest SY-5609 doses were evaluated in combination with chemotherapy, included fatigue, nausea, decreased appetite and decreased platelet count (all low grade), with one patient experiencing a DLT of grade 3 diarrhea at the 5 mg SY-5609 dose level. No DLTs were reported in patients treated with SY-5609 in combination with gemcitabine/nab-paclitaxel. As of the clinical activity data cut-off, initial doublet activity of SY-5609 plus gemcitabine in PDAC included a confirmed PR by Response Evaluation Criteria in Solid Tumors, or RECIST, accompanied by a 98% reduction in the CA 19-9 tumor marker from a baseline of 60,357 U/mL to 968 U/mL, in one of four response evaluable patients treated at the 4 mg SY-5609 dose level, corresponding to a 25% DCR, and SD in three of four response evaluable patients treated at the 5 mg SY-5609 dose level, corresponding to a 75% DCR, for an overall DCR of 50% (four out of eight) in response evaluable patients. There is preliminary evidence for an exposure-response relationship, with the responding patient who achieved a confirmed PR demonstrating higher-than-average exposure relative to other patients at that dose. Two of three patients treated at the 4 mg dose level in the triplet regimen cohort were response evaluable, including one with SD. We have completed enrollment in the single agent cohort for select solid tumors and in the doublet combination cohort in PDAC patients, and we are currently seeking a partnership for the further development of SY-5609.

In August 2021, we announced entry into a clinical supply agreement with Roche, pursuant to which we agreed to supply SY-5609 for a combination dosing cohort with atezolizumab in Roche's ongoing Phase 1/1b INTRINSIC trial, which is evaluating multiple targeted therapies or immunotherapy, including atezolizumab, as single agents or in rational specified combinations in molecularly defined subsets of colorectal cancer patients. SY-5609 is being evaluated in combination with atezolizumab in patients with BRAF-mutant disease, and this arm of the trial is now actively enrolling. Under the terms of the agreement, Roche will sponsor and conduct the Phase 1/1b study to evaluate the safety, tolerability and preliminary efficacy of the combination of SY-5609 and atezolizumab and will assume all costs associated with the study. In exchange for providing SY-5609, we will receive access to the data on SY-5609 in combination with atezolizumab. We retain all rights to SY-5609.

Strategic Financing

On July 3, 2022, we entered into an Agreement and Plan of Merger, or the Merger Agreement, with Tack Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of us, or the Merger Sub, and Tyme Technologies, Inc., a Delaware corporation, or Tyme, providing for the merger of the Merger Sub with and into Tyme, with Tyme surviving the merger as our wholly-owned subsidiary, or the Merger. In connection with the closing of the Merger on September 16, 2022, we acquired net cash, cash equivalents and marketable securities of $67.1 million, before deducting severance costs and other commitments entered into by Tyme management prior to the consummation of the Merger of approximately $4.5 million.

Also on July 3, 2022, immediately prior to the execution and delivery of the Merger Agreement, we entered into a Securities Purchase Agreement with certain accredited investors, pursuant to which the investors agreed to purchase shares of our common stock and/or pre-funded warrants to purchase shares of our common stock, and accompanying warrants to purchase additional shares of our common stock (or pre-funded warrants in lieu thereof), or the PIPE Financing.

On September 16, 2022, the PIPE Financing closed concurrently with the Merger. At the closing of the Merger, we issued an aggregate of 7,546,014 shares of our common stock to Tyme stockholders. In the PIPE Financing, we issued an aggregate of 6,387,173 shares of our common stock and, in lieu of shares to certain investors, pre-funded warrants to purchase an aggregate of 7,426,739 shares of common stock, and, in each case, accompanying warrants to purchase an aggregate of up to 13,813,912 additional shares of common stock (or pre-funded warrants to purchase common stock in lieu thereof). We received aggregate gross proceeds from the PIPE Financing of $129.9 million, before deducting estimated offering expenses payable by us and not inclusive of any exercise of the warrants.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from product sales for the foreseeable future. For the three months ended March 31, 2023, we recognized $3.0 million of revenue related to our collaboration with GBT. For the three months ended March 31, 2022, we recognized $5.5 million of revenue, of which $5.1 million was related to our collaboration with GBT and $0.4 million was related to our collaboration with Incyte.

Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including development of our gene control platform and the development of our product candidates, which include:

- employee-related expenses including salaries and benefits;
- stock-based compensation expense;
- external costs of funding activities performed by third parties that conduct research and development on our behalf and of purchasing supplies used in designing, developing and manufacturing preclinical study and clinical trial materials;
- consulting, licensing and professional fees related to research and development activities; and
- facilities costs, depreciation and amortization and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other operating costs.

Research and development costs are expensed as incurred. Nonrefundable advance payments made to vendors for goods or services that will be received in the future for use in research and development activities are deferred and capitalized, even when there is no alternative future use for the research and development, until related goods or services are provided.

We typically use our employee, consultant and infrastructure resources across our research and development programs. We track outsourced development costs by product candidate or development program, but we do not allocate personnel costs, other internal costs or certain external consultant costs to specific product candidates or development programs. Based on our current operating plans, we expect that our future research and development expenses relating to our preclinical and drug discovery programs will be reimbursable by our collaboration partners.

The following table summarizes our external research and development expenses by program, as well as expenses not allocated to programs, for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	2022
Tamibarotene external costs	$ 13,357	$ 6,096
SY-5609 program external costs	1,318	2,670
SY-2101 program external costs	1,913	1,662
Other research and platform program external costs	1,532	4,285
Employee-related expenses, including stock-based compensation	7,527	7,286
Stock-based compensation	1,267	1,395
Facilities and other expenses	1,847	1,777
Total research and development expenses	$ 28,761	$ 25,171

We expect our research and development expenses will increase for the foreseeable future as we seek to advance our programs. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the development of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our product candidates. This is due to the numerous risks and uncertainties associated with developing such product candidates, including the uncertainty of:

- successful completion of preclinical studies, including activities related to preparation of investigational new drug applications, or INDs, and minimally efficacious dose studies in animals, where applicable and required, under the requirements of the FDA or another regulatory authority;
- approval of INDs for our product candidates to commence planned or future clinical trials;
- successful enrollment in, and completion of, clinical trials;
- successful data from our clinical programs that support an acceptable benefit-risk profile of our product candidates in the intended populations;
- successful development, and subsequent clearance or approval, of companion diagnostic tests for use in identifying potential patients;
- receipt of regulatory approvals from applicable regulatory authorities;
- establishment of arrangements with third-party manufacturers for clinical supply and commercial manufacturing and, where applicable, commercial manufacturing capabilities;
- establishment and maintenance of patent and trade secret protection or regulatory exclusivity for our product candidates;
- commercial launch of our product candidates, if and when approved, whether alone or in collaboration with others;
- enforcement and defense of intellectual property rights and claims;
- maintenance of a continued acceptable safety profile of the product candidates following approval;
- retention of key research and development personnel;

•the continuing impact of the COVID-19 pandemic; and

•general economic conditions, including inflation, recession risk and increasing interest rates.

Any changes in the outcome of any of these variables with respect to the development of our product candidates in preclinical and clinical development could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if the FDA or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our planned clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in executive, finance, information technology and administrative functions. Other significant costs include corporate facility costs not otherwise included in research and development expenses, legal fees related to patent and corporate matters, and fees for accounting and consulting services.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our product candidates.

Interest Income

Interest income consists of interest income on our cash, cash equivalents and investments in marketable securities, including the related amortization of premium and discounts.

Interest Expense

Interest expense consists of interest, amortization of debt discount, and amortization of deferred financing costs associated with our loans payable, and interest on finance lease arrangements.

Change in Fair Value of Warrant Liability

Change in fair value of warrant liability is the result of the remeasurement of the fair value of our warrant liability at each reporting period end.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The preparation of these financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates, if any, will be reflected in the financial statements prospectively from the date of the change in estimates.

We believe that our most critical accounting policies are those relating to revenue recognition, accrued research and development expenses and stock-based compensation. There have been no significant changes to our critical accounting policies as discussed in our 2022 10-K.

Results of Operations

Comparison of three months ended March 31, 2023 and 2022

The following table summarizes our results of operations for the three months ended March 31, 2023 and 2022, together with the changes in those items in dollars (in thousands):

	Three Months Ended March 31,			
	2023	2022	Dollar Change	% Change
Statements of Operations Data:				
Revenue	$ 2,954	$ 5,467	$ (2,513)	(46) %
Operating expenses:				
Research and development	28,761	25,171	3,590	14 %
General and administrative	7,405	6,949	456	7 %
Total operating expenses	36,166	32,120	4,046	13 %
Loss from operations	(33,212)	(26,653)	(6,559)	25 %
Interest income	1,775	35	1,740	4,971 %
Interest expense	(1,217)	(976)	(241)	25 %
Change in fair value of warrant liabilities	8,865	2,448	6,417	262 %
Net loss	$ (23,789)	$ (25,146)	$ 1,357	(5) %

Revenue

For the three months ended March 31, 2023, revenue was $3.0 million, all of which was attributable to our collaboration with GBT. For the three months ended March 31, 2022, revenue was $5.5 million, of which $5.1 million was attributable to our collaboration with GBT and $0.4 million was attributable to our collaboration with Incyte.

Research and Development Expense

Research and development expense increased by approximately $3.6 million, or 14%, from $25.2 million for the three months ended March 31, 2022 to $28.8 million for the three months ended March 31, 2023. The following table summarizes our research and development expenses for the three months ended March 31, 2023 and 2022, together with the changes to those items in dollars (in thousands):

	Three Months Ended March 31,			
	2023	2022	Dollar Change	% Change
External research and development	$ 15,607	$ 13,099	$ 2,508	19 %
Employee-related expenses, excluding stock-based compensation	7,527	7,286	241	3 %
Stock-based compensation	1,267	1,395	(128)	(9) %
Consulting, licensing and professional fees	2,513	1,614	899	56 %
Facilities and other expenses	1,847	1,777	70	4 %
Total research and development expenses	$ 28,761	$ 25,171	$ 3,590	14 %

The increase in research and development expense was primarily attributable to activities associated with advancing our lead clinical programs, including the following:

- an increase of approximately $2.5 million, or 19%, for external research and development costs, primarily attributable to the increases in costs associated with the continued advancement of our existing clinical trials of tamibarotene;

- an increase of approximately $0.2 million, or 3%, for employee-related expenses, including increased salary and benefits, primarily due to our annual merit increase and hiring of more senior roles; and

•an increase of approximately $0.9 million, or 56%, for consulting, licensing and professional fees, primarily related to the advancement of our clinical trials of tamibarotene.

General and Administrative Expense

General and administrative expense increased by approximately $0.5 million, or 7%, from $6.9 million for the three months ended March 31, 2022 to $7.4 million for the three months ended March 31, 2023. The change in general and administrative expense was primarily attributable to an increase in recruiting fees, an increase in insurance premiums and an increase office supplies and software subscription costs.

Interest Income

Interest income was derived generally from our investments in cash, cash equivalents and marketable securities. The increase in interest income during the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 was due to the higher interest rate during the three month period ended March 31, 2023 compared to the same period in 2022.

Interest Expense

Interest expense was related to our credit facility with Oxford and equipment financing arrangements. Interest expense increased from the three months ended March 31, 2022 to the three months ended March 31, 2023 due to a higher interest rate during the three month period ended March 31, 2023 compared to the same period in 2022.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability during the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 was a result of the remeasurement of the fair value of warrants issued in connection with the September 2022 and December 2020 private placements.

Liquidity and Capital Resources

Sources of Liquidity

We funded our operations from inception through March 31, 2023, primarily through the sale of equity securities, through license and collaboration agreements, including those with Incyte and GBT, and through the credit facility with Oxford.

On July 3, 2022, we entered into the Merger Agreement with Tyme. Also on July 3, 2022, immediately prior to the execution and delivery of the Merger Agreement, we entered into the Securities Purchase Agreement with certain accredited investors.

In connection with the closing of the Merger on September 16, 2022, and in accordance with the terms of the Merger Agreement, we acquired net cash, cash equivalents and marketable securities of approximately $67.1 million. The PIPE Financing closed concurrently with the Merger on September 16, 2022, pursuant to which we received aggregate gross proceeds of $129.9 million, before deducting offering expenses payable by us, and not inclusive of any exercise of the warrants issued in the PIPE Financing.

On February 12, 2020, we entered into a Loan and Security Agreement, or the Loan Agreement, with Oxford. Pursuant to the Loan Agreement, a term loan of up to an aggregate principal amount of $60.0 million is available to us. A $20.0 million term loan was funded on February 12, 2020, and another $20.0 million term loan was funded on December 23, 2020. On July 3, 2022, we entered into an amendment, or the Loan Amendment, to the Loan Agreement with Oxford. Pursuant to the Loan Amendment, Oxford has agreed to modify the Loan Agreement in order to, among other things, extend the interest only period from March 1, 2023 to March 1, 2024 and extend the maturity date from February 1, 2025 to February 1, 2026, and upon the achievement of certain milestones and subject to the payment of certain fees, further extend the interest only period to September 1, 2024 and maturity date to August 1, 2026. As of March 31, 2023, $20.0 million remains available under the Loan Agreement at the sole discretion of Oxford.

On June 12, 2020, we filed a universal shelf registration statement on Form S-3 with the SEC to register for sale from time to time up to $300.0 million of common stock, preferred stock, debt securities, warrants and/or units in one or

more registered offerings. The registration statement was declared effective on June 22, 2020. Further, in June 2020, we entered into an at-the-market sales agreement, or the sales agreement, with Cowen & Co., or Cowen, pursuant to which we may offer and sell shares of our common stock having an aggregate offering price of up to $75.0 million through Cowen pursuant to the registration statement. In January 2021, we issued shares of our common stock in an underwritten public offering resulting in gross proceeds of $75.6 million, before deducting underwriting discounts and commissions and other transaction expenses of approximately $5.1 million, pursuant to the Form S-3 that was filed with the SEC on June 12, 2020.

As of March 31, 2023, $75.0 million of our common stock remained available for future issuance under the June 2020 sales agreement with Cowen.

As of March 31, 2023, $224.4 million of securities remained available for future issuance under the 2020 Registration Statement.

As of March 31, 2023, we had cash, cash equivalents and marketable securities of approximately $165.8 million.

On April 6, 2023, we filed a universal shelf registration statement on Form S-3, or the 2023 Registration Statement, with the SEC to register for sale from time to time up to $250.0 million of common stock, preferred stock, debt securities, warrants and/or units in one or more registered offerings. The 2023 Registration Statement was declared effective on April 28, 2023, at which time the offering of securities under the 2020 Registration Statement was deemed terminated. Further, in April 2023, we entered into an at-the-market sales agreement with Cowen pursuant to which we may offer and sell shares of our common stock having an aggregate offering price of up to $50.0 million through Cowen pursuant to the 2023 Registration Statement.

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Net cash (used in) provided by:		
Operating activities	$ (36,901)	$ (30,017)
Investing activities	(25,748)	7,383
Financing activities	(53)	(93)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (62,702)	$ (22,727)

Net Cash Used in Operating Activities

Net cash used in operating activities for the three months ended March 31, 2023 and 2022 resulted primarily from our net losses adjusted for non-cash charges and changes in components of working capital.

Net cash used in operating activities was $36.9 million during the three months ended March 31, 2023 compared to $30.0 million for the three months ended March 31, 2022. The increase in net cash used in operating activities during the three months ended March 31, 2023 was primarily due to an increase of loss from operations of $6.6 million and an increase in the change of net operating assets of $1.0 million during the three months ended March 31, 2023.

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities was $25.7 million during the three months ended March 31, 2023 compared to net cash provided by investing activities of $7.4 million during the three months ended March 31, 2022. The net cash used in investing activities was primarily due to the purchases of marketable securities of $48.5 million, partially offset by maturity of marketable securities of $23.0 million and the purchase of $0.2 million of property and equipment during the three months ended March 31, 2023. The net cash provided by investing activities was due to the maturity of $7.5 million of marketable securities, partially offset by the purchase of $0.1 million of property and equipment during the three months ended March 31, 2022.

Net Cash Used in Financing Activities

Net cash used in financing activities was $0.1 million during the three months ended March 31, 2023 compared to $0.1 million for the three months ended March 31, 2022. Cash used in financing activities for the three months ended March 31, 2023 and 2022 was primarily due to payments of $0.1 million made during each period under our financing lease.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue to advance our clinical trials of tamibarotene, SY-2101 and SY-5609, seek to develop companion diagnostic tests for use with our product candidates, initiate new research and development projects and seek marketing approval for any product candidates that we successfully develop. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to establishing sales, marketing, distribution and other commercial infrastructure to commercialize such products. We will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on favorable terms, we would be forced to delay, reduce, eliminate, or out-license our research and development programs or future commercialization rights to our product candidates.

We believe that our cash, cash equivalents and marketable securities as of March 31, 2023, will enable us to fund our planned operating expense and capital expenditure requirements into 2025. Our future funding requirements, both short-term and long-term, will depend on many factors, including:

- the scope, progress, timing, costs and results of clinical trials of tamibarotene, SY-2101 and SY-5609 and any associated companion diagnostic tests;
- research and development efforts for any future product candidates that we may develop;
- the number of future product candidates that we pursue and their development requirements;
- our ability to enter into, and the terms and timing of, any collaborations, licensing agreements or other arrangements;
- whether a drug candidate will be nominated to enter into investigational new drug application-enabling studies under our sickle cell disease collaboration with GBT, whether GBT will exercise its option to exclusively license intellectual property arising from the collaboration, whether and when any option exercise fees, milestone payments or royalties under the collaboration agreement with GBT will ever be paid, and whether we exercise our U.S. co-promotion option under the GBT agreement;
- whether our target discovery collaboration with Incyte will yield any validated targets, whether Incyte will exercise any of its options to exclusively license intellectual property directed to such targets, and whether and when any of the target validation fees, option exercise fees, milestone payments or royalties under the collaboration agreement with Incyte will ever be paid;
- the outcome, timing and costs of seeking regulatory approvals;
- the costs of commercialization activities for any of our product candidates that receive marketing approval to the extent such costs are not the responsibility of any collaborators, including the costs and timing of establishing product sales, marketing, distribution and manufacturing capabilities;
- the costs of acquiring potential new product candidates or technology;
- the costs of any physician education programs relating to selecting and treating genomically defined patient populations;
- the timing and amount of milestone and other payments due to licensors for patent and technology rights used in our gene control platform or to TMRC Co. Ltd., or TMRC, associated with the development, manufacture and commercialization of tamibarotene;

•the timing and amount of milestone payments due to Orsenix associated with the development and commercialization of SY-2101;

•revenue received from commercial sales, if any, of our current and future product candidates;

•our headcount growth and associated costs as we advance our clinical pipeline and establish a commercial infrastructure;

•the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property related claims; and

•the continuing impact of the COVID-19 pandemic.

Identifying potential product candidates and conducting clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk related to changes in interest rates. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments, including cash equivalents, are in the form of money market funds and marketable securities and are invested in U.S. treasury or government obligations. However, because of the short-term nature of the duration of our portfolio and the low-risk profile of our investments, we believe an immediate 10% change in market interest rates would not be expected to have a material impact on the fair market value of our investment portfolio or on our financial condition or results of operations.

We are also exposed to market risk related to changes in foreign currency exchange rates. We contract with vendors that are located in Asia and Europe and certain invoices are denominated in foreign currencies. We are subject to fluctuations in foreign currency rates in connection with these arrangements. We do not currently hedge our foreign currency exchange rate risk. As of March 31, 2023, we did not have significant liabilities denominated in foreign currencies.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the three months ended March 31, 2023 and 2022.

Item 4. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Our management, with the participation of our Chief Executive Officer, who serves as our Principal Executive Officer, and our Chief Financial Officer, who serves as our Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2023, the end of the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those previously disclosed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC on March 2, 2023.

Item 6. Exhibits.

Exhibit No.	Description of Exhibit
3.1	Restated Certificate of Incorporation of the Registrant, including the Certificate of Designation of Preferences, Rights and Limitation of Series A Convertible Preferred Stock of the Registrant, as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (File No. 001-37813) filed on November 14, 2022).
3.2	Second Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (File No. 001-37813) filed on August 5, 2021).
31.1	Certification of principal executive officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of principal financial officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of principal executive officer pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification of principal financial officer pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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 thereunto duly authorized.

Syros Pharmaceuticals, Inc.

Date: May 10, 2023

By: /s/ Jason Haas
Jason Haas
Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Nancy Simonian, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Syros Pharmaceuticals, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Syros Pharmaceuticals, Inc.

/s/ Nancy Simonian, M.D.
Nancy Simonian, M.D.
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 10, 2023

Exhibit 31.2

Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Jason Haas, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Syros Pharmaceuticals, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Syros Pharmaceuticals, Inc.

/s/ Jason Haas
Jason Haas
Chief Financial Officer
(Principal Financial Officer)

Dated: May 10, 2023

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Syros Pharmaceuticals, Inc. (the "Company") for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Nancy Simonian, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of her knowledge:

(1)the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 10, 2023

/s/ Nancy Simonian, M.D.
Nancy Simonian, M.D.
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Syros Pharmaceuticals, Inc. (the "Company") for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jason Haas, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1)the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 10, 2023

/s/ Jason Haas
Jason Haas
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.