UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2024

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 7, 2024: 26,728,337

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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 tamibarotene and our expectations for the timing, quantity and quality of information to be reported from our clinical trials of tamibarotene;
- our planned clinical trials for tamibarotene or for any other product candidates, whether conducted by us or by any collaborators, including the timing of these trials and of the anticipated results;
- our ability to replicate in any clinical trial of a product candidate the results we observed in preclinical or earlier clinical studies of such product candidate;
- our ability to replicate in the final results of any clinical trial of one of our product candidates the results we observed in interim results of such clinical trial;
- our plans to research, develop, seek approval for, manufacture and commercialize tamibarotene or any 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 tamibarotene or any future product candidates;
- our ability to enter into, and the terms and timing of, any collaborations, license agreements, or other arrangements;
- 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 tamibarotene or any future 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.

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 tamibarotene or any future product candidate 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, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 83,523	$ 139,526
Marketable securities	24,781	—
Prepaid expenses and other current assets	3,898	5,454
Total current assets	112,202	144,980
Property and equipment, net	6,964	7,298
Other long-term assets	1,550	1,592
Restricted cash	2,119	2,119
Right-of-use asset – operating lease	11,893	12,185
Total assets	$ 134,728	$ 168,174
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 11,346	$ 11,544
Accrued expenses	11,881	16,146
Operating lease obligation, current portion	2,409	2,324
Debt, current portion	11,667	6,667
Total current liabilities	37,303	36,681
Operating lease obligation, net of current portion	17,887	18,528
Warrant liabilities	34,773	61,747
Debt, net of debt discount, net of current portion	29,708	34,556
Commitments and contingencies (See Note 9)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized at March 31, 2024 and December 31, 2023; 0 shares issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Common stock, $0.001 par value; 70,000,000 shares authorized at March 31, 2024 and December 31, 2023; 26,728,337 and 26,448,678 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	26	26
Additional paid-in capital	741,546	739,443
Accumulated deficit	(726,515)	(722,807)
Total stockholders' equity	15,057	16,662
Total liabilities and stockholders' equity	$ 134,728	$ 168,174

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,	
	2024	**2023**
Revenue	$ —	$ 2,954
Operating expenses:		
Research and development	24,655	28,761
General and administrative	6,266	7,405
Total operating expenses	30,921	36,166
Loss from operations	(30,921)	(33,212)
Interest income	1,546	1,775
Interest expense	(1,307)	(1,217)
Change in fair value of warrant liabilities	26,974	8,865
Net loss applicable to common stockholders	$ (3,708)	$ (23,789)
Net loss per share applicable to common stockholders - basic and diluted	$ (0.10)	$ (0.85)
Weighted-average number of common shares used in net loss per share applicable to common stockholders - basic and diluted	38,978,046	27,842,218

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,	
	2024	**2023**
Net loss	$ (3,708)	$ (23,789)
Other comprehensive gain:		
Unrealized holding gain on marketable securities, net of tax	—	161
Comprehensive loss	$ (3,708)	$ (23,628)

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, 2024 and 2023
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Gain	Accumulated Deficit	Stockholders' Equity
	Number of Shares	Par Value				
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 pre-funded 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
Balance at December 31, 2023	26,448,678	$ 26	$ 739,443	$ —	$ (722,807)	$ 16,662
Vesting of restricted stock units	279,659	—	—	—	—	—
Stock-based compensation expense	—	—	2,103	—	—	2,103
Net loss	—	—	—	—	(3,708)	(3,708)
Balance at March 31, 2024	26,728,337	$ 26	$ 741,546	$ —	$ (726,515)	$ 15,057

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

	Three Months Ended March 31,	
	2024	2023
Operating activities		
Net loss	$ (3,708)	$ (23,789)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	334	638
Gain on disposal of property and equipment	(29)	—
Non-cash lease expense	—	66
Stock-based compensation expense	2,103	2,645
Change in fair value of warrant liabilities	(26,974)	(8,865)
Net amortization of premiums and discounts on marketable securities	(112)	(527)
Amortization of debt-discount and accretion of deferred debt costs	152	135
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,556	1,318
Unbilled receivable	—	(71)
Other long-term assets	42	701
Accounts payable	(198)	(3,616)
Accrued expenses	(4,000)	(4,217)
Deferred revenue	—	(1,085)
Operating lease liabilities	(264)	(234)
Net cash used in operating activities	(31,098)	(36,901)
Investing activities		
Purchases of property and equipment	—	(235)
Proceeds from the disposition of asset-held-for-sale	29	—
Purchases of marketable securities	(24,669)	(48,500)
Maturities of marketable securities	—	22,987
Net cash used in investing activities	(24,640)	(25,748)
Financing activities		
Payments on financing lease obligations	—	(53)
Payment of issuance cost related to underwritten registered direct offering and at-the-market facility	(265)	—
Net cash used in financing activities	(265)	(53)
Net decrease in cash, cash equivalents and restricted cash	(56,003)	(62,702)
Cash, cash equivalents and restricted cash (See reconciliation in Note 6)		
Beginning of period	141,645	170,553
End of period	85,642	107,851
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,209	$ 1,053
Non-cash investing and financing activities:		
Offering costs incurred but unpaid as of period end	$ 74	$ 10

See accompanying notes to unaudited condensed consolidated financial statements.

SYROS PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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. 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, 2024, the Company had cash, cash equivalents and marketable securities of $108.3 million and an accumulated deficit of $726.5 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 April 6, 2023, the Company filed a universal shelf registration statement on Form S-3 (the "2023 Registration Statement"), with the Securities and Exchange Commission (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. Further, in April 2023, the Company entered into an at-the-market sales agreement (the "2023 Sales Agreement") with Cowen and Company, LLC ("Cowen") pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $50.0 million through Cowen pursuant to the 2023 Registration Statement.

On October 2, 2023, the Company announced a strategic realignment to prioritize key development and pre-launch activities to advance tamibarotene for the treatment of newly diagnosed higher-risk myelodysplastic syndrome and newly diagnosed acute myeloid leukemia, and to stop further investment in the clinical development of SY-2101 (oral arsenic trioxide) for the treatment of newly diagnosed acute promyelocytic leukemia, as well as in the Company's preclinical and discovery-stage programs. In connection with these decisions, the Company instituted certain expense reduction measures (the "Restructuring"), including a reduction of approximately 35% of the Company's employee base excluding members of the Company's drug discovery organization whose employment ended concurrently with the termination, effective October 16, 2023, of its collaboration with Pfizer, Inc. ("Pfizer") related to the discovery, development and commercialization of novel therapies for sickle cell disease and beta thalassemia. The Restructuring was completed by February 2024.

Based on its current operating plan, the Company's management believes that as of March 31, 2024, 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, 2024, the results of its operations for the three months ended March 31, 2024 and 2023, statements of stockholders' equity for the three months ended March 31, 2024 and 2023, and statements of cash flows for the three months ended March 31, 2024 and 2023. Such adjustments are of a normal and recurring nature. The results for the three months ended March 31, 2024 are not necessarily indicative of the results for the year ending December 31, 2024, 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 was 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. 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, valuation of warrant liabilities, stock-based compensation expense, accrued expenses, and income taxes. 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, are stated at fair value. The Company maintains its bank accounts in two major financial institutions.

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 inputs 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 inputs 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 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.

Impairment of Long-Lived Assets

The Company 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 carrying 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 carrying values of the assets exceed their fair value. The Company did not record any impairment losses during the three months ended March 31, 2024 and 2023.

Revenue Recognition

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 contract assets as unbilled accounts receivable 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 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 nonrefundable 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 nonrefundable 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 judgments 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 liabilities 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 liability or 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. The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing model. The Company estimates its expected stock volatility based on its historical volatility. The expected term of the Company's stock options granted to employees has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The Company uses the contractual term in determining the expected term of the stock options granted to non-employees. 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 at the grant date 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.

The following outstanding pre-funded warrants as of March 31, 2024 and 2023,were included in the basic and diluted net loss per share calculation (refer to Note 10):

	As of March 31,	
	2024	**2023**
2020 Pre-Funded Warrants, issued in the 2020 Private Placement	100,000	100,000
2022 Pre-Funded Warrants, issued in the 2022 Private Placement	7,179,819	7,391,739
2023 Pre-Funded Warrants, issued in December 2023 registered direct offering	5,242,588	—
Total	12,522,407	7,491,739

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,	
	2024	**2023**
Stock options	1,479,059	1,714,298
Unvested restricted stock units	2,569,764	2,294,651
Warrants*	14,142,298	14,142,298
Total	18,191,121	18,151,247

* As of March 31, 2024 and 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 7), 1,738 warrants to purchase common stock issued in connection with the second draw on this loan agreement in December 2020 (refer to Note 7), 282,809 warrants to purchase common stock issued in connection with the private placement in December 2020 (refer to Note 10), 13,813,912 warrants to purchase common stock issued in connection with the private placement in September 2022 (refer to Note 10), and 41,085 warrants to purchase common stock that were issued upon the assumption and conversion of warrants in connection with the acquisition of Tyme Technologies, Inc.

3. 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, 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") was for an initial period of three years and could 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. In July 2023, Pfizer, as successor to GBT, elected to exercise its right to terminate the GBT Collaboration Agreement, effective October 16, 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. This Option terminated simultaneously with the effective date of termination of the GBT Collaboration Agreement, and the Company is no longer eligible to receive any milestone or royalty-based payments from GBT.

GBT Collaboration Revenue

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

The Company identified a single performance obligation, which included a (i) non-exclusive research license that GBT had access to during the initial Research Term and (ii) research and development services provided during the initial Research Term. The non-exclusive research license only allowed GBT to evaluate the candidate compounds developed under the research plan or to conduct work allocated to it during the Research Term. GBT could not 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).

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 would 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 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.

During the three months ended March 31, 2023, the Company recognized revenue of $3.0 million under the GBT Collaboration Agreement.

4. 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 sheet. 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, 2024 and December 31, 2023 (in thousands):

March 31, 2024	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market funds	$ 83,523	$ —	$ —	$ 83,523
Marketable securities:				
US Treasury obligation - due in one year or less	24,781	1	1	24,781
Total:	$ 108,304	$ 1	$ 1	$ 108,304

December 31, 2023	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market funds	$ 139,526	$ —	$ —	$ 139,526
Total	$ 139,526	$ —	$ —	$ 139,526

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, 2024 and 2023, 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, 2024, marketable securities with maturities of one year or less when purchased are presented in current assets in the accompanying condensed consolidated balance sheet.

As of March 31, 2024, the Company had one security that was in an unrealized loss position. The aggregate fair value of the security held by the Company in an unrealized loss position for less than 12 months as of March 31, 2024 was $8.9 million. The Company determined that there was no material change in the credit risk of the above marketable security. As a result, the Company determined it did not hold any marketable securities with an other-than temporary impairment as of March 31, 2024.

5. Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 were as follows (in thousands):

Description	March 31, 2024	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents:				
Cash and money market funds	$ 83,523	$ 83,523	$ —	$ —
Marketable securities:				
US Treasury obligation - due in one year or less	24,781	24,781	—	—
Total	$ 108,304	$ 108,304	$ —	$ —
Liabilities:				
Warrant liabilities	$ 34,773	$ —	$ —	$ 34,773
Total	$ 34,773	$ —	$ —	$ 34,773

Description	December 31, 2023	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents:				
Cash and money market funds	$ 139,526	$ 139,526	$ —	$ —
Total	$ 139,526	$ 139,526	$ —	$ —
Liabilities:				
Warrant liabilities	$ 61,747	$ —	$ —	$ 61,747
Total	$ 61,747	$ —	$ —	$ 61,747

Assumptions Used in Determining Fair Value of Warrants

The Company issued warrants to purchase an aggregate of up to 13,813,912 shares of common stock in connection with a private placement in September 2022 (the "2022 Warrants") and warrants to purchase an aggregate of up to 282,809 shares of common stock in connection with a private placement in December 2020 (the "2020 Warrants"). 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, 2024	December 31, 2023
Stock price	$ 5.35	$ 7.79
Average risk-free interest rate	4.36 %	3.96 %
Average expected life (in years)	3.42	3.67
Average expected volatility	86.64 %	87.63 %

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 liabilities for the three months ended March 31, 2024 and the year ended December 31, 2023 (in thousands):

	March 31, 2024	December 31, 2023
Fair value of warrant liabilities as of beginning of period	$ 61,747	$ 24,472
Change in fair value	(26,974)	37,275
Fair value of warrant liabilities as of end of period	$ 34,773	$ 61,747

6. Restricted Cash

As of each of March 31, 2024 and December 31, 2023, the Company had $2.1 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 into the lease with respect to the Company's corporate headquarters (the "HQ Lease") (See Note 9).

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. Pursuant to the HQ Lease, the Company exercised its right to reduce the amount of the letter of credit to $2.1 million during the year ended December 31, 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, 2024 and 2023 (in thousands):

	March 31,	
	2024	2023
Cash and cash equivalents	$ 83,523	$ 104,765
Restricted cash	$ 2,119	3,086
Total cash, cash equivalents and restricted cash	$ 85,642	$ 107,851

7. 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 $20.0 million term loan (first tranche) was funded on February 12, 2020, and another $20.0 million term loan (second tranche) was funded on December 23, 2020. As of March 31, 2024, the final $20.0 million tranche remained 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 "First Loan 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%. On May 9, 2024, the Company entered into a further amendment to the Loan Agreement with the Lender (refer to Note 12).

The Company paid a facility fee of $0.1 million upon the issuance of the first tranche, paid a facility fee of $75,000 upon the issuance of the second tranche and must pay a $50,000 facility fee if and when the third tranche is issued. The Company also paid fees of $300,000 related to the First Loan Amendment. The Company is required to make a final payment equal to 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 issuance of the first tranche, 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 February 2020. In connection with the issuance of the second tranche, 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 in December 2020 (collectively, the "Oxford Warrants"). The Oxford Warrants are exercisable within five years from the 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, 2024 (in thousands):

Nine months ending December 31, 2024	$	6,667
Year ending December 31, 2025		20,000
Year ending December 31, 2026		13,333
Total minimum payments		40,000
Less unamortized debt discount		(287)
Plus accumulated accretion of final fees		1,662
Less current portion		(11,667)
Long-term debt	$	29,708

For the three months ended March 31, 2024 and 2023, interest expense related to the Loan Agreement was approximately $1.3 million and $1.2 million, respectively.

8. Accrued Expenses

Accrued expenses consisted of the following as of March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024	December 31, 2023
External research and preclinical development	$ 8,220	$ 8,001
Employee compensation and benefits	2,487	6,993
Professional fees	1,022	1,015
Facilities and other	152	137
Accrued expenses	$ 11,881	$ 16,146

9. Commitments and Contingencies

Operating Lease

On January 8, 2019, the Company entered into 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 6). 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 $2.4 million of the lease liability as short-term and $17.9 million of the lease liability as long-term as of March 31, 2024.

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.

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities as of March 31, 2024 (in thousands):

	Amount
Nine months ending December 31, 2024	$ 3,130
Year ending December 31, 2025	4,287
Year ending December 31, 2026	4,412
Year ending December 31, 2027	4,541
Year ending December 31, 2028 and beyond	10,303
Total minimum lease payments	26,673
Less imputed interest	(6,377)
Total lease liability	$ 20,296

The following table outlines the total lease cost for the Company's operating lease as well as weighted average information for this lease as of March 31, 2024 (in thousands):

	Three Months Ended March 31, 2024
Lease cost:	
Operating lease cost	$ 772
Cash paid for amounts included in the measurement of liabilities:	
Operating cash flows from operating lease	$ 1,037
Other information:	Three Months Ended March 31, 2024
Weighted-average remaining lease term (in years) - operating lease	5.92
Weighted-average discount rate - operating lease	9.30

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 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, 2024 and 2023.

10. Stockholders' Equity

Issuance of Securities through an Underwritten Registered Direct Offering

In December 2023, the Company issued 4.9 million shares of common stock and, in lieu of its common stock to certain investors who so chose, pre-funded warrants (the "2023 Pre-Funded Warrants") to purchase an aggregate of

5,242,588 shares of common stock, pursuant to the 2023 Registration Statement, in an underwritten registered direct offering for gross proceeds of $45.0 million, before deducting underwriting fees and other transaction costs of $3.4 million.

The Company determined that the 2023 Pre-Funded Warrants are freestanding financial instruments because they are both legally detachable and separately exercisable from the common stock sold in the offering. As such, the Company evaluated the 2023 Pre-Funded Warrants to determine whether they represent instruments that require liability classification pursuant to the guidance in ASC 480. However, the Company concluded that the 2023 Pre-Funded Warrants are not a liability within the scope of ASC 480 due to their characteristics. Further, the Company determined that the 2023 Pre-Funded Warrants do not meet the definition of a derivative under ASC 815 because they do not meet the criteria regarding no or little initial net investment. Accordingly, the Company assessed the 2023 Pre-Funded Warrants relative to the guidance in ASC No. 815-40, Contracts in Entity's Own Equity, to determine the appropriate treatment. The Company concluded that the 2023 Pre-Funded Warrants are both indexed to its own stock and meet all other conditions for equity classification. Accordingly, the Company has classified the 2023 Pre-Funded Warrants as permanent equity.

Issuance of Securities through a Private Placement

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, the pre-funded warrants to purchase an aggregate of 7,426,739 shares of common stock (the "2022 Pre-Funded Warrants"), 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, through a private placement (the "2020 Private Placement"), the Company issued 1,031,250 shares of common stock, and, in lieu of shares of common stock, pre-funded warrants to purchase an aggregate of 100,000 shares of common stock (the "2020 Pre-Funded Warrants"), and, in each case, 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. The Company recorded a gain for the remeasurement of the aggregate fair value of the 2022 Warrants and the 2020 Warrants in its condensed statement of operations of $27.0 million and $8.9 million for three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024 and December 31, 2023 the aggregate fair value of the 2022 Warrants and the 2020 Warrants included in the Company's condensed balance sheet was $34.8 million and $61.7 million, respectively.

11. Stock-Based Payments

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, 2024, the number of shares reserved for issuance under the 2016 ESPP was increased by 117,333 shares. As of March 31, 2024, 258,504 shares remained available for future issuance under the 2016 ESPP.

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. 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. As of March 31, 2024, 702,555 shares remained available for future issuance under the 2022 Plan.

2022 Equity Incentive Plan

The 2022 Equity 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 Stock Incentive Plan (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. As of March 31, 2024, 105,036 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 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, 2023 and March 31, 2024 and changes during the three months ended March 31, 2024 is presented below:

	Shares	Weighted Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	1,548,642	$ 34.80	4.5	$ 646
Cancelled	(69,583)			
Outstanding at March 31, 2024	1,479,059	30.39	4.6	80
Exercisable at March 31, 2024	1,168,432	33.51	3.6	60

There were no stock options granted or exercised during the three months ended March 31, 2024.

As of March 31, 2024, there was $3.0 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 1.0 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 three-year or four-year term. In addition, pursuant to the Company's director compensation policy, members of the Company's 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, 2024.

A summary of the status of restricted stock units and restricted stock awards as of December 31, 2023 and March 31, 2024 and changes during the three months ended March 31, 2024 is presented below:

	Shares Subject to Restricted Stock Units and Restricted Stock Awards	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	1,778,614	$ 6.29
Granted	1,152,238	7.02
Vested	(295,655)	8.14
Forfeited	(9,429)	6.41
Outstanding at March 31, 2024	2,625,768	$ 6.42

As of March 31, 2024, there was $14.8 million of unrecognized stock-based compensation expense related to outstanding restricted stock units and restricted stock awards, with an expected recognition period of 1.4 years.

Stock-based Compensation Expense

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,	
	2024	2023
Research and development	$ 971	$ 1,267
General and administrative	1,132	1,378
Total stock-based compensation expense	$ 2,103	$ 2,645

12. Subsequent Event

On May 9, 2024, the Company entered into a further amendment (the "Loan Amendment") to the Loan Agreement with Oxford. Under this Loan Amendment, Oxford agreed to modify the Loan Agreement in order to, among other things, (i) increase the aggregate amount of term loans available to the Company to from $40.0 million to $100.0 million, with tranches totaling $40.0 million in the aggregate becoming available to the Company upon achievement of certain clinical development, regulatory and equity-raising milestones, and $20.0 million becoming available at Oxford's discretion; (ii) extend the interest only period from September 1, 2024 to November 1, 2025 with further extensions to as late as November 1, 2026 upon achievement of certain milestones; and (iii) extend the maturity date from August 1, 2026 to February 1, 2028. In consideration for this Loan Amendment, the Company has agreed to, among other things, certain cash covenants and revenue performance covenants, and that the failure to satisfy the primary endpoint for the SELECT-MDS-1 trial, the termination of the SELECT-MDS-1 trial for safety reasons, or the failure to obtain FDA approval for tamibarotene for the treatment of newly diagnosed HR-MDS patients with *RARA* overexpression by May 31, 2026, would each constitute events of default under the Loan Agreement. In addition, upon drawing any further loans under the Loan Agreement the Company has agreed to grant Oxford, to the extent permitted under existing agreements and applicable law, a security interest in all intellectual property owned by the Company.

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, or Quarterly Report, and the audited financial information and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023 that we filed with the Securities and Exchange Commission, or SEC, on March 27, 2024, or the 2023 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 2023 10-K and in this Quarterly Report. 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 tamibarotene, a selective retinoic acid receptor alpha, or RARa, 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.

At the 62nd American Society of Hematology Annual Meeting and Exposition held in December 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 AML patients who have been prospectively selected using our proprietary *RARA*, the gene that codes for RARa, 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, 50% of patients achieved complete response, or CR, and 11% achieved a complete response with incomplete blood count recovery, or CRi, for a total CR/CRi rate of 61%. The median time to initial CR/CRi response was 1.2 months, the median duration of CR/CRi response 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 was 43%, with a CR/CRi rate of 32%, with 25% of patients achieving CR and 7% achieving CRi. The median time to initial CR/CRi response was 3.0 months, and the median duration of CR/CRi response was 10.3 months. Approximately 25,000 patients are diagnosed with unfit AML in the United States and Europe annually and we expect the overall total global market for all AML patients to grow to approximately $7.5 billion by 2028.

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 18,500 patients are diagnosed with HR-MDS in the United States and Europe annually and we expect the total global market for myelodysplastic syndrome, or MDS, patients of all risk groups to grow to approximately $4.7 billion by 2028. 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. The United States Food and Drug Administration, or FDA, has expressed that the CR rate is 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 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. In January 2023, the FDA granted Fast Track Designation to tamibarotene in combination with azacitidine for the treatment of adults with newly diagnosed HR-MDS who are positive for *RARA* overexpression. In the first quarter of 2024, we completed enrollment of the 190 patients necessary to support the CR primary endpoint analysis. In addition, the SELECT-MDS-1 trial passed a pre-specified interim futility analysis of the primary endpoint based on an analysis, blinded to us, in the initial 50% of the enrolled patients. The analysis was conducted by an independent data monitoring committee, who also noted that there were no concerning safety signals and recommended that the trial continue without modification. We expect to report pivotal CR data from the SELECT-MDS-1 trial by the middle of the fourth quarter of 2024.

In addition, we are advancing tamibarotene in combination with venetoclax and azacitidine in newly diagnosed unfit AML patients who are positive for *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 is evaluating the safety and efficacy of tamibarotene in combination with venetoclax and azacitidine compared to venetoclax and azacitidine in approximately 80 patients randomized 1:1. The trial is also evaluating the triplet as a salvage strategy for patients in the control arm who do not respond to venetoclax and azacitidine. The primary endpoint of the trial is the CR/CRi rate and the study is powered at 80% to detect a difference between the experimental and control arms. In December 2022, we reported data from the safety lead-in portion of SELECT-AML-1. 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. These data supported our decision to initiate the randomized portion of the SELECT-AML-1 trial.

On December 6, 2023, we announced initial data from the randomized portion of SELECT-AML-1. As of November 13, 2023, 23 newly diagnosed unfit AML patients positive for *RARA* overexpression had enrolled in the randomized portion of the trial, including 19 who were evaluable for response. The CR/CRi rate was 100% among response evaluable patients (nine of nine) treated with the combination of tamibarotene, venetoclax and azacitidine, as compared to 70% of patients (seven of ten) treated with the control arm of venetoclax and azacitidine. Seven of the nine response evaluable patients (78%) treated with the combination of tamibarotene, venetoclax and azacitidine achieved a CR and two patients (22%) achieved a CRi. Three of the ten response evaluable patients (30%) treated with the control achieved a CR and four patients (40%) achieved a CRi. The median time to CR/CRi response was 21 days (ranging from 14-28) among patients treated with the combination of tamibarotene, venetoclax and azacitidine, as compared to 25 days (ranging from 17-56) among patients treated with the control, with the CR/CRi being reached by 100% of patients in the triplet arm by the end of cycle one, compared with 60% of patients in the doublet control arm. Consistent with prior clinical experience from the safety lead-in portion of this study, tamibarotene administered in combination with approved doses of venetoclax and azacitidine was generally well tolerated, and the overall safety profile demonstrated no additive toxicities or new safety signals, or evidence of increased myelosuppression compared to treatment with the doublet combination of venetoclax and azacitidine. The majority of non-hematologic adverse events were low-grade and reversible, and rates of serious adverse events were comparable between the study arms. As of the data cut-off, there was comparable exposure across the treatment arms, consisting of 66 days (ranging from 8-188) among patients treated with the combination of tamibarotene, venetoclax and azacitidine, and 75 days (ranging from 7-227) for patients treated with the control. Patients will be followed for duration of response, minimal residual disease-negative response, and survival.

In April 2024, the FDA granted Fast Track Designation to tamibarotene in combination with venetoclax and azacitidine for the treatment of newly diagnosed AML with *RARA* gene overexpression, as detected by an FDA approved test in adults who are over age 75 and who have comorbidities that preclude the use of intensive induction chemotherapy. We continue to enroll patients in SELECT-AML-1 and anticipate reporting clinical activity and tolerability data from a pre-specified analysis of over 40 patients from the randomized portion of the trial in the third quarter of 2024.

Financings

On December 21, 2023, we issued and sold an aggregate of 4,939,591 shares of our common stock at a price of $4.42 per share, and, in lieu of our common stock to certain investors who so chose, pre-funded warrants to purchase an aggregate of 5,242,588 shares of our common stock at a price of $4.419 per pre-funded warrant, in an underwritten offering resulting in gross proceeds of approximately $45.0 million, before deducting underwriting fees and other transaction costs of approximately $3.2 million. The offering was made pursuant to an underwriting agreement between us and Cowen and Company, LLC, or Cowen, and Piper Sandler & Co. on December 18, 2023. Pursuant to the underwriting agreement, the underwriters purchased the shares of common stock from us at a price of $4.1548 per share and the pre-funded warrants from us at a price of $4.15386 per share underlying each pre-funded warrant. The shares of common stock and the pre-funded warrants were issued, and any shares of common stock issuable upon exercise of the pre-funded warrants will be issued, pursuant to a shelf registration statement on Form S-3 that was filed with the SEC on April 6, 2023 and declared effective by the SEC on April 28, 2023.

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. We did not recognize any revenue during the three months ended March 31, 2024. For the three months ended March 31, 2023, we recognized revenue of $3.0 million related to our collaboration with Global Blood Therapeutics, or GBT. The collaboration with GBT terminated in October 2023 and we do not expect to recognize collaboration revenue from GBT following that date.

Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including the preclinical and clinical 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.

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, 2024 and 2023 (in thousands):

	Three Months Ended March 31,	
	2024	2023
Tamibarotene external costs	$ 16,477	$ 13,357
SY-5609 program external costs	135	1,318
SY-2101 program external costs	636	1,913
Other research program external costs	390	1,532
Employee-related expenses, excluding stock-based compensation	4,702	7,527
Stock-based compensation	971	1,267
Facilities and other expenses	1,344	1,847
Total research and development expenses	$ 24,655	$ 28,761

We expect to incur significant research and development expenses for the foreseeable future as we seek to advance our clinical trials involving tamibarotene. 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 tamibarotene or any future product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales of any product candidates. This is due to the numerous risks and uncertainties associated with developing such product candidates, including the uncertainty of:

•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 personnel;

•the impact of public health crises, including epidemics and pandemics such as 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 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.

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 Liabilities

Change in fair value of warrant liabilities is the result of the remeasurement of the fair value of our warrant liabilities 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 2023 10-K.

Results of Operations

Comparison of three months ended March 31, 2024 and 2023

The following table summarizes our results of operations for the three months ended March 31, 2024 and 2023, together with the changes in those items in dollars (in thousands):

	Three Months Ended March 31, 2024	2023	Dollar Change	% Change
Statements of Operations Data:				
Revenue	$ —	$ 2,954	$ (2,954)	(100) %
Operating expenses:				
Research and development	24,655	28,761	(4,106)	(14) %
General and administrative	6,266	7,405	(1,139)	(15) %
Total operating expenses	30,921	36,166	(5,245)	(15) %
Loss from operations	(30,921)	(33,212)	2,291	(7) %
Interest income	1,546	1,775	(229)	(13) %
Interest expense	(1,307)	(1,217)	(90)	7 %
Change in fair value of warrant liabilities	26,974	8,865	18,109	204 %
Net loss	$ (3,708)	$ (23,789)	$ 20,081	(84) %

Revenue

We did not recognize any revenue during the three months ended March 31, 2024. For the three months ended March 31, 2023, we recognized $3.0 million of revenue, all of which was attributable to our collaboration with GBT.

Research and Development Expense

Research and development expense decreased by approximately $4.1 million, or 14%, from $28.8 million for the three months ended March 31, 2023 to $24.7 million for the three months ended March 31, 2024. The following table summarizes our research and development expenses for the three months ended March 31, 2024 and 2023, together with the changes to those items in dollars (in thousands):

	Three Months Ended March 31, 2024	2023	Dollar Change	% Change
External research and development	$ 16,502	$ 15,607	$ 895	6 %
Employee-related expenses, excluding stock-based compensation	4,702	7,527	(2,825)	(38) %
Stock-based compensation	971	1,267	(296)	(23) %
Consulting, licensing and professional fees	1,136	2,513	(1,377)	(55) %
Facilities and other expenses	1,344	1,847	(503)	(27) %
Total research and development expenses	$ 24,655	$ 28,761	$ (4,106)	(14) %

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

- an increase of approximately $0.9 million, or 6%, for external research and development costs, primarily attributable to the increase in costs associated with our existing clinical trials of tamibarotene;

- a decrease of approximately $2.8 million, or 38%, for employee-related expenses, primarily due to a reduction of headcount associated with the restructuring of our operations in the fourth quarter of 2023;

- a decrease of approximately $0.3 million, or 23%, for stock-based compensation, primarily due to a reduction of headcount associated with the restructuring of our operations in the fourth quarter of 2023 and the grant of stock-based awards during the three months ended March 31, 2024 that have performance-based vesting conditions for which no related expenses were recognized during the period;

•a decrease of approximately $1.4 million, or 55%, for consulting, licensing and professional fees, primarily related to a decrease in costs associated with our clinical trials and discovery programs; and

•a decrease of approximately $0.5 million, or 27%, for facilities and other expenses, primarily due to the closure of our laboratory facilities as part of the restructuring of our operations in the fourth quarter of 2023.

General and Administrative Expense

General and administrative expense decreased by approximately $1.1 million, or 15%, from $7.4 million for the three months ended March 31, 2023 to $6.3 million for the three months ended March 31, 2024. The change in general and administrative expense was primarily attributable to a decrease in facilities expenses, consulting and a reduction of headcount associated with the restructuring of our operations in the fourth quarter of 2023.

Interest Income

Interest income was derived generally from our investments in cash, cash equivalents and marketable securities. The decrease in interest income during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 was due to a lower average cash balance during the three months ended March 31, 2024 compared to the same period in 2023.

Interest Expense

Interest expense was related to our credit facility with Oxford. Interest expense increased from the three months ended March 31, 2023 to the three months ended March 31, 2024 due to a higher interest rate during the three month period ended March 31, 2024 compared to the same period in 2023.

Change in Fair Value of Warrant Liabilities

The change in fair value of warrant liabilities during the three months ended March 31, 2024 was primarily driven by the decrease in the price of our common stock from December 31, 2023 to March 31, 2024. The change in fair value of warrant liabilities during the three months ended March 31, 2023 was primarily driven by the decrease in the price of our common stock from December 31, 2022 to March 31, 2023.

Liquidity and Capital Resources

Sources of Liquidity

We funded our operations from inception through March 31, 2024, primarily through the issuance of equity securities, through license and collaboration agreements, and through the credit facility with Oxford.

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 to the Loan Agreement with Oxford, or the First Loan Amendment. Pursuant to the First Loan Amendment, Oxford 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, 2024, $20.0 million remains available under the Loan Agreement at the sole discretion of Oxford. On May 9, 2024, we entered into a further amendment (the "Fourth Loan Amendment") to the Loan Agreement with Oxford. Under this Fourth Loan Amendment, Oxford agreed to modify the Loan Agreement in order to, among other things, (i) increase the aggregate amount of term loans available to us to from $40.0 million to $100.0 million, with tranches totaling $40.0 million in the aggregate becoming available to us upon achievement of certain clinical development, regulatory and equity-raising milestones, and $20.0 million becoming available at Oxford's discretion; (ii) extend the interest only period from September 1, 2024 to November 1, 2025 with further extensions to as late as November 1, 2026 upon achievement of certain milestones; and (iii) extend the maturity date from August 1, 2026 to February 1, 2028. In consideration for this Fourth Loan Amendment, we have agreed to, among other things, certain cash covenants and revenue performance covenants, and that the failure to satisfy the primary endpoint for the

SELECT-MDS-1 trial, the termination of the SELECT-MDS-1 trial for safety reasons, or the failure to obtain FDA approval for tamibarotene for the treatment of newly diagnosed HR-MDS patients with *RARA* overexpression by May 31, 2026, would each constitute events of default under the Loan Agreement. In addition, upon drawing any further loans under the Loan Agreement we have agreed to grant Oxford, to the extent permitted under existing agreements and applicable law, a security interest in all intellectual property owned by us.

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. Further, in April 2023, we entered into an at-the-market sales agreement, or the 2023 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. During the year ended December 31, 2023, we issued and sold 350,000 shares of common stock pursuant to the 2023 sales agreement for gross proceeds of $1.4 million, before deducting underwriting fees.

Upon entry into the 2023 sales agreement, we terminated our prior at-the-market program pursuant to the original sales agreement dated July 12, 2020. At the time of such termination, the entire $75.0 million available under such agreement remained unsold.

In December 2023, we issued shares of our common stock and, in lieu of common stock to certain investors, pre-funded warrants to purchase our common stock, pursuant to the 2023 Registration Statement, in an underwritten offering resulting in gross proceeds of $45.0 million, before deducting underwriting fees and other transaction costs of approximately $3.2 million.

As of March 31, 2024, $48.6 million of our common stock remained available for future issuance under the 2023 sales agreement.

As of March 31, 2024, $203.6 million of securities remained available for future issuance under the 2023 Registration Statement.

As of March 31, 2024, we had cash, cash equivalents and marketable securities of approximately $108.3 million.

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,	
	2024	**2023**
Net cash used in:		
Operating activities	$ (31,098)	$ (36,901)
Investing activities	(24,640)	(25,748)
Financing activities	(265)	(53)
Net decrease in cash, cash equivalents and restricted cash	$ (56,003)	$ (62,702)

Net Cash Used in Operating Activities

Net cash used in operating activities for the three months ended March 31, 2024 and 2023 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 $31.1 million during the three months ended March 31, 2024 compared to $36.9 million for the three months ended March 31, 2023. The decrease in net cash used in operating activities during the three months ended March 31, 2024 was primarily due to a decrease in net loss from operations of $2.3 million, a decrease in the change of net operating assets of $4.3 million and an increase in interest income of $0.2 million, partially offset by a decrease in depreciation of property and equipment of $0.3 million and a decrease in stock-based compensation of $0.5 million during the three months ended March 31, 2024.

Net Cash Used In Investing Activities

Net cash used in investing activities was $24.6 million during the three months ended March 31, 2024 compared to net cash used in investing activities of $25.7 million during the three months ended March 31, 2023. The net cash used in investing activities during the three months ended March 31, 2024 was primarily due to the purchase of marketable securities of $24.7 million, partially offset by proceeds from disposal of property and equipment during the three months ended March 31, 2024. 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.

Net Cash Used In Financing Activities

Net cash used in financing activities was $0.3 million during the three months ended March 31, 2024 compared to the net cash provided by financing activities of $0.1 million for the three months ended March 31, 2023. Cash used in financing activities for the three months ended March 31, 2024 was primarily due to the payments of issuance costs related to our underwritten registered direct offering and our at-the-market facility during the year ended December 31, 2023. In comparison, the cash used in financing activities for the three months ended March 31, 2023 was primarily due to payments of $0.1 million made under our financing lease.

Funding Requirements

We expect to incur significant expenses in connection with our ongoing activities, particularly as we continue to advance our clinical trials of tamibarotene, seek to develop companion diagnostic tests for use with tamibarotene, and seek marketing approval for tamibarotene or any future product candidates that we successfully develop. In addition, if we obtain marketing approval for tamibarotene or any other product candidate, 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 development programs or future commercialization rights to our product candidates.

We believe that our cash, cash equivalents and marketable securities as of March 31, 2024, will enable us to fund our planned operating expense and capital expenditure requirements into the third quarter of 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 and associated companion diagnostic tests;
- 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;
- the outcome, timing and costs of seeking regulatory approvals;
- the costs of commercialization activities for tamibarotene or any other product candidate that receives 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 TMRC Co. Ltd. associated with the development, manufacture and commercialization of tamibarotene;

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

•our employment-related 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 impact of public health crises, including epidemics and pandemics such as 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, tamibarotene or any future product candidate, 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, 2024, 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, 2024 and 2023.

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, 2024, the end of the period covered by this Quarterly Report. 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 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.

The following information updates, and should be read in conjunction with, the risk factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, or the 2023 10-K. Any of the risk factors contained in this Quarterly Report and the 2023 10-K could materially affect our business, financial condition or future results, and such risk factors may not be the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

Risks Related to Our Financial Position and Need for Additional Capital

The terms of our loan and security agreement place restrictions on our operating and financial flexibility.

In February 2020, we entered into a loan and security agreement with Oxford Finance LLC, or Oxford, which is secured by substantially all of our currently owned or later acquired personal property other than our intellectual property (but including the right to payments and proceeds of intellectual property), which is subject to a negative pledge. We borrowed $20.0 million upon execution of the loan and security agreement and borrowed an additional $20.0 million term loan advance in December 2020.

On May 9, 2024, we entered into an amendment, or the Loan Amendment to the loan and security agreement with Oxford. We refer to the loan and security agreement with Oxford, as amended by the Loan Amendment, as the Loan Agreement. Pursuant to the Loan Amendment, in its capacity as lender and agent, Oxford agreed to modify the terms of the loan and security agreement to, among other things: (i) increase the aggregate amount of term loans available to us from $40.0 million to $100.0 million, with tranches totaling $40.0 million in the aggregate becoming available to us upon achievement of certain clinical development, regulatory and equity-raising milestones, and $20.0 million becoming available at Oxford's discretion; (ii) extend the interest only period from September 1, 2024 to November 1, 2025 with further extensions to as late as November 1, 2026 upon achievement of certain milestones; and (iii) extend the maturity date from August 1, 2026 to February 1, 2028.

The Loan Agreement contains representations and warranties and affirmative and negative covenants applicable to us and our subsidiaries, as more fully described in the Loan Agreement. The Loan Agreement also includes events of default, the occurrence and during the continuation of which provide Oxford, as collateral agent, with the right to exercise remedies against us and the collateral securing the loans under the Loan Agreement, including foreclosure against our property securing the Loan Agreement, including our cash, potentially requiring us to renegotiate our agreement on terms less favorable to us, or to immediately cease operations.

Further, if we are liquidated, the lenders' right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. Oxford could declare a default upon the occurrence of any event that they interpret as a material adverse change as defined under the Loan Agreement, thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by Oxford of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline.

Risks Related to the Development and Commercialization of Product Candidates

We face substantial competition, which may result in others developing or commercializing products before or more successfully than we do.

We expect that we, and any collaborators, will face significant competition from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide with respect to any of our product candidates that we, or any collaborators, may seek to develop or commercialize in the future. Specifically, there are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of product candidates for the treatment of the key indications targeted in our clinical trials involving tamibarotene.

For example, we are aware of several new drugs approved by the U.S. Food and Drug Administration, or the FDA, since 2018 for the treatment of newly diagnosed unfit acute myeloid leukemia, or AML, or patient subsets within newly diagnosed unfit AML (including ivosidenib, venetoclax, and glasdegib), and two new drugs approved by the FDA since 2020 for the treatment of myelodysplastic syndrome, or MDS, or patient subsets within MDS (decitabine/cedazuridine and ivosidenib). Tamibarotene may also face competition from other agents currently in clinical development for AML and MDS, including those in late-stage development from AbbVie Inc., Roche Holding AG, Taiho Oncology, Inc., and Pfizer Inc.

Our competitors may succeed in developing, acquiring or licensing technologies and products that are more effective, have fewer side effects or more tolerable side effects, have greater ease of access, or are less costly than any product candidates that we are currently developing or that we may develop, which could render our product candidates obsolete and noncompetitive. For example, the evolving standard of care for the treatment of patients with AML and the response rates and duration of response seen with approved and investigational agents in this disease may result in a longer and more complex clinical development path for tamibarotene, which in turn will impact the potential return on investments in clinical trials of tamibarotene. In addition, the evolving standard of care for the treatment of patients with AML may lead to evolution of the standard of care for patient subsets within MDS, a closely related condition. Our competitors also may obtain FDA or other marketing approval for their products before we, or any collaborators, are able to obtain approval for ours, which could result in our competitors establishing a strong market position before we, or any collaborators, are able to enter the market.

Many of our existing and potential future competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining marketing approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the development of our product candidates.

Item 5. Other Information.

(a)

On May 9, 2024, we entered into the Loan Amendment to the loan and security agreement with Oxford. Under the Loan Amendment, Oxford agreed to modify the terms of the loan and security agreement, in order to, among other things:

- increase the aggregate amount of term loans available to us from $40.0 million to $100.0 million, with tranches totaling $40.0 million in the aggregate becoming available to us upon achievement of certain clinical development, regulatory and equity-raising milestones, and $20.0 million becoming available at Oxford's discretion;
- extend the interest only period from September 1, 2024 to November 1, 2025 with further extensions to as late as November 1, 2026 upon achievement of certain milestones; and
- extend the maturity date from August 1, 2026 to February 1, 2028.

In consideration for the Loan Amendment, we have agreed to, among other things, certain cash covenants and revenue performance covenants, and that the failure to satisfy the primary endpoint for our SELECT-MDS-1 trial, 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, the termination of the SELECT-MDS-1 trial for safety reasons, or the failure to obtain FDA approval for tamibarotene for the treatment of newly diagnosed HR-MDS in patients with *RARA* overexpression by May 31, 2026, would each constitute events of default under the Loan Agreement. In addition, upon drawing any further loans under the Loan Agreement we have agreed to grant Oxford, to the extent permitted under existing agreements and applicable law, a security interest in all intellectual property owned by us.

Except as provided above, the terms of the loan and security agreement remain materially unchanged.

The foregoing description of the Loan Amendment is qualified in its entirety by reference to the full text thereof, which we intend to file as an exhibit to our Quarterly Report on Form 10-Q for the quarter ending June 30, 2024.

(c)

The following table describes contracts, instructions or written plans for the sale or purchase of Company securities adopted by our directors and officers during the quarterly period covered by this report that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 Trading Arrangement"):

Name and Title	Date of Adoption	Duration of Rule 10b5-1 Trading Arrangement	Aggregate Number of Securities to Be Purchased or Sold
Richard A. Young, Ph.D., Director	March 29, 2024	Until July 30, 2025, or such earlier date upon which all transactions are completed or expire without execution.	Sale of up to 34,837 shares

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).
10.1*	Amended and Restated Director Compensation Policy
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)

* Indicates management contract or compensatory plan.
^ Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

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 14, 2024

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

SYROS PHARMACEUTICALS, INC.
AMENDED AND RESTATED DIRECTOR COMPENSATION POLICY

Non-employee directors shall receive the following compensation for their service as members of the Board of Directors (the "**Board**") of Syros Pharmaceuticals, Inc. (the "**Company**").

Director Compensation

Our goal is to provide compensation for our non-employee directors in a manner that enables us to attract and retain outstanding director candidates and reflects the substantial time commitment necessary to oversee the Company's affairs. We also seek to align the interests of our directors and our stockholders and we have chosen to do so by compensating our non-employee directors with a mix of cash and equity-based compensation.

Cash Compensation

The fees that will be paid to our non-employee directors for service on the Board, and for service on each committee of the Board on which the director is then a member, and the fees that will be paid to the chair of the Board, and the chair of each committee of the Board will be as follows:

	Base	Incremental—Chair	Incremental—Non-Chair
Board of Directors	$ 40,000	$ 30,000	
Audit Committee		$ 15,000	$ 7,500
Compensation Committee		$ 12,000	$ 6,000
Nominating and Corporate Governance Committee		$ 8,000	$ 4,000

The foregoing fees will be payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of such payment will be prorated for any portion of such quarter that the director is not serving on our Board, on such committee or in such position.

Equity Compensation

Initial Grants. Upon initial election to our Board, each non-employee director will be granted, automatically and without the need for any further action by the Board, an initial equity award comprised of: (i) an option to purchase 12,000 shares of our common stock, which option shall have an exercise price equal to the closing trading price of the Company's common stock on the date of grant of the award, a term of ten years from the date of grant of the award, and shall vest and become exercisable as to 16.66% of the shares underlying such award on the six month anniversary of the date of grant of the award, with the remainder vesting in equal monthly installments of 2.77% of the shares underlying the initial award until the third anniversary of the date of grant of the award, and (ii) a restricted stock or restricted stock unit award (the form of such award being at the election of the director) for 8,000 shares of our common stock, which award shall vest as to 33.33% of the shares underlying such award on each of the first three annual anniversaries of the date of grant of the award, subject in each case to the director's continued service as a director through each applicable vesting date. The vesting shall accelerate as to 100% of the shares upon a change in control of the Company.

Annual Grants. Each non-employee director who has served as a member of our Board for at least six months prior to the date of our annual meeting of stockholders for a particular year will be granted, automatically and without the need for any further action by the Board, an equity award on the date of our annual meeting of stockholders for such year comprised of: (i) an option to purchase 6,000 shares of our common stock, which option shall have an exercise price equal to the closing trading price of the Company's common stock on the date of grant of the award, a term of ten years from the date of grant of the award, and shall vest and become exercisable as to 50% of the shares underlying such award on the six month anniversary of the date of grant of the award, with the remainder vesting in equal monthly installments of 8.33% of the shares underlying the annual award until the first anniversary of the date of grant of the award, and (ii) a restricted stock or restricted stock unit award (the form of such award being at the election of the director) for 4,000 shares of our common stock, which award shall vest in its entirety on the earlier to occur of (x) the first anniversary of the date of grant of the award or (y) the date of the Company's next Annual Meeting of Stockholders, subject in each case to the director's continued service as a director through each applicable vesting date. The vesting shall accelerate as to 100% of the shares upon a change in control of the Company.

The foregoing share amounts shall be automatically adjusted in the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event effecting our common stock, or any distribution to holders of our common stock other than an ordinary cash dividend.

The initial awards and the annual awards shall be subject to the terms and conditions of our 2022 Stock Incentive Plan (the "**Plan**"), or any successor plan, and the terms of the award agreements entered into with each director in connection therewith, including without limitation the limitation on awards to non-employee directors in Section 4(b) of the Plan (or any similar provision in a successor plan).

Expenses

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each non-employee director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and committees thereof or in connection with other business related to the Board, and each non-employee director shall also be reimbursed for his or her reasonable out-of-pocket business expenses authorized by the Board or a committee of the Board that are incurred in connection with attendance at various conferences or meetings with management of the Company, in accordance with the Company's travel policy, as it may be in effect from time to time.

Adopted by the Board of Directors – December 19, 2019
Amended and restated by the Board of Directors – September 16, 2022
Amended and restated by the Board of Directors – March 13, 2024

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, Conley Chee, 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/ Conley Chee
Conley Chee
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 14, 2024

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 14, 2024

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, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Conley Chee, 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 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 14, 2024

/s/ Conley Chee
Conley Chee
President and Chief Executive Officer
(Principal Executive Officer)

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, 2024 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 14, 2024

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