UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022

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 **(State or Other Jurisdiction of Incorporation or Organization)**	**45-3772460** **(I.R.S. Employer Identification No.)**
35 CambridgePark Drive, 4th Floor **Cambridge, Massachusetts** **(Address of Principal Executive Offices)**	**02140** **(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 August 8, 2022: 63,005,295

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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 proposed merger with Tyme Technologies, Inc., or Tyme, and our proposed private placement financing with certain accredited investors, or the PIPE Financing, including statements regarding the approval and closing of the merger, the timing of the consummation of the merger, our ability to solicit a sufficient number of proxies to approve certain stockholder proposals relating to the merger and the PIPE Financing, Tyme's ability to solicit a sufficient number of proxies to approve a stockholder proposal relating to the merger, satisfaction of conditions to the completion of the merger, the expected benefits of the merger, the ability of us and Tyme to complete the merger, our ability to complete the PIPE Financing immediately prior to the merger and any statement of assumptions underlying any of the foregoing;
- our plans to initiate and expand clinical trials of our product candidates and our expectations for the timing, quantity and quality of information to be reported from our clinical trials of tamibarotene, SY-2101 and SY-5609;
- our planned clinical trials for our product candidates, whether conducted by us or by any collaborators, including the timing of these trials and of the anticipated results;
- our ability to discover and develop compounds suitable for clinical development and the timing for designation of future development candidates;
- our ability to replicate in any clinical trial of one of our product candidates the results we observed in preclinical or earlier clinical studies of such product candidate;
- our plans to research, develop, seek approval for, manufacture and commercialize our current and future product candidates;
- our plans to develop and seek approval of companion diagnostic tests for use in identifying patients who may benefit from treatment with our products and product candidates;
- our expectations regarding the potential benefits of our gene control platform and our approach;
- our ability to enter into, and the terms and timing of, any collaborations, license agreements, or other arrangements;
- whether a drug candidate will be nominated to enter investigational new drug application-enabling studies under our sickle cell disease collaboration with Global Blood Therapeutics, Inc., or GBT, whether GBT will exercise its option to exclusively license intellectual property arising from the collaboration, whether and when any option exercise fees, milestone payments or royalties under the collaboration agreement with GBT will ever be paid, and whether we exercise our U.S. co-promotion option under the GBT agreement;
- whether our target discovery collaboration with Incyte Corporation, or Incyte, will yield any validated targets, whether Incyte will exercise any of its options to exclusively license intellectual property directed to such targets, and whether and when any of the target validation fees, option exercise fees, milestone payments or royalties under the Incyte collaboration will ever be paid;

- the potential benefits of any collaboration;
- developments relating to our competitors and our industry;
- the impact of government laws and regulations;
- the timing of and our ability to file new drug applications and obtain and maintain regulatory approvals for our product candidates;
- the rate and degree of market acceptance and clinical utility of any products for which we receive marketing approval;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our intellectual property position and strategy;
- our ability to identify additional products or product candidates with significant commercial potential;
- our expectations related to the use of our current cash, cash equivalents and marketable securities and the period of time in which such capital will be sufficient to fund our planned operations;
- conditions and events that raise doubt about our ability to continue as a going concern; and
- our estimates regarding expenses, future revenue, capital requirements and need for additional financing.

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

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

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

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

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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

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

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 59,064	$ 92,302
Marketable securities	27,220	38,067
Contract assets	2,292	2,979
Prepaid expenses and other current assets	3,369	3,237
Total current assets	91,945	136,585
Property and equipment, net	11,994	12,844
Marketable securities – noncurrent	—	13,038
Other long-term assets	5,316	2,941
Restricted cash	3,086	3,086
Right-of-use asset – operating lease	13,687	14,104
Right-of-use assets – financing leases	206	337
Total assets	$ 126,234	$ 182,935
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,124	$ 3,692
Accrued expenses	20,479	15,624
Deferred revenue	3,591	10,181
Financing lease obligations, current portion	206	291
Operating lease obligation, current portion	1,860	1,720
Debt, current portion	6,667	—
Total current liabilities	38,927	31,508
Financing lease obligations, net of current portion	8	65
Operating lease obligation, net of current portion	21,887	22,858
Warrant liability	425	3,029
Debt, net of debt discount, long term	33,968	40,257
Commitments and contingencies (See Note 9)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized at June 30, 2022 and December 31, 2021; 0 shares issued and outstanding at June 30, 2022 and December 31, 2021	—	—
Common stock, $0.001 par value; 200,000,000 shares authorized at June 30, 2022 and December 31, 2021; 62,989,020 and 62,024,035 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	62	61
Additional paid-in capital	554,476	548,815
Accumulated other comprehensive loss	(313)	(79)
Accumulated deficit	(523,206)	(463,579)
Total stockholders' equity	31,019	85,218
Total liabilities and stockholders' equity	$ 126,234	$ 182,935

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	$ 6,276	$ 5,162	$ 11,743	$ 9,989
Operating expenses:				
Research and development	33,100	25,786	58,271	45,815
General and administrative	6,945	5,520	13,894	11,260
Total operating expenses	40,045	31,306	72,165	57,075
Loss from operations	(33,769)	(26,144)	(60,422)	(47,086)
Interest income	112	12	147	24
Interest expense	(981)	(969)	(1,956)	(1,937)
Change in fair value of warrant liability	157	4,611	2,604	12,281
Net loss applicable to common stockholders	$ (34,481)	$ (22,490)	$ (59,627)	$ (36,718)
Net loss per share applicable to common stockholders - basic and diluted	$ (0.54)	$ (0.36)	$ (0.94)	$ (0.59)
Weighted-average number of common shares used in net loss per share applicable to common stockholders - basic and diluted	63,823,789	62,859,500	63,441,918	62,123,658

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss	$ (34,481)	$ (22,490)	$ (59,627)	$ (36,718)
Other comprehensive loss:				
Unrealized holding loss on marketable securities	(40)	(19)	(234)	(19)
Comprehensive loss	$ (34,521)	$ (22,509)	$ (59,861)	$ (36,737)

See accompanying notes to unaudited condensed consolidated financial statements.

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
For the six months ended June 30, 2022 and 2021
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Stockholders' Equity
	Number of Shares	Par Value				
Balance at December 31, 2020	56,222,746	$ 56	$ 467,518	$ —	$ (377,021)	$ 90,553
Exercise of stock options	20,134	—	157	—	—	157
Vesting of restricted stock units	244,312	—	—	—	—	—
Issuance of shares under Employee Stock Purchase Plan	33,058	—	153	—	—	153
Stock-based compensation expense	—	—	5,383	—	—	5,383
Issuance of common stock at-the-market, net of issuance costs of $5,132	5,400,000	5	70,463	—	—	70,468
Other comprehensive loss	—	—	—	(19)	—	(19)
Net loss	—	—	—	—	(36,718)	(36,718)
Balance at June 30, 2021	61,920,250	$ 61	$ 543,674	$ (19)	$ (413,739)	$ 129,977
Balance at December 31, 2021	62,024,035	$ 61	$ 548,815	$ (79)	$ (463,579)	$ 85,218
Exercise of stock options	37,700	—	1	—	—	1
Vesting of restricted stock units	794,348	—	—	—	—	—
Issuance of shares under Employee Stock Purchase Plan	132,937	1	108	—	—	109
Stock-based compensation expense	—	—	5,552	—	—	5,552
Other comprehensive loss	—	—	—	(234)	—	(234)
Net loss	—	—	—	—	(59,627)	(59,627)
Balance at June 30, 2022	62,989,020	$ 62	$ 554,476	$ (313)	$ (523,206)	$ 31,019

SYROS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
For the three months ended June 30, 2022 and 2021
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Gain (Loss)	Accumulated Deficit	Stockholders' Equity
	Number of Shares	Par Value				
Balance at March 31, 2021	61,849,642	$ 61	$ 541,068	$ —	$ (391,249)	$ 149,880
Vesting of restricted stock units	37,550	—	—	—	—	—
Issuance of shares under Employee Stock Purchase Plan	33,058	—	153	—	—	153
Stock-based compensation expense	—	—	2,453	—	—	2,453
Other comprehensive loss	—	—	—	(19)	-	(19)
Net loss	—	—	—	—	(22,490)	(22,490)
Balance at June 30, 2021	61,920,250	$ 61	$ 543,674	$ (19)	$ (413,739)	$ 129,977
Balance at March 31, 2022	62,801,296	$ 61	$ 551,679	$ (273)	$ (488,725)	$ 62,742
Vesting of restricted stock units	54,787	—	—	—	—	—
Issuance of shares under Employee Stock Purchase Plan	132,937	1	108	—	—	109
Stock-based compensation expense	—	—	2,689	—	—	2,689
Other comprehensive loss	—	—	—	(40)	—	(40)
Net loss	—	—	—	—	(34,481)	(34,481)
Balance at June 30, 2022	62,989,020	$ 62	$ 554,476	$ (313)	$ (523,206)	$ 31,019

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

	Six Months Ended June 30,	
	2022	2021
Operating activities		
Net loss	$ (59,627)	$ (36,718)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,342	1,350
Amortization of right-of-use asset	131	130
Stock-based compensation expense	5,552	5,383
Change in fair value of warrant liability	(2,604)	(12,281)
Net amortization of premiums and discounts on marketable securities	140	20
Amortization of debt-discount and accretion of deferred debt costs	378	341
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(131)	241
Accounts receivable	—	7
Contract assets	686	147
Other long-term assets	(791)	(726)
Accounts payable	2,328	(6)
Accrued expenses	3,405	(861)
Deferred revenue	(6,590)	(5,112)
Operating lease asset and liabilities	(414)	(359)
Net cash used in operating activities	(56,195)	(48,444)
Investing activities		
Purchases of property and equipment	(239)	(690)
Purchases of marketable securities	—	(34,417)
Maturities of marketable securities	23,511	—
Net cash (used in) provided by investing activities	23,272	(35,107)
Financing activities		
Payments on financing and capital lease obligations	(142)	(129)
Proceeds from issuance of common stock through employee benefit plans	—	157
Proceeds from the issuance of common stock through employee stock purchase plan	109	153
Proceeds from the issuance of common stock through exercise of option	1	—
Proceeds from issuance of common stock and warrants in public offering, net of issuance costs	—	70,337
Payment of issuance cost related to the proposed merger and PIPE Financing (See Note 12)	(259)	—
Payment of issuance cost related to out of period offering	(24)	(36)
Net cash (used in) provided by financing activities	(315)	70,482
Net (decrease) increase in cash, cash equivalents and restricted cash	(33,238)	(13,069)
Cash, cash equivalents and restricted cash (See reconciliation in Note 6)		
Beginning of period	95,388	177,070
End of period	$ 62,150	$ 164,001
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,573	$ 1,585
Non-cash investing and financing activities:		
Property and equipment received but unpaid as of period end	$ 155	$ 113
Offering costs incurred but unpaid as of period end	$ 1,459	$ 10

See accompanying notes to unaudited condensed consolidated financial statements.

1. Nature of Business

Syros Pharmaceuticals, Inc. (the "Company"), a Delaware corporation formed in November 2011, is a biopharmaceutical company seeking to redefine the power of small molecules to control the expression of genes.

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

The Company has incurred significant net operating losses in every year since its inception. It expects to continue to incur significant and increasing net operating losses for at least the next several years. The Company's net losses were $86.6 million, $84.0 million and $75.4 million for the years ended December 31, 2021, 2020 and 2019, respectively. As of June 30, 2022, the Company had an accumulated deficit of $523.2 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.

Under ASC Topic 205-40, *Presentation of Financial Statements - Going Concern*, management is required at each reporting period to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued. This evaluation initially does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented as of the date the financial statements are issued. When substantial doubt exists, management evaluates whether the mitigating effect of its plans sufficiently alleviates the substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (i) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued and (ii) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. Generally, to be considered probable of being effectively implemented, the plans must have been approved by the Company's board of directors before the date that the financial statements are issued.

Successful completion of the Company's development programs and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to support the Company's cost structure and operating plan. Management's plans to alleviate its financing requirements include, among other things, pursuing one or more of the following steps to raise additional capital, none of which can be guaranteed or are entirely within the Company's control:

- raise funding through the sale of the Company's common or preferred stock;
- raise funding through debt financing; and
- establish collaborations with potential partners to advance the Company's product pipeline.

Based on its current operating plan and without giving effect to the transactions described in Note 12 below, the completion of which cannot be assured, the Company's management believes that its cash, cash equivalents and marketable securities of $86.3 million as of June 30, 2022 will allow the Company to meet its liquidity requirements into the second quarter of 2023. The Company's history of significant losses, its negative cash flows from operations, its limited liquidity resources currently on hand, and its dependence on its ability to obtain additional financing to fund its operations after the current resources are exhausted, about which there can be no certainty, have resulted in management's assessment that there is substantial doubt about the Company's ability to continue as a going concern for a period of at least 12 months from the issuance date of this Quarterly Report on Form 10-Q. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of

assets and the satisfaction of liabilities in the normal course of business, and do not include any adjustments that may result from the outcome of this uncertainty.

If the Company is unable to raise capital when needed or on acceptable terms, or if it is unable to procure collaboration arrangements to advance its programs, the Company would be forced to discontinue some of its operations or develop and implement a plan to further extend payables, reduce overhead or scale back its current operating plan until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan would be successful.

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 June 30, 2022, the results of its operations for the three and six months ended June 30, 2022 and 2021, statements of stockholders' equity for the three and six months ended June 30, 2022 and 2021, and statements of cash flows for the six months ended June 30 2022 and 2021. Such adjustments are of a normal and recurring nature. The results for the three and six months ended June 30, 2022 are not necessarily indicative of the results for the year ending December 31, 2022, or for any future period.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Syros Pharmaceuticals, Inc. and its wholly owned subsidiaries, 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, Syros Pharmaceuticals (Ireland) Limited, an Irish limited liability company formed by the Company in January 2019, and Tack Acquisition Corp., a Delaware corporation formed by the Company in June 2022 to effect the proposed merger with Tyme Technologies, Inc. (refer to Note 12). All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

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

Segment Information

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

Cash and Cash Equivalents

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

Off-Balance Sheet Risk and Concentrations of Credit Risk

The Company has no financial instruments with off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash equivalents and marketable securities. Under its investment policy, the Company limits amounts invested in such securities by credit rating, maturity, industry group, investment type and issuer, except for securities issued by the U.S. government. The Company is not exposed to any significant concentrations of credit risk from these financial instruments. The goals of the Company's investment policy, in order of priority, are safety and preservation of principal and liquidity of investments sufficient to meet cash flow requirements.

Fair Value of Financial Instruments

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

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

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

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

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

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

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

Property and Equipment

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

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

Impairment of Long-Lived Assets

The Company continually evaluates long-lived assets for potential impairment when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparing the book values of the assets to the expected future net undiscounted cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book values of the assets exceed their fair value. The Company has not recognized any impairment losses from inception through June 30, 2022.

Other Long-Term Assets

Other long-term assets primarily consisted of advance payments made to the contract research organizations responsible for conducting the Company's tamibarotene and SY-5609 clinical trials.

Revenue Recognition

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

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

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

(ii) identify the performance obligations in the contract;

(iii) determine the transaction price;

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

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

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

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

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

The Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808"), to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements

within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently, generally by analogy to ASC 606. For those elements of the arrangement that are accounted for pursuant to ASC 606, the Company applies the five-step model described above.

Research and Development

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

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

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

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

Warrants

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

Stock-Based Compensation Expense

The Company accounts for its stock-based compensation awards in accordance with ASC 718,*Compensation—Stock Compensation* ("ASC 718"). ASC 718 requires all stock-based payments to employees and directors, including grants of restricted stock units and stock option awards, to be recognized as expense in the consolidated statements of operations based on their grant date fair values. Consistent with the grants for employees and directors, grants of restricted stock units and stock option awards to other service providers, referred to as non-employees, are measured based on the grant-date fair value of the award and expensed in the Company's condensed consolidated statement of operations over the vesting period. The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing model. Prior to June 30, 2016, the Company was a private company and, therefore, lacks Company-specific historical and implied volatility information. As a result, the Company determines its expected volatility by using a blend of its historical experience and a weighted average of selected peer companies. The expected

term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options.The expected term of stock options to non-employees can be determined using either the contractual term of the option award or the "simplified" method. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future. The Company uses the value of its common stock to determine the fair value of restricted stock awards.

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

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

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

Income Taxes

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

Net Loss per Share

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

As of June 30, 2022, 1,000,000 Pre-Funded Warrants to purchase common stock, issued in connection with the December 2020 private placement (refer to Note 10) were included in the basic and diluted net loss per share calculation.

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

	As of June 30,	
	2022	**2021**
Stock options	7,649,178	6,415,030
Unvested restricted stock units	4,590,700	1,970,955
Warrants*	4,990,156	4,990,156
Total	17,230,034	13,376,141

* As of June 30, 2022 and 2021, this is comprised of 2,117,094 warrants to purchase common stock issued in connection with the Company's April 2019 financing (refer to Note 10), 27,548 warrants to purchase common stock issued in connection with the execution of the Company's loan agreement in February 2020 (refer to Note 7), 17,389 warrants to purchase common stock issued in connection with the second draw on this loan agreement in December 2020 (refer to Note

7), and 2,828,125 warrants to purchase common stock issued in connection with the private placement in December 2020 (refer to Note 10).

Recent Accounting Pronouncements

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

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU No. 2020-06,*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"). The amendments in ASU 2020-06 simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. The Company has adopted on a modified retrospective basis the new standard effective January 1, 2022, and it did not have a material impact on its condensed consolidated financial statements and related disclosures.

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"), pursuant to which the parties agreed to a research collaboration to discover novel targets that induce fetal hemoglobin in order to develop new small molecule treatments for sickle cell disease and beta thalassemia. The research term (the "Research Term") is for an initial period of three years and can be extended for up to two additional one-year terms upon mutual agreement.

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 is anticipated to total approximately $40.0 million over the initial Research Term.

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

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

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

Either party may terminate the GBT Collaboration Agreement for the other party's uncured material breach or insolvency, and in certain other specified circumstances, subject to specified notice and cure periods. GBT may unilaterally terminate the GBT Collaboration Agreement in its entirety, for any or no reason, upon nine-months' prior written notice to the Company if such notice is delivered during the Research Term, or90 days' prior written notice to the Company if such notice is delivered after the expiration or termination of the Research Term.

GBT Collaboration Revenue

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

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

At inception, the total transaction price was determined to be approximately $60.0 million, which consisted of a $20.0 million upfront non-refundable and non-creditable technology access fee and approximately $40.0 million in estimated reimbursable costs for employee and external research and development expenses. The GBT Collaboration Agreement also provides for development and regulatory milestones which are only payable subsequent to the exercise of the Option, and therefore are excluded from the transaction price at inception. The Company will re-evaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur. As of December 31, 2021, the Company reduced the transaction price from the initial estimate of $60.0 million to $54.2 million. During the six months ended June, 30, 2022, the Company further reduced the transaction price from $54.2 million to $50.0 million. The reductions in the transaction price were driven by changes in the amount of reimbursable costs incurred and expected to be incurred by the Company.

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

During the three and six months ended June 30, 2022, the Company recognized revenue of $5.7 million and $10.7 million, respectively, under the GBT Collaboration Agreement. During the three and six months ended June 30, 2021, the Company recognized revenue of $3.3 million and $7.4 million, respectively, under the GBT Collaboration Agreement. As of June 30, 2022, the Company had deferred revenue outstanding under the GBT Collaboration Agreement of approximately $3.4 million, all of which is classified as deferred revenue, current portion on the Company's condensed consolidated balance sheets.

Agreements with Incyte Corporation

In January 2018, the Company and Incyte entered into a Target Discovery, Research Collaboration and Option Agreement (the "Incyte Collaboration Agreement"). The Incyte Collaboration Agreement was amended in November 2019. Under the Incyte Collaboration Agreement, the Company is using its proprietary gene control platform to identify novel therapeutic targets with a focus on myeloproliferative neoplasms, and Incyte has received options to obtain exclusive worldwide rights to intellectual property resulting from the collaboration for the development and commercialization of therapeutic products directed to up to seven validated targets. For each option exercised by Incyte, Incyte will have the exclusive worldwide right to use the licensed intellectual property to develop and commercialize

therapeutic products that modulate the target as to which the option was exercised.Under the terms of the Incyte Collaboration Agreement, Incyte paid the Company $10.0 million in up-front consideration, consisting of $2.5 million in cash and $7.5 million in pre-paid research funding (the "Prepaid Research Amount"). The Company's activities under the Incyte Collaboration Agreement are subject to a joint research plan and, subject to certain exceptions, Incyte is responsible for funding the Company's activities under the research plan, including amounts in excess of the Prepaid Research Amount.

In January 2018, the Company also entered into a Stock Purchase Agreement with Incyte (the "Stock Purchase Agreement") whereby, for an aggregate purchase price of $10.0 million, Incyte purchased 793,021 shares of the Company's common stock at $12.61 per share. Under the terms of the Stock Purchase Agreement, the shares were purchased at a 30% premium over the volume-weighted sale price of the shares of the Company's common stock over the 15-trading day period immediately preceding the date of the Stock Purchase Agreement.

Incyte Collaboration Revenue

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

The Company identified a single performance obligation which includes (i) a research license that Incyte retains as long as there remains an unexercised option (the "Research License"), and (ii) research and development services provided during the research term. The Incyte Collaboration Agreement includes options to (x) obtain additional time to exercise the license options for certain targets designated as definitive validation targets, and (y) obtain license rights to each validated target, both of which were not considered by the Company's management to be material rights, and therefore not performance obligations, at inception.

At inception, the total transaction price was determined to be $12.3 million and was subsequently increased to $12.8 million following a November 2019 amendment. As of June 30, 2022, the total transaction price is $12.8 million, consisting of a $2.5 million upfront non-refundable and non-creditable payment, the $7.5 million Prepaid Research Amount, $2.3 million in premium paid on the equity investment made pursuant the Stock Purchase Agreement, and $0.5 million of additional consideration. The Company accounted for the contract amendment as a modification as if it were part of the existing contract as the remaining goods and services are not distinct, and therefore form part of a single performance obligation that was partially satisfied at the date of the amendment. This additional consideration is recognized on a percent complete basis as work is performed.

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

The Company recognizes revenue associated with the performance obligation as the research and development services are provided using an input method, according to the costs incurred as related to the research and development activities and the costs expected to be incurred in the future to satisfy the performance obligation. The transfer of control occurs during this time and is the best measure of progress towards satisfying the performance obligation.

During the three and six months ended June 30, 2022, the Company recognized revenue of $0.6 million and $1.0 million, respectively, under the Incyte Collaboration Agreement. During the three and six months ended June 30, 2021, the Company recognized revenue of $1.9 million and $2.6 million, respectively, under the Incyte Collaboration Agreement. As of June 30, 2022, the Company had deferred revenue outstanding under the Incyte Collaboration Agreement of approximately $0.2 million, all of which is classified as deferred revenue, current portion on the Company's condensed consolidated balance sheets.

The following table presents the changes in accounts receivable, contract assets and liabilities for the six months ended June 30, 2022 (in thousands):

	Balance at December 31, 2021	Additions	Deductions	Balance at June 30, 2022
Accounts receivable and contract assets:				
Billed receivables from collaboration partners	$ —	$ 5,841	$ (5,841)	$ —
Unbilled receivables from collaboration partners	2,979	5,705	(6,392)	2,292
Total accounts receivable and contract assets	$ 2,979	$ 11,546	$ (12,233)	$ 2,292
Contract liabilities:				
Deferred revenue - Incyte	$ 1,268	$ —	$ (1,042)	$ 226
Deferred revenue - GBT	8,913	45	(5,593)	3,365
Total contract liabilities	$ 10,181	$ 45	$ (6,635)	$ 3,591

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 sheets. Unrealized gains or losses are included in accumulated other comprehensive loss. Premiums or discounts from par value are amortized to interest income over the life of the underlying security.

Cash, cash equivalents and marketable securities consisted of the following at June 30, 2022 and December 31, 2021 (in thousands):

June 30, 2022	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market funds	$ 59,064	$ —	$ —	$ 59,064
Marketable securities:				
Corporate debt securities - due in one year or less	15,533	—	(172)	15,361
US Treasury obligation - due in one year or less	12,000	—	(141)	11,859
Corporate debt securities - due in more than one year to five years	—	—	—	—
Total	$ 86,597	$ —	$ (313)	$ 86,284

December 31, 2021	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents:				
Cash and money market funds	$ 92,302	$ —	$ —	$ 92,302
Marketable securities:				
Corporate debt securities - due in one year or less	30,100	—	(12)	30,088
US Treasury obligation - due in one year or less	8,000	—	(21)	7,979
Corporate debt securities - due in more than one year to five years	9,085	—	(33)	9,052
US Treasury obligation - due in more than one year to five years	3,999	—	(13)	3,986
Total	$ 143,486	$ —	$ (79)	$ 143,407

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 six months ended June 30, 2022 and 2021, 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 June 30, 2022, marketable securities with maturities of one year or less when purchased are presented in current assets and those with maturities of more than one year are presented in the noncurrent assets in the accompanying condensed consolidated balance sheet.

At June 30, 2022, the Company held nine securities that were in an unrealized loss position. The aggregate fair value of securities held by the Company in an unrealized loss position for less than 12 months as of June 30, 2022 was $24.7 million. There were five securities held by the Company in an unrealized loss position for more than 12 months as of June 30, 2022. The Company has the intent and ability to hold such securities until recovery. The Company determined that there was no material change in the credit risk of the above marketable securities. As a result, the Company determined it did not hold any marketable securities with an other-than temporary impairment as of June 30, 2022.

5. Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2022 and December 31, 2021 were as follows (in thousands):

Description	June 30, 2022	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash	$ 45,510	$ 45,510	—	$ —
Money market funds	13,554	13,554	—	—
Corporate debt securities - due in one year or less	15,361	—	15,361	—
US Treasury obligation - due in one year or less	11,859	11,859	—	—
Total	$ 86,284	$ 70,923	$ 15,361	$ —
Liabilities:				
Warrant liability	$ 425	$ —	$ —	$ 425
Total	$ 425	$ —	$ —	$ 425

Description	December 31, 2021	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash	$ 57,213	$ 57,213	$ —	$ —
Money market funds	35,089	35,089	—	—
Corporate debt securities - due in one year or less	30,088	—	30,088	—
US Treasury obligation - due in one year or less	7,979	7,979	—	—
US Treasury obligation - due in more than one year to five years	3,986	3,986	—	—
Corporate debt securities - due in more than one year to five years	9,052	—	9,052	—
Total	$ 143,407	$ 104,267	$ 39,140	$ —
Liabilities:				
Warrant liability	$ 3,029	$ —	$ —	$ 3,029
Total	$ 3,029	$ —	$ —	$ 3,029

Assumptions Used in Determining Fair Value of Warrants

The Company issued warrants to purchase an aggregate of up to2,828,125 shares of common stock in connection with a private placement on December 8, 2020 (see Note 10) (the "Warrants"). In the event of certain fundamental transactions involving the Company, the Warrant holders may require the Company to make a payment based on a Black-Scholes valuation, using specified inputs; therefore, the Warrants were accounted for as liabilities. The Company recorded the fair value of the Warrants upon issuance using the Black-Scholes valuation model and is required to revalue the Warrants at each reporting date with any changes in fair value recorded on our statement of operations. The valuation of the 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:

	June 30, 2022	December 31, 2021
Stock price	$ 0.96	$ 3.26
Risk-free interest rate	2.99 %	1.11 %
Dividend yield	—	—
Expected life (in years)	3.44	3.94
Expected volatility	90.19 %	81.14 %

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

The following table reflects the change in the Company's Level 3 Warrant liability for the six months ended June 30, 2022 and the year ended December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
Fair value of warrant liability as of beginning of the period	$ 3,029	$ 19,711
Change in fair value	(2,604)	(16,682)
Fair value of warrant liability as of end of the period	$ 425	$ 3,029

6. Restricted Cash

At June 30, 2022 and December 31, 2021, the Company had $3.1 million in restricted cash, which was classified as long-term on the Company's condensed consolidated balance sheets, and all of which was attributable to the HQ Lease (See Note 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. The Company will have the right, under certain conditions, to reduce the amount of the letter of credit to $2.1 million in October 2023.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the amounts shown in the Company's condensed consolidated statement of cash flows as of June 30, 2022, December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 59,064	$ 92,302
Restricted cash, net of current portion	3,086	3,086
Total cash, cash equivalents and restricted cash	$ 62,150	$ 95,388

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 first tranche term loan for $20.0 million was funded on February 12, 2020, and a second tranche term loan for $20.0 million was funded on December 23, 2020. The remaining $20.0 million is still available under the Loan Agreement, at the sole discretion of the Lender.

The term loan bears 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 provides 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"). Refer to Note 12 regarding an amendment to the Loan Agreement.

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

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

In connection with the funding of the first tranche in February 2020, the Company issued the Lender warrants to purchase 27,548 shares of the Company's common stock at an exercise price per share of $7.26. In connection with the funding of the second tranche in December 2020, the Company issued the Lender warrants to purchase 17,389 shares of the Company's common stock at an exercise price of $11.50 per share (collectively, the "Oxford Warrants"). The Oxford Warrants are exercisable within five years from their respective dates of issuance.

The Oxford Warrants are classified as a component of permanent equity because they are freestanding financial instruments that are legally detachable and separately exercisable from the shares of common stock with which they were issued, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, and permit the holders to receive a fixed number of shares of common stock upon exercise. In addition, the Oxford Warrants do not provide any guarantee of value or return. The Company valued the Oxford Warrants at issuance using the Black-Scholes option pricing model and determined the fair value of the Oxford Warrants to be $0.1 million for the first tranche and $0.2 million for the second tranche. The key inputs to the valuation model included an average volatility of 75.43% for the first tranche and 82.41% for the second tranche, and an expected term of 5.0 years for both tranches.

The Company has the following minimum aggregate future loan payments as of June 30, 2022 (in thousands):

Six months ending December 31, 2022	$ —
Year ending December 31, 2023	16,667
Year ending December 31, 2024	20,000
Year ending December 31, 2025	3,333
Total minimum payments	$ 40,000
Less unamortized debt discount	(359)
Plus accumulated accretion of final fees	994
Total carrying value of debt	40,635
Less current portion	(6,667)
Long-term debt, net of current portion	$ 33,968

For the three and six months ended June 30, 2022, interest expense related to the Loan Agreement was approximately $1.0 million and $2.0 million, respectively. For the three and six months ended June 30, 2021, interest expense related to the Loan Agreement was approximately $1.0 million and $1.9 million, respectively. The current portion of debt is $6.7 million and the long-term portion of debt is $34.0 million as classified on the Company's condensed consolidated balance sheets as of June 30, 2022.

8. Accrued Expenses

Accrued expenses consisted of the following as of June 30, 2022 and December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
External research and preclinical development	$ 12,454	$ 8,274
Employee compensation and benefits	5,484	6,344
Professional fees	2,511	953
Facilities and other	30	53
Accrued expenses	$ 20,479	$ 15,624

9. Commitments and Contingencies

Operating Lease

On January 8, 2019, the Company entered into a lease (the "HQ Lease") with respect to approximately52,859 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 of9.3%, 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 $1.9 million of the lease liability as short-term and $21.9 million of the lease liability as long-term as of June 30, 2022.

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

Financing Lease

In March 2019, the Company entered into an equipment lease agreement (the "Equipment Lease") that has a48-month term. At the end of the term, the Company has the right to return the leased equipment, extend the lease, or buy the equipment at the then-current fair market value of the equipment. The Company accounted for the Equipment Lease as a financing lease under ASC 842 and recorded a financing lease right-of-use asset and a corresponding financing lease liability of approximately $1.0 million at the time the Equipment Lease was executed.

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating and financing lease liabilities as of June 30, 2022 (in thousands):

	Operating	Financing
Six months ending December 31, 2022	$ 1,977	$ 156
Year ending December 31, 2023	4,049	66
Year ending December 31, 2024	4,166	—
Year ending December 31, 2025	4,287	—
Year ending December 31, 2026 and beyond	19,256	—
Total minimum lease payments	33,735	222
Less imputed interest	(9,988)	(8)
Total lease liability	$ 23,747	$ 214

The following table outlines the total lease cost for the Company's operating and financing leases as well as weighted average information for these leases as of June 30, 2022 (in thousands):

	Six Months Ended June 30, 2022
Lease cost:	
Operating lease cost	$ 1,544
Financing lease cost:	
Amortization of right-of-use asset	$ 131
Interest on lease liabilities	14
Total financing lease cost	$ 145
Cash paid for amounts included in the measurement of liabilities:	
Operating cash flows from operating lease	$ 1,958
Operating cash flows from financing lease	$ 156

Other information:	Six Months Ended June 30, 2022
Weighted-average remaining lease term (in years) - operating lease	7.67
Weighted-average discount rate - operating lease	9.30 %
Weighted-average remaining lease term (in years) - financing lease	0.87
Weighted-average discount rate - financing lease	9.47 %

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

Asset Purchase Agreement

Orsenix, LLC

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

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

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

prior to the time an alternative future use for SY-2101 has been established. Once an alternative future use for SY-2101 has been established, the Company will capitalize milestone payments as an addition to the carrying value of SY-2101.

License Agreement

TMRC Co. Ltd.

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

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

The Company also entered into a supply management agreement with TMRC under which the Company agreed to pay TMRC a fee for each kilogram of tamibarotene that is produced. The Company incurred fees of $1.8 million and $1.8 million under this supply management agreement during the three and six months ended June 30, 2022, respectively. The Company incurred fees of $0.6 million and $0.6 million under this supply management agreement during the three and six months ended June 30, 2021, respectively.

10. Stockholders' Equity

Issuance of Securities through an Underwritten Public Offering

On January 22, 2021, the Company issued and sold an aggregate of5,400,000 shares of its common stock in an underwritten public offering at a public offering price of $14.00 per share, resulting in gross proceeds of $75.6 million before deducting underwriting discounts and commissions and other transaction expenses of approximately $5.1 million.

Issuance of Securities through a Private Placement

On December 8, 2020, the Company issued in a private placement10,312,500 shares of common stock, and, in lieu of shares of common stock, pre-funded warrants (the "Pre-Funded Warrants") to purchase an aggregate of 1,000,000 shares of common stock, and, in each case, accompanying Warrants to purchase an aggregate of up to 2,828,125 additional shares of common stock (or Pre-Funded Warrants to purchase common stock in lieu thereof) at a price of $8.00 per share and accompanying Warrant (or $7.99 per Pre-Funded Warrant and accompanying Warrant). The 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 Warrants may require the Company to make a payment based on a Black-Scholes valuation, using specified inputs. The holders of Pre-Funded Warrants do not have similar rights. Therefore, the Company accounted for the Warrants as liabilities, while the Pre-Funded Warrants met the permanent equity criteria classification. The 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 Pre-Funded Warrants do not provide any guarantee of value or return. The initial fair value of the Warrants at issuance was $19.3 million, determined using the Black-Scholes valuation model. The Company remeasured the Warrants' fair value at June 30, 2022 and December 31, 2021 as $0.4 million and

$3.0 million, respectively. The change in fair value of $0.2 million and $2.6 million was recorded in the condensed statement of operations for the three and six months ended June 30, 2022, respectively.

Convertible Preferred Stock and 2019 Warrants

On April 9, 2019, the Company completed two concurrent underwritten public offerings of its equity securities. In the first public offering, the Company sold 8,667,333 shares of its common stock and accompanying Class A warrants (the "2019 Warrants") to purchase 1,951,844 shares of the Company's common stock at a combined price to the public of $7.50 per common share and accompanying 2019 Warrant. In the second public offering, the Company sold 666 shares of its Series A convertible preferred stock (the "Series A Preferred Stock") and accompanying 2019 Warrants to purchase 166,500 shares of the Company's common stock at a combined public offering price of $7,500 per share and accompanying 2019 Warrant. The offerings resulted in aggregate gross proceeds to the Company of $70.0 million, before underwriting discounts and commissions and offering expenses payable by the Company of approximately $5.0 million.

In November 2019, all 666 shares of Series A Preferred Stock were converted by the holder into 666,000 shares of common stock. As of June 30, 2022, there were no shares of Series A Preferred Stock outstanding.

Each 2019 Warrant has an exercise price per share of common stock of $8.625, subject to adjustment in certain circumstances, and will expire on October 10, 2022. Each 2019 Warrant is immediately exercisable, provided that the holder is prohibited, subject to certain exceptions, from exercising the 2019 Warrant for shares of the Company's common stock to the extent that immediately prior to or after giving effect to such exercise, the holder, together with its affiliates and other attribution parties, would own more than 4.99% of the total number of shares of the Company's common stock then issued and outstanding. This percentage may be changed at the holders' election to a higher or lower percentage upon 61 days' notice to the Company.

The Company evaluated the Series A Preferred Stock and 2019 Warrants for liability or equity classification in accordance with the provisions of ASC 480, *Distinguishing Liabilities from Equity*, and determined that equity treatment was appropriate because neither the Series A Preferred Stock nor the 2019 Warrants met the definition of liability instruments.

The Series A Preferred Stock was not mandatorily redeemable and did not embody an obligation to buy back the shares outside of the Company's control in a manner that could require the transfer of assets. Additionally, the Company determined that the Series A Preferred Stock would be recorded as permanent equity, not temporary equity, given that the holders of equally and more subordinated equity would be entitled to receive the same form of consideration upon the occurrence of the event that gives rise to the redemption or events of redemption that are within the control of the Company.

Additionally, as the effective conversion price of the Series A Preferred Stock of $6.57 was below the fair value of the Company's common stock on the date of issuance of $7.50, the Company determined that the Series A Preferred Stock included a beneficial conversion feature. The Company calculated the beneficial conversion feature to be approximately $0.6 million, which was recorded as a discount to the Series A Preferred Stock at the time of issuance.

The 2019 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 2019 Warrants do not provide any guarantee of value or return. The Company valued the 2019 Warrants at issuance using the Black-Scholes option pricing model and determined the fair value of the 2019 Warrants to purchase 2,118,344 shares of the Company's common stock was $9.0 million. The key inputs to the valuation model included an average volatility of 86.06% and an expected term of 3.5 years.

As of June 30, 2022, the 2019 Warrants to purchase 2,117,094 shares of common stock are outstanding and remain unexercised.

11. Stock-Based Payments

2016 Stock Incentive Plan

The 2016 Stock Incentive Plan (the "2016 Plan") was adopted by the board of directors on December 15, 2015, approved by the stockholders on June 17, 2016, and became effective on July 6, 2016 upon the closing of the Company's initial public offering ("IPO"). The 2016 Plan replaced the 2012 Equity Incentive Plan (the "2012 Plan"). Any options or awards outstanding under the 2012 Plan remained outstanding and effective. Under the 2016 Plan, the Company may grant incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. The number of shares of the Company's common stock reserved for issuance under the 2016 Plan automatically increases on the first day of each calendar year, through the 2025 calendar year, in an amount equal to the least of (i) 1,600,000 shares of common stock, (ii) 4.0% of the outstanding shares of common stock as of such date, or (iii) such lesser amount as specified by the board of directors. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization. For the calendar year beginning January 1, 2022, the number of shares reserved for issuance under the 2016 Plan was increased by 1,600,000 shares. At June 30, 2022, 466,410 shares remained available for future issuance under the 2016 Plan. Under the 2016 Plan, stock options may not be granted at less than fair value on the date of grant.

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) 1,173,333 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, 2022, the number of shares reserved for issuance under the 2016 ESPP was increased by 620,241 shares. At June 30, 2022, 2,724,369 shares remained available for future issuance under the 2016 ESPP.

Inducement Grants

During the year ended December 31, 2021, the Company granted non-statutory stock options to purchase an aggregate of 1,110,000 shares of the Company's common stock. These stock options were granted outside of the 2016 Plan as an inducement material to the applicable employee's acceptance of employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4).These stock options will vest over a four-year period, with 25% of the shares underlying each option award vesting on the one-year anniversary of the applicable employee's employment commencement date and the remaining 75% of the shares underlying each award vesting monthly thereafter for three-years. Vesting of each option is subject to such employee's continued service with the Company through the applicable vesting dates.

2022 Inducement Stock Incentive Plan

On January 25, 2022, the Company's board of directors adopted the 2022 Inducement Stock Incentive Plan (the "2022 Plan"), pursuant to which the Company may grant non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards with respect to an aggregate of 1,000,000 shares of common stock. Awards under the 2022 Plan may only be granted to persons who (i) were not previously an employee or director of the Company or (ii) are commencing employment with the Company following a bona fide period of non-employment, in either case as an inducement material to the individual's entering into employment with the Company and in accordance with the requirements of Nasdaq Stock Market Rule 5635(c)(4). At June 30, 2022, 647,600 shares remained available for future issuance under the 2022 Plan.

Stock Options

Terms of stock option agreements, including vesting requirements, are determined by the board of directors, subject to the provisions of the 2016 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, 2021 and June 30, 2022 and changes during the six months ended June 30, 2022 is presented below:

	Shares	Weighted Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2021	6,657,268	$ 8.27	7.2	$ 494
Granted	1,108,800	1.48		
Exercised	(37,700)	0.04		
Cancelled	(79,190)	10.58		
Outstanding at June 30, 2022	7,649,178	$ 7.30	6.7	$ 29
Exercisable at June 30, 2022	4,250,393	$ 8.94	5.2	$ —

The intrinsic value of stock options exercised during the six months ended June 30, 2022 and 2021 was $0.1 million and $0.1 million, respectively.

As of June 30, 2022, there was $10.9 million of total unrecognized compensation cost related to unvested stock options granted to employees, which is expected to be recognized over a weighted-average period of 2.8 years.

Restricted Stock Units

From time to time, upon approval by the Company's board of directors, certain employees have been granted restricted stock units with time-based vesting criteria. The majority of these restricted stock units vest annually over a four-year term with 25% vesting on each anniversary of the grant date. The fair value of restricted stock units is calculated based on the closing sale price of the Company's common stock on the date of grant.

A summary of the status of restricted stock units as of December 31, 2021 and June 30, 2022 and changes during the six months ended June 30, 2022 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2021	2,687,487	$ 6.52
Granted	3,031,128	1.51
Vested	(795,373)	7.33
Forfeited	(332,542)	5.99
Outstanding at June 30, 2022	4,590,700	$ 3.11

As of June 30, 2022, there was $12.0 million of unrecognized stock-based compensation expense related to outstanding restricted stock units, with an expected recognition period of 2.7 years.

Stock-based Compensation Expense

The fair value of each stock option granted was estimated on the date of grant using the Black-Scholes option-pricing model based on the following weighted-average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Weighted-average risk-free interest rate	2.95 %	0.88 %	2.12 %	0.79 %
Expected dividend yield	— %	— %	— %	— %
Expected option term (in years)	5.32	5.46	5.97	5.99
Volatility	83.60 %	82.05 %	81.11 %	82.10 %

The weighted-average grant date fair value per share of options granted in the six months ended June 30, 2022 and 2021 was $1.03 and $7.37, respectively.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Research and development	$ 1,433	$ 1,451	$ 2,828	$ 2,775
General and administrative	1,256	1,002	2,724	2,608
Total stock-based compensation expense	$ 2,689	$ 2,453	$ 5,552	$ 5,383

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

12. Subsequent Events

Merger Agreement

On July 3, 2022, the Company, Tack Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of the Company ("Merger Sub"), and Tyme Technologies, Inc., a Delaware corporation ("Tyme"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, among other matters, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will merge with and into Tyme, with Tyme continuing as a wholly owned subsidiary of the Company (the "Merger").

Subject to the terms and conditions of the Merger Agreement, at the closing of the Merger, (a) each then outstanding share of Tyme common stock will be converted into the right to receive a number of shares of the Company's common stock (subject to the payment of cash in lieu of fractional shares and subject to adjustment in the event of any reverse stock split that may be effectuated by the Company in connection with the transactions) calculated in accordance with the Merger Agreement (the "Exchange Ratio"); and (b) each then outstanding Tyme stock option granted to an individual who continues as a service provider to Tyme at the effective time of the Merger will be assumed by the Company and each warrant to purchase Tyme common stock (other than certain warrants that Tyme is required to repurchase in connection with the Merger) will be assumed by the Company, subject to adjustment as set forth in the Merger Agreement.

Upon the closing of the Merger, the Company expects to issue approximately 74.3 million shares of the Company's common stock to Tyme stockholders, assuming that Tyme net cash as of the closing of the Merger is approximately $60 million and Tyme stockholders are expected to receive approximately 0.4312 shares of the Company's common stock for each share of Tyme common stock. The number of shares to be issued in the Merger and the Exchange Ratio will be subject to adjustment based on the amount of Tyme's net cash at the closing of the Merger and the number of shares of Tyme common stock outstanding at the closing of the Merger.

In connection with the Merger, the Company will seek the approval of its stockholders to (a) issue the shares of the Company's common stock issuable in connection with the Merger and the PIPE Financing (as described below) under the rules of The Nasdaq Stock Market LLC ("Nasdaq") and (b) amend its certificate of incorporation to authorize sufficient shares of the Company's common stock to permit the Company to issue the shares of the Company's common stock in connection with the Merger and the PIPE Financing (the "Company Voting Proposals").

Consummation of the Merger is subject to certain closing conditions, including, among other things, (1) approval by the Company's stockholders of the Company Voting Proposals, (2) approval by the Tyme stockholders of the adoption of the Merger Agreement, (3) the effectiveness of the registration statement on Form S-4 filed in connection with the Merger, and (4) Nasdaq's approval of the listing of the shares of the Company's common stock to be issued in connection with the Merger. Each party's obligation to consummate the Merger is also subject to other specified customary conditions, including the representations and warranties of the other party being true and correct as of the date of the Merger Agreement and as of the closing date of the Merger, generally subject to an overall material adverse effect qualification, and the performance in all material respects by the other party of its obligations under the Merger Agreement required to be performed on or prior to the date of the closing of the Merger. Tyme's obligation to consummate the Merger also is subject to the completion of the PIPE Financing with gross proceeds to the Company of at least $100 million.

The Merger Agreement contains specified termination rights of each of the Company and Tyme. Upon termination of the Merger Agreement under specified circumstances, the Company may be required to pay Tyme a termination fee of $2,068,000 and Tyme may be required to pay the Company a termination fee of $2,443,000

Securities Purchase Agreement

On July 3, 2022, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with several institutional accredited investors (the "Investors"), pursuant to which the Company agreed to issue and sell to the Investors in a private placement (the "PIPE Financing") an aggregate of 63,871,778 shares of the Company's common stock, par value $0.001 per share (the "Shares"), and, in lieu of Shares to certain Investors, pre-funded warrants to purchase an aggregate of74,267,400 shares of common stock (the "2022 Pre-Funded Warrants"), and, in each case, accompanying warrants (the "2022 Warrants") to purchase an aggregate of up to 138,139,178 additional shares of common stock (or Pre-Funded Warrants to purchase common stock in lieu thereof) at a price of $0.94 per share and accompanying 2022 Warrant (or $0.9399 per 2022 Pre-Funded Warrant and accompanying 2022 Warrant). The price per 2022 Pre-Funded Warrant and accompanying 2022 Warrant represents the price of $0.94 per share and accompanying 2022 Warrant to be sold in the PIPE Financing, minus the $0.0001 per share exercise price of each such 2022 Pre-Funded Warrant. The exercise price of the 2022 Warrants is $1.034 per share, or if exercised for a 2022 Pre-Funded Warrant in lieu thereof, $1.0339 per 2022 Pre-Funded Warrant (representing the 2022 Warrant exercise price of $1.034 per share minus the $0.0001 per share exercise price of each such 2022 Pre-Funded Warrant). The 2022 Warrants are exercisable beginning six months after the closing date of the PIPE Financing and prior to five years after the closing date of the PIPE Financing. The 2022 Pre-Funded Warrants are exercisable at any time after their original issuance and will not expire.

The PIPE Financing is expected to close substantially concurrently with the Merger, subject to the satisfaction of specified customary closing conditions and contingent upon, among other things, the satisfaction or waiver of the conditions to the closing of the Merger. The Company expects to receive aggregate gross proceeds from the PIPE Financing of approximately $130 million, before deducting estimated offering expenses payable by the Company not inclusive of any exercise of the Warrants. The Company expects the net proceeds from the PIPE Financing to be used to advance the Company's clinical development pipeline, business development activities, working capital and for general corporate purposes.

Oxford Finance Loan Agreement Amendment

Also on July 3, 2022, the Company entered into an amendment to the Loan Agreement with Oxford. Pursuant to this amendment, Oxford has agreed to modify the Loan Agreement in order to, among other things, (i) consent to the entry into the Merger Agreement, and subject to certain conditions, the consummation of the Merger, (ii) upon the consummation of the Merger and the Private Placement and the receipt of proceeds therefrom, and subject to the payment of certain fees, 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 (iii) 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.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial information and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021 that we filed with the Securities and Exchange Commission, or SEC, on March 15, 2022, or the 2021 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 2021 10-K and in this Quarterly Report on Form 10-Q. We caution you not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

We are a biopharmaceutical company seeking to redefine the power of small molecules to control the expression of genes. Based on our unique ability to elucidate regulatory regions of the genome, we aim to develop medicines that provide a profound benefit for patients with diseases that have eluded other genomics-based approaches. We are currently focused on developing treatments for cancer and diseases resulting from mutations of a single gene, also known as monogenic diseases, and building a clinical stage pipeline of gene control medicines.

Our clinical-stage product candidates are:

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

- SY-2101, a novel oral form of arsenic trioxide, or ATO, which we are evaluating in a dose confirmation study to enable the conduct of a Phase 3 clinical trial in patients with newly diagnosed acute promyelocytic leukemia, or APL; and

- SY-5609, a highly selective and potent oral inhibitor of cyclin-dependent kinase 7, or CDK7, that we are evaluating in combination with chemotherapy in pancreatic cancer patients in an expansion cohort of our existing Phase 1 clinical trial, which is being evaluated in combination with atezolizumab, a PD-L1 inhibitor, in BRAF-mutant colorectal cancer in an arm of a Phase 1/1b clinical trial sponsored by F. Hoffmann-La Roche AG, or Roche, which is now actively enrolling.

We also have multiple preclinical and discovery programs in oncology, including programs targeting the inhibition of CDK12, CDK11, and WRN. In July 2022, we advanced our oral, potent, and selective CDK12 inhibitor, SY-12882, to development candidate. Preclinical data presented at the American Association for Cancer Research (AACR) annual meeting in April 2022 demonstrated that selective CDK12 inhibition resulted in strong anti-tumor activity as a single agent and in combination with a DNA damaging agent and in combination with a poly adenosine diphosphate-ribose polymerase, or PARP, inhibitor in models of breast, lung, and ovarian cancer. We are seeking partnerships for our oncology discovery programs, including CDK12.

In December 2019, we entered into a collaboration with Global Blood Therapeutics, Inc., or GBT, to discover, develop and commercialize novel therapies for sickle cell disease and beta thalassemia. We also use our gene control platform in collaboration with third parties to identify and validate targets in diseases beyond our current areas of focus. To this end, we entered into a target discovery, research collaboration and option agreement with Incyte Corporation, or Incyte, in January 2018 under which we are using our platform to identify novel therapeutic targets with a focus on myeloproliferative neoplasms.

Tamibarotene

At the 62nd American Society of Hematology Annual Meeting and Exposition held in December 2020, or ASH 2020, we presented data from our fully enrolled Phase 2 clinical trial evaluating the safety and efficacy of tamibarotene in combination with azacitidine in newly diagnosed AML patients who are not suitable candidates for standard chemotherapy, as well as in relapsed or refractory, or R/R, AML patients who have been prospectively selected using our proprietary RARA, the gene that codes for RARα biomarker. As of an October 1, 2020 data cut-off, 51 newly diagnosed unfit AML patients, including both RARA-positive and RARA-negative patients, 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 RARA-positive patients that were evaluable for clinical response, the overall response rate, or ORR, was 67%, with a composite complete response rate of 61%, with 50% of patients achieving complete response, or CR, and 11% achieving a complete response with incomplete blood count recovery, or CRi. The median time to initial response was 1.2 months, the median duration of response was 10.8 months, and the median overall survival, or OS, among patients who achieved a CR or CRi was 18 months. As of the data cut-off, of the 28 RARA-negative patients that were evaluable for clinical response, the ORR was 43%, with a composite complete response rate of 32%, with 25% of patients achieving CR and 7% achieving CRi. The median time to initial response was 3.0 months, and the median duration of response was 10.3 months. We also presented translational data demonstrating that most RARA-positive newly diagnosed unfit AML patients enrolled in our Phase 2 study had a monocytic disease phenotype that is associated with resistance to venetoclax. These data suggest that the RARA biomarker not only selects for patients who are more likely to respond to treatment with tamibarotene but also for patients who may be less likely to benefit from treatment with venetoclax. Approximately 25,000 patients are diagnosed with unfit AML in the United States and Europe annually and we expect the overall total addressable market opportunity for all AML patients to grow to approximately $6.6 billion by 2025.

Based on these data and our assessment of ongoing areas of high unmet need, we advanced tamibarotene in combination with azacitidine into a registration-enabling Phase 3 clinical trial in RARA-positive newly diagnosed HR-MDS patients, 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 are RARA-positive. We believe that approximately 21,000 patients are diagnosed with HR-MDS in the United States and Europe annually and we expect the total addressable market opportunity for MDS patients of all risk groups to grow to approximately $3.3 billion by 2026. We plan to enroll approximately 190 RARA-positive newly diagnosed HR-MDS patients in the double-blind placebo-controlled trial, randomized 2:1 to receive tamibarotene in combination with azacitidine or placebo with azacitidine, respectively. The primary endpoint of the trial will be the CR rate. The trial is designed with 90% power and a one-sided alpha of 0.025 to detect a difference in CR rates between the experimental and control arms. We are currently dosing patients in SELECT-MDS-1, and we expect to report data from the SELECT-MDS-1 trial in the fourth quarter of 2023 or first quarter of 2024, with a potential submission to the U.S. Food and Drug Administration, or FDA, of a new drug application, or NDA, expected in 2024. In addition, we are advancing tamibarotene in combination with venetoclax and azacitidine in RARA-positive newly diagnosed unfit AML patients. The trial, which we refer to as SELECT-AML-1, is designed with a single-arm safety lead-in of approximately 15 patients to confirm the dosing regimen of the triplet to be used in the randomized portion of the Phase 2 clinical trial, which will evaluate the safety and efficacy of tamibarotene in combination with venetoclax and azacitidine compared to venetoclax and azacitidine in approximately 80 patients randomized 1:1. The primary endpoint of the trial will be the composite CR rate. The trial will also evaluate the triplet as a salvage strategy for patients in the control arm who do not respond to venetoclax and azacitidine. We have begun dosing patients in the SELECT-AML-1 trial, and we expect to report clinical activity data from the safety lead-in portion of the trial in the second half of 2022. We also plan to initiate the randomized portion of the trial, with data expected in 2023 or 2024.

In March 2022, we entered into an agreement with QIAGEN Manchester Limited, or QIAGEN, under which QIAGEN agreed to develop and commercialize an assay as a companion diagnostic test to determine the expression level of our proprietary RARA biomarker for use with tamibarotene in newly diagnosed higher-risk MDS patients. QIAGEN will also be responsible for obtaining and maintaining regulatory approvals for the commercial diagnostic test.

SY-2101

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

The feedback from a Type C meeting to review our Phase 3 study design with the FDA in November 2021 continues to support molecular complete response rate as the primary endpoint for accelerated approval and event free survival as the primary endpoint for full approval, in each case compared to historic IV ATO data. FDA feedback supports the inclusion of patients randomized to IV ATO for comparative safety assessments. In addition, feedback received in July 2022 from the European Medicines Agency, or EMA, on the Phase 3 study design also indicated that our proposed Phase 3 clinical trial could support regulatory approval in the European Union. Based on this feedback and following confirmation of a dose that demonstrates comparable PK exposures to IV ATO, we intend to initiate a registration-enabling Phase 3 clinical trial in approximately 215 patients with newly diagnosed low-risk APL, randomized 2:1 to receive SY-2101 or IV ATO, in the second half of 2023.

SY-5609

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

those patients, across multiple tumor types. The most substantial clinical activity was observed in heavily pre-treated patients with advanced pancreatic cancer, for which five of 13 (39%) evaluable patients achieved SD, with tumor reductions in two of those SD patients. Further, reductions in the CA 19-9 tumor marker, which is used in clinical practice to monitor tumor progression, were observed in three of four pancreatic cancer patients with serial CA 19-9 data, with these reductions ranging from 32% to 72%. Notably, one metastatic pancreatic cancer patient who had failed two prior lines of therapy and relapsed after a third line of treatment experienced prolonged SD of up to ten months. The analysis of clinical activity by tumor type and mutational status supported the mechanistic rationale for SY-5609 in Rb-altered and KRAS-mutant cancers.

We also presented preclinical data at ESMO 2021 evaluating the anti-tumor and PD activity of intermittent dosing regimens for SY-5609, as well as preclinical data evaluating SY-5609 as a single agent and in combination with chemotherapy in pancreatic cancer models.

Based on these data, we have initiated an expansion cohort that includes two arms evaluating SY-5609 in combination with chemotherapy for the treatment of pancreatic cancer. Following completion of safety lead-ins, we expect to enroll approximately 50 patients with metastatic pancreatic cancer, with one arm evaluating SY-5609 in combination with gemcitabine in patients in first or second relapse who have progressed following treatment with the chemotherapy regimen known as FOLFIRINOX, and another arm exploring a SY-5609 in combination with gemcitabine and nab-paclitaxel in patients following first relapse after FOLFIRINOX. SY-5609 will be administered 7d on/7d off at a starting dose of 4 mg. in the gemcitabine combination arm, and the combination agents will be administered at the approved doses. The study will evaluate safety and tolerability, as well as efficacy measures such as disease control rate and progression free survival. We expect to report clinical activity data of SY-5609 in combination with chemotherapy from the safety lead-in portion of the trial in the second half of 2022. Based on the safety lead-in data, we will determine the best course for further development of SY-5609.

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

Merger Agreement and PIPE Financing

On July 3, 2022, we entered into an Agreement and Plan of Merger, or the Merger Agreement, with Tack Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of us, or the Merger Sub, and Tyme Technologies, Inc., a Delaware corporation, or Tyme. More information regarding the merger and the terms of the Merger Agreement are discussed in Note 12 to the Notes to Condensed Consolidated Financial Statements contained elsewhere in this Quarterly Report on Form 10-Q.

Also on July 3, 2022, immediately prior to the execution and delivery of the Merger Agreement, we entered into a Securities Purchase Agreement with certain accredited investors, pursuant to which the investors agreed to purchase (i) an aggregate of 138.1 million shares of our common stock and/or pre-funded warrants to purchase shares of our common stock and (ii) accompanying warrants to purchase an aggregate of up to 138.1 million additional shares of our common stock (or pre-funded warrants in lieu thereof), at a price per unit of $0.94 (or $0.9399 per unit comprising a pre-funded warrant and accompanying warrant). This private placement transaction is referred to as the PIPE Financing. More information regarding the Securities Purchase Agreement and the PIPE Financing are discussed in Note 12 to the Notes to Condensed Consolidated Financial Statements contained elsewhere in this Quarterly Report on Form 10-Q.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from product sales for the foreseeable future. For the three months ended June 30, 2022 and 2021, we recognized $6.3 million

and $5.2 million of revenue, respectively, of which $5.7 million and $3.3 million was related to our collaboration with GBT and $0.6 million and $1.9 million to our collaboration with Incyte, respectively. For the six months ended June 30, 2022 and 2021, we recognized $11.7 million and $10.0 million of revenue, respectively, of which $10.7 million and $7.4 million was related to our collaboration with GBT and $1.0 million and $2.6 million to our collaboration with Incyte, respectively.

Expenses

Research and Development Expenses

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

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

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

We typically use our employee, consultant and infrastructure resources across our research and development programs. We track outsourced development costs by product candidate or development program, but we do not allocate personnel costs, other internal costs or certain external consultant costs to specific product candidates or development programs.

The following table summarizes our external research and development expenses by program, as well as expenses not allocated to programs, for the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Tamibarotene external costs	$ 15,851	$ 9,052	$ 21,947	$ 13,564
SY-5609 and other CDK7 program external costs	1,387	2,821	4,057	5,927
SY-2101 program external costs	1,067	991	2,729	1,758
Other research and platform program external costs	3,565	3,882	7,850	7,233
Employee-related expenses, including stock-based compensation	9,278	7,370	17,959	14,080
Facilities and other expenses	1,952	1,670	3,729	3,253
Total research and development expenses	$ 33,100	$ 25,786	$ 58,271	$ 45,815

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

- successful completion of preclinical studies, including activities related to preparation of investigational new drug applications, or INDs, and minimally efficacious dose studies in animals, where applicable and required, under the requirements of the FDA or another regulatory authority;
- approval of INDs for our product candidates to commence planned or future clinical trials;
- successful enrollment in, and completion of, clinical trials;
- successful data from our clinical programs that support an acceptable benefit-risk profile of our product candidates in the intended populations;
- successful development, and subsequent clearance or approval, of companion diagnostic tests for use in identifying potential patients;
- receipt of regulatory approvals from applicable regulatory authorities;
- establishment of arrangements with third-party manufacturers for clinical supply and commercial manufacturing and, where applicable, commercial manufacturing capabilities;
- establishment and maintenance of patent and trade secret protection or regulatory exclusivity for our product candidates;
- commercial launch of our product candidates, if and when approved, whether alone or in collaboration with others;
- enforcement and defense of intellectual property rights and claims;
- maintenance of a continued acceptable safety profile of the product candidates following approval;
- retention of key research and development personnel; and
- the continuing impact of the COVID-19 pandemic.

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

General and Administrative Expenses

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

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

Interest Income

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

Interest Expense

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

Change in Fair Value of Warrant Liability

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

Critical Accounting Policies and Estimates

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

We believe that our most critical accounting policies are those relating to revenue recognition, accrued research and development expenses and stock-based compensation. There have been no significant changes to our critical accounting policies discussed in our 2021 10-K.

Results of Operations

Comparison of three months ended June 30, 2022 and 2021

The following table summarizes our results of operations for the three months ended June 30, 2022 and 2021, together with the changes in those items in dollars (in thousands):

	Three Months Ended June 30,			
	2022	2021	Dollar Change	% Change
Statements of Operations Data:				
Revenue	$ 6,276	$ 5,162	$ 1,114	22 %
Operating expenses:				
Research and development	33,100	25,786	7,314	28 %
General and administrative	6,945	5,520	1,425	26 %
Total operating expenses	40,045	31,306	8,739	28 %
Loss from operations	(33,769)	(26,144)	(7,625)	29 %
Interest income	112	12	100	833 %
Interest expense	(981)	(969)	(12)	1 %
Change in fair value of warrant liability	157	4,611	(4,454)	(97) %
Net loss	$ (34,481)	$ (22,490)	$ (11,991)	53 %

Revenue

For the three months ended June 30, 2022, revenue was $6.3 million, of which $5.7 million was attributable to our collaboration with GBT and $0.6 million was attributable to our collaboration with Incyte. For the three months ended June 30, 2021, revenue was $5.2 million, of which $3.3 million was attributable to our collaboration with GBT and $1.9 million was attributable to our collaboration with Incyte.

Research and Development Expense

Research and development expense increased by approximately $7.3 million, or 28%, from $25.8 million for the three months ended June 30, 2021 to $33.1 million for the three months ended June 30, 2022. The following table summarizes our research and development expenses for the three months ended June 30, 2022 and 2021, together with the changes to those items in dollars (in thousands):

	Three Months Ended June 30,			
	2022	2021	Dollar Change	% Change
External research and development	$ 20,782	$ 15,015	$ 5,767	38 %
Employee-related expenses, excluding stock-based compensation	7,845	5,919	1,926	33 %
Stock-based compensation	1,433	1,451	(18)	(1) %
Consulting, licensing and professional fees	1,088	1,731	(643)	(37) %
Facilities and other expenses	1,952	1,670	282	17 %
Total research and development expenses	$ 33,100	$ 25,786	$ 7,314	28 %

The change in research and development expense was primarily attributable to activities associated with advancing our clinical and preclinical programs as well as enhancing our internal capabilities, including the following:

- an increase of approximately $5.8 million, or 38%, for external research and development costs, primarily due toincreases in costs associated with the continued advancement of our existing clinical trials of tamibarotene, SY-2101 and SY-5609, and advancement of our preclinical programs, including our sickle cell disease development activities in collaboration with GBT;
- an increase of approximately $1.9 million, or 33%, for employee-related expenses, including increased salary and benefits, primarily due to our increased headcount;
- a decrease of approximately $0.6 million, or 37%, for consulting, licensing and professional fees, primarily related to decreases in costs associated with our pre-clinical programs and SY-5609; and
- an increase of approximately $0.3 million, or 17%, for facilities and other expenses, primarily due to our increased headcount.

General and Administrative Expense

General and administrative expense increased by approximately $1.4 million, or 26%, from $5.5 million for the three months ended June 30, 2021 to $6.9 million for the three months ended June 30, 2022. The change in general and administrative expense was primarily attributable to an increase in employee-related expenses, and an increase in recruiting fees.

Interest Income

Interest income was derived generally from our investments in cash, cash equivalents, and marketable securities. The increase in interest income during the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 was due to the higher average balance of investment in marketable securities during the three month period ended June 30, 2022 compared to the same period in 2021.

Interest Expense

Interest expense was related to our credit facility with Oxford and equipment financing arrangements. Interest expense increased slightly from the three months ended June 30, 2021 to the three months ended June 30, 2022 due to a higher average outstanding credit facility balance during the three month period ended June 30 2022.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability during the three months ended June 30, 2022 as compared to the three months ended June 30, 2021 was a result of the remeasurement of the fair value of warrants issued in connection with the December 2020 private placement.

Comparison of six months ended June 30, 2022 and 2021

The following table summarizes our results of operations for the six months ended June 30, 2022 and 2021, together with the changes in those items in dollars (in thousands):

	Six Months Ended June 30,			
	2022	2021	Dollar Change	% Change
Statements of Operations Data:				
Revenue	$ 11,743	$ 9,989	$ 1,754	18 %
Operating expenses:				
Research and development	58,271	45,815	12,456	27 %
General and administrative	13,894	11,260	2,634	23 %
Total operating expenses	72,165	57,075	15,090	26 %
Loss from operations	(60,422)	(47,086)	(13,336)	28 %
Interest income	147	24	123	513 %
Interest expense	(1,956)	(1,937)	(19)	1 %
Change in fair value of warrant liability	2,604	12,281	(9,677)	(79) %
Net loss	$ (59,627)	$ (36,718)	$ (22,909)	62 %

Revenue

For the six months ended June 30, 2022, revenue was $11.7 million, of which $10.7 million was attributable to our collaboration with GBT and $1.0 million was attributable to our collaboration with Incyte. For the six months ended June 30, 2021, revenue was $10.0 million, of which $7.4 million was attributable to our collaboration with GBT and $2.6 million was attributable to our collaboration with Incyte.

Research and Development Expense

Research and development expense increased by approximately $12.5 million, or 27%, from $45.8 million for the six months ended June 30, 2021 to $58.3 million for the six months ended June 30, 2022. The following table summarizes our research and development expenses for the six months ended June 30, 2022 and 2021, together with the changes to those items in dollars (in thousands):

	Six Months Ended June 30,			
	2022	2021	Dollar Change	% Change
External research and development	$ 33,881	$ 25,820	$ 8,061	31 %
Employee-related expenses, excluding stock-based compensation	15,131	11,305	3,826	34 %
Stock-based compensation	2,828	2,775	53	2 %
Consulting, licensing and professional fees	2,702	2,662	40	2 %
Facilities and other expenses	3,729	3,253	476	15 %
Total research and development expenses	$ 58,271	$ 45,815	$ 12,456	27 %

The change in research and development expense was primarily attributable to activities associated with advancing our clinical and preclinical programs as well as enhancing our internal capabilities, including the following:

- an increase of approximately $8.1 million, or 31%, for external research and development costs, primarily due toincreases in costs associated with the continued advancement of our clinical programs and our preclinical programs, including our sickle cell disease development activities in collaboration with GBT;

- an increase of approximately $3.8 million, or 34%, for employee-related expenses, including increased salary and benefits, primarily due to our increased headcount; and
- an increase of approximately $0.5 million, or 15%, for facilities and other expenses, primarily due to our increased headcount.

General and Administrative Expense

General and administrative expense increased by approximately $2.6 million, or 23%, from $11.3 million for the six months ended June 30, 2021 to $13.9 million for the six months ended June 30, 2022. The change in general and administrative expense was primarily attributable to an increase in employee-related expenses, an increase in recruiting fees, and an increase in software costs.

Interest Income

Interest income was derived generally from our investments in cash, cash equivalents, and marketable securities. The increase in interest income during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 was due to higher average investment balance in marketable securities during the six months ended June 30, 2022 compared to the same period in 2021.

Interest Expense

Interest expense was related to our credit facility with Oxford and equipment financing arrangements. Interest expense for the six months ended June 30, 2022 has slightly increased compared to the interest expense for the six months ended June 30, 2021 due to higher average outstanding credit facility balance during the six months ended June 30, 2022.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability during the six months ended June 30, 2022 as compared to the six months ended June 30, 2021 was a result of the remeasurement of the fair value of warrants issued in connection with the December 2020 private placement.

Liquidity and Capital Resources

Sources of Liquidity

We funded our operations from inception through June 30, 2022, primarily through the sale of equity securities, through license and collaboration agreements, including those with Incyte and GBT, and through the credit facility with Oxford.

On February 12, 2020, we entered into a Loan and Security Agreement, or the Loan Agreement, with Oxford. Pursuant to the Loan Agreement, a term loan of up to an aggregate principal amount of $60.0 million is available to us. A $20.0 million term loan was funded on February 12, 2020, and another $20.0 million term loan was funded on December 23, 2020. On July 3, 2022, we entered into an amendment, or the Loan Amendment, to the Loan Agreement with Oxford. Pursuant to the Loan Amendment, Oxford has agreed to modify the Loan Agreement in order to, among other things, (i) consent to the entry into the Merger Agreement, and subject to certain conditions, the consummation of the merger, (ii) upon the consummation of the merger and the PIPE Financing and the receipt of proceeds therefrom, and subject to the payment of certain fees, 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 (iii) 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 June 30, 2022 $20.0 million remains available under the Loan Agreement at the sole discretion of Oxford.

On June 12, 2020, we filed a universal shelf registration statement on Form S-3 with the SEC to register for sale from time to time up to $300.0 million of common stock, preferred stock, debt securities, warrants and/or units in one or more registered offerings. The registration statement was declared effective on June 22, 2020. Further, in June 2020, we entered into an at-the-market sales agreement, or the sales agreement, with Cowen & Co., or Cowen, pursuant to which we may offer and sell shares of our common stock having an aggregate offering price of up to $75.0 million through

Cowen pursuant to the registration statement. In January 2021, we issued shares of our common stock in an underwritten public offering resulting in gross proceeds of $75.6 million, before deducting underwriting discounts and commissions and other transaction expenses of approximately $5.1 million, pursuant to the Form S-3 that was filed with the SEC on June 12, 2020.

As of June 30, 2022, $75.0 million in common stock remained available for future issuance under the sales agreement.

As of June 30, 2022, $224.4 million of securities remained available for future issuance under the shelf registration statement.

As of June 30, 2022, we had cash, cash equivalents, and marketable securities of approximately $86.3 million.

Cash Flows

The following table provides information regarding our cash flows for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,	
	2022	2021
Net cash (used in) provided by:		
Operating activities	$ (56,195)	$ (48,444)
Investing activities	23,272	(35,107)
Financing activities	(315)	70,482
Net decrease in cash, cash equivalents and restricted cash	$ (33,238)	$ (13,069)

Net Cash Used in Operating Activities

Net cash used in operating activities for the six months ended June 30, 2022 and 2021 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 $56.2 million during the six months ended June 30, 2022 compared to $48.4 million for the six months ended June 30, 2021. The increase in net cash used in operating activities during the six months ended June 30, 2022 was primarily due to a $13.3 million increase in loss from operations offset by a $5.2 million change in the net operating assets balances during the six months ended June 30, 2022.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by investing activities was $23.3 million during the six months ended June 30, 2022 compared to net cash used in investing activities of $35.1 million during the six months ended June 30, 2021. The net cash provided by investing activities was primarily due to maturities of marketable securities of $23.5 million, offset by the purchase of $0.2 million of property and equipment during the six months ended June 30, 2022. The net cash used in investing activities was due to the $0.7 million purchase of property and equipment and the $34.4 million investments in marketable securities during the six months ended June 30, 2021.

Net Cash (Used in) Provided by Financing Activities

Net cash used in financing activities was $0.3 million during the six months ended June 30, 2022 compared to net cash provided by financing activities of $70.5 million for the six months ended June 30, 2021. Cash used in financing activities for the six months ended June 30, 2022 was primarily due to $0.1 million of payments made under our financing lease, offset by proceeds from issuance of shares of our common stock pursuant to our employee stock purchase plan. In comparison, the cash provided by financing activities for the six months ended June 30, 2021 was primarily due to net proceeds of $70.3 million from a public offering of shares of our common stock, $0.2 million of proceeds from the issuance of common stock under our employee stock purchase plan, and $0.2 million of proceeds from the exercise of stock options, offset by $0.1 million of payments made under our financing lease.

Funding Requirements and Going Concern

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

Our future funding requirements, both short-term and long-term, will depend on many factors, including:

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

- our headcount growth and associated costs as we advance our research and development programs and establish a commercial infrastructure;
- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property related claims; and
- the continuing impact of the COVID-19 pandemic.

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

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

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

We have incurred significant net operating losses in every year since our inception. We expect to continue to incur significant and increasing net operating losses for at least the next several years. Our net losses were $86.6 million, $84.0 million and $75.4 million for the years ended December 31, 2021, 2020 and 2019, respectively. As of June 30, 2022, we had an accumulated deficit of $523.2 million. We have not generated any revenues from product sales, have not completed the development of any product candidate and may never have a product candidate approved for commercialization. We have financed our operations to date primarily through a credit facility, the sale of equity securities and through license and collaboration agreements. We have devoted substantially all of our financial resources and efforts to research and development and general and administrative expense to support such research and development. Our 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 our stockholders' equity and working capital.

As discussed in Note 1 of the Notes to the Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q, under ASC Topic 205-40, *Presentation of Financial Statements - Going Concern*, management is required at each reporting period to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued. This evaluation initially does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented as of the date the financial statements are issued.

Based on our current operating plan and without giving effect to the Merger, PIPE Financing and Loan Amendment with Oxford, the completion of which cannot be assured, we anticipate that our cash, cash equivalents and marketable securities of $86.3 million as of June 30, 2022will allow us to meet our liquidity requirements into the second quarter of 2023. Our history of significant losses, our negative cash flows from operations, our limited liquidity resources currently on hand, and our dependence on its ability to obtain additional financing to fund our operations after the current resources are exhausted, about which there can be no certainty, have resulted in our assessment that there is substantial doubt about our ability to continue as a going concern for a period of at least 12 months from the issuance date of this Quarterly Report on Form 10-Q. We have plans in place to mitigate this risk, which primarily consist of raising additional capital through a combination of equity or debt financings and potential new collaborations and reducing cash expenditures. If we are able to complete the Merger and PIPE Financing and to give effect to certain provisions of the Loan Amendment with Oxford related to such closings, we would expect to have approximately $240 million in cash and other capital resources (after transaction expenses), which we believe will be sufficient to fund our

planned operating expenses and capital expenditure requirements into 2025. There is no guarantee that these transactions will close as planned, or at all, or that we will be successful in any other capital raising efforts, in which case we may not be able to continue our research and development programs as planned.

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 June 30, 2022, 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 six-month periods ended June 30, 2022 and 2021.

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 June 30, 2022, the end of the period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

Changes in Internal Control over Financial Reporting

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

PART II – OTHER INFORMATION

Item 1A. Risk Factors.

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, 2021, or the 2021 10-K. Any of the risk factors contained in this Quarterly Report on Form 10-Q and the 2021 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 the Merger

The exchange ratio will be determined in accordance with a formula and is not yet knowable. The actual exchange ratio could be materially different than currently anticipated.

On July 3, 2022, we entered into an Agreement and Plan of Merger, or the Merger Agreement, with Tack Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of us, or the Merger Sub, and Tyme Technologies, Inc., a Delaware corporation, or Tyme. Also on July 3, 2022, immediately prior to the execution and delivery of the Merger Agreement, we entered into a Securities Purchase Agreement with certain accredited investors, pursuant to which the investors agreed to purchase (i) an aggregate of 138.1 million shares of our common stock and/or pre-funded warrants to purchase shares of our common stock and (ii) accompanying warrants to purchase an aggregate of up to 138.1 million additional shares of our common stock (or pre-funded warrants in lieu thereof), at a price per unit of $0.94 (or $0.9399 per unit comprising a pre-funded warrant and accompanying warrant). This private placement transaction is referred to as the PIPE Financing.

At the effective time of the merger, outstanding shares of Tyme common stock will be converted into shares of our common stock at the exchange ratio. The exchange ratio was initially estimated to be 0.4312 shares of our common stock for each share of Tyme common stock, but the actual exchange ratio will depend on Tyme's net cash and the number of shares of Tyme common stock outstanding at the closing of the merger. These figures, particularly with respect to Tyme's net cash, may be materially different than the estimates used when initially estimating the exchange rate and may result in a materially different exchange rate. Based upon the initially estimated exchange ratio, following the merger and giving effect to the PIPE Financing, (i) our securityholders immediately before the merger together with the investors in the PIPE Financing are expected to own approximately 63% of the aggregate number of outstanding shares of our common stock following the merger and (ii) Tyme securityholders immediately before the merger are expected to own approximately 37% of the aggregate number of outstanding shares of our common stock following the merger, subject to certain assumptions (including as to the amount of Tyme net cash at closing, which could be materially different). Assuming the exercise of all our pre-funded warrants, including those being issued in the PIPE Financing, without giving effect to any beneficial ownership limitations applicable thereto, then (i) our securityholders immediately before the merger together with the investors in the PIPE Financing would own approximately 73% of the aggregate number of outstanding shares of our common stock following the merger and (ii) Tyme securityholders immediately before the merger would own approximately 27% of the aggregate number of outstanding shares of our common stock following the merger, subject to certain assumptions (including as to the amount of Tyme net cash at closing, which could be materially different). The foregoing percentages do not give effect to the exercise or conversion of outstanding stock options or warrants other than as set forth above.

The following table illustrates what the exchange ratio and the Tyme stockholders' resulting pro forma ownership of us could be at certain levels of Tyme's net cash. These examples assume: (i) Tyme has 172,206,894 shares of common stock outstanding immediately prior to the effective time and (ii) we have 126,860,798 shares of common stock outstanding immediately prior to the effective time, after giving effect to the PIPE Financing and assuming the exercise of all our pre-funded warrants, including those being issued in the PIPE Financing, without giving effect to any beneficial ownership limitations applicable thereto, but before the issuance of shares in the merger, and without giving effect to the exercise or conversion of outstanding stock options or warrants other than as set forth above:

			($ in millions)		
Tyme Net Cash	$50.0	$55.0	$62.3	$65.0	$70.0
Exchange Ratio	0.3552	0.3861	0.4312	0.4479	0.4788
Former Tyme Stockholders' Pro Forma Ownership	23.23%	24.75%	26.87%	27.62%	28.97%

The exchange ratio will not be adjusted based on the market price of our common stock so the merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was signed.

Any changes in the market price of our stock before the completion of the merger will not affect the number of shares Tyme stockholders will be entitled to receive pursuant to the Merger Agreement. Therefore, if before the completion of the merger, the market price of our common stock increases from the market price on the date of the Merger Agreement, then Tyme stockholders could receive merger consideration with substantially more value for their shares of Tyme common stock than the parties had negotiated when they established the exchange ratio. Similarly, if before the completion of the merger the market price of our common stock declines from the market price on the date of the Merger Agreement, then Tyme stockholders could receive merger consideration with substantially lower value. The Merger Agreement does not include a price-based termination right.

Failure to complete the merger may result in us paying a termination fee to Tyme, which could harm our common stock price of and future business and operations.

If the merger is not completed, we are subject to the following risks:

- if the Merger Agreement is terminated under specified circumstances, we will be required to pay Tyme a termination fee of $2.068 million;
- the price of our common stock may decline and could fluctuate significantly; and
- we may be required to pay certain costs related to the merger, such as financial advisor, legal and accounting fees, whether or not the merger is consummated.

If the Merger Agreement is terminated and our board of directors or Tyme's board of directors determines to seek another business combination, there can be no assurance that either we or Tyme will be able to find a partner with whom a business combination would yield greater benefits than the benefits to be provided under the Merger Agreement.

If the merger or the PIPE Financing is not consummated and we are unable to obtain sufficient additional capital from other sources, there may continue to be substantial doubt about our ability to continue as a going concern.

As of and for the year ended December 31, 2021 and as of and for the three-months ended June 30, 2022, our management concluded that there was substantial doubt about our ability to continue as a going concern for a period of at least 12 months from the issuance date of the respective consolidated financial statements. If the merger or the PIPE Financing is not consummated, there may continue to be substantial doubt about our ability to continue as a going concern. There is no assurance that we will consummate the merger or the PIPE Financing, and if we are unable to continue as a going concern, we may be forced to substantially reduce our planned clinical operations or liquidate our assets and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our financial statements.

If the conditions to the merger are not satisfied or waived, the merger may not occur.

The closing of the merger is subject to a number of conditions as set forth in the Merger Agreement that must be satisfied or waived, including, among others: (i) the approval of the adoption of the Merger Agreement by the Tyme stockholders, (ii) the approval of the issuance of shares of our common stock by our stockholders, (iii) the receipt of certain authorizations, consents, orders or approvals in connection with the merger and the consummation of the other transactions contemplated by the Merger Agreement, (iv) the effectiveness of a registration statement on Form S-4 under the Securities Act, (v) the absence of any order, executive order, stay, decree, judgment or injunction or statute, rule or regulation in effect that has the effect of making the merger illegal or otherwise prohibiting consummation of the merger, (vi) the approval of the listing of the additional shares of our common stock on The Nasdaq Stock Market, (vii) Tyme having net cash that exceeds $50.0 million as of the closing date of the merger and (viii) unless waived by Tyme, the completion of the PIPE Financing with gross proceeds of at least $100.0 million. The closing of the merger is also dependent upon the accuracy of representations and warranties made by the parties to the Merger Agreement (subject to customary materiality qualifiers and other customary exceptions) and the performance in all material respects by the parties of obligations imposed under the Merger Agreement.

There can be no assurance as to whether or when the conditions to the closing of the merger will be satisfied or waived or as to whether or when the merger will be consummated. If the conditions are not satisfied or waived, the merger may not occur or the closing may be delayed, and we may lose some or all of the intended benefits of the merger.

If the sale of some or all of the PIPE Financing fails to close, we may not consummate the merger; if we fail to consummate the merger, the PIPE Financing may not close.

In connection with the merger, Tyme's obligation to close the merger is conditioned upon the PIPE Financing being completed substantially concurrently with the merger with gross proceeds to us of at least $100 million. The proceeds from the sale of our securities in the PIPE Financing will be made available to the combined company at the closing of the merger for general corporate purposes. We have entered into a definitive Securities Purchase Agreement with accredited institutional investors, obligating such investors to purchase securities in the PIPE Financing for an aggregate purchase price of $130 million. However, if the sale of our securities in the PIPE Financing does not close by reason of the failure by some or all of the PIPE Financing investors to fund the purchase price for those securities, for example, we may not satisfy our obligation under the Merger Agreement to consummate the PIPE Financing with gross proceeds of at least $100 million to us substantially concurrently with the merger. In the event of any such failure to fund, if Tyme does not waive our requirement to satisfy such condition, we may not be able to obtain additional funds to account for such shortfall with respect to the PIPE Financing or the consummation of the merger on terms favorable to us, or at all. Additionally, the obligation of investors to close the PIPE Financing is contingent upon the occurrence of all conditions precedent to the closing set forth in the Merger Agreement, for example, that Tyme's net cash shall exceed $50 million (subject to certain exceptions) at the closing date of the merger. In the event of any such failure to meet conditions precedent, including the failure of Tyme's net cash to exceed $50 million as described above, if the PIPE investors do not waive our requirement to satisfy such condition, we may not be able to obtain additional funds to account for such shortfall resulting from the failure to consummate the merger or close the PIPE Financing on terms favorable to us, or at all. Any such shortfall would also reduce the amount of funds that we have available for our working capital.

The merger may be completed even though a material adverse effect may result from the announcement of the merger, industry-wide changes or other causes.

In general, neither we nor Tyme is obligated to complete the merger if there is a material adverse effect affecting the other party between July 3, 2022, the date of the Merger Agreement, and the closing of the merger. However, certain types of changes are excluded from the concept of a "material adverse effect." Such exclusions include but are not limited to changes in general economic or market conditions, industry wide changes, changes in the generally accepted accounting principles in the United States, or GAAP, changes in laws, rules or regulations of general applicability or interpretations thereof, natural disasters, pandemics (including the COVID-19 pandemic), outbreaks of hostilities or acts of terrorism, changes resulting from the announcement or pendency of the merger, and failures to meet internal guidance, budgets, plans or forecasts. Therefore, if any of these events were to occur impacting us or Tyme, the other party would still be obliged to consummate the closing of the merger. If any such adverse changes occur and we and Tyme consummate the closing of the merger, the stock price of the combined company may suffer. This in turn may reduce the value of the merger to the stockholders of us, Tyme or both.

If the merger is consummated, the combined company may need to raise additional capital by issuing equity securities or additional debt, which may cause significant dilution to the combined company's stockholders or restrict the combined company's operations.

The expected gross proceeds from the PIPE Financing are approximately $130 million, before deducting estimated offering expenses and not including any proceeds that we may receive in connection with the exercise of the warrants. The closing of the PIPE Financing is conditioned upon the satisfaction or waiver of the conditions to the closing of the merger as well as certain other conditions.

Additional financing may not be available to the combined company when it is needed or may not be available on favorable terms. To the extent that the combined company raises additional capital by issuing equity securities, such financing will cause additional dilution to all securityholders of the combined company, including our pre-merger securityholders and Tyme's former securityholders. It is also possible that the terms of any new equity securities may have preferences over the combined company's common stock. Any issuance of equity securities that causes a change in control, as defined in the Loan Agreement with Oxford, would require the consent of Oxford, which consent may be granted or withheld in its sole discretion. The Loan Agreement restricts the ability of the combined company to incur debt financing and to create liens to secure any such financing. As such, any debt financing and any lien created to secure such debt financing is likely to require the consent of Oxford, which consent may be granted or withheld in its sole discretion. Any debt financing the combined company enters into may involve covenants that restrict its operations. These restrictive covenants may include limitations on additional borrowing and specific restrictions on the use of the combined company's assets, as well as prohibitions on its ability to create liens, pay dividends, redeem its stock or make investments, which limitations and prohibitions may be more restrictive than the existing covenants in the Loan Agreement applicable to the combined company.

Some directors and executive officers of us and Tyme have interests in the merger that are different from yours and that may influence them to support or approve the merger without regard to your interests.

Directors and executive officers of us and Tyme may have interests in the merger that are different from, or in addition to, the interests of other of our and Tyme's stockholders generally. These interests with respect to our directors and executive officers may include, among others, that our directors and executive officers are expected to continue to serve as directors and executive officers, respectively, of the combined company after the effective time of the merger; and that our directors and executive officers are entitled to certain indemnification and liability insurance coverage pursuant to the terms of the Merger Agreement. Additionally, certain of our directors and executive officers and their affiliates have agreed to participate in the PIPE Financing. These interests with respect to Tyme directors and executive officers may include, among others, acceleration of stock option vesting; that certain stock options to purchase shares of Tyme common stock will be converted into and become options to purchase shares of our common stock; retention bonus payments; extension of exercisability periods of previously issued stock option grants; severance payments if employment is terminated in a qualifying termination in connection with the merger and rights to continued indemnification; expense advancement and insurance coverage. In addition to the current members of our board of directors who are expected to continue to serve on our board of directors, following the closing of the merger, Tyme will have the right to designate one member of our board of directors and investors in the PIPE Financing will have the right to designate up to two members of our board of directors, who will each be eligible to be compensated as a non-employee director pursuant to our director compensation program.

The Syros and Tyme boards of directors were aware of and considered those interests, among other matters, in reaching their decisions to approve and adopt the Merger Agreement, approve the merger, and recommend the approval of the Merger Agreement and related matters to our and Tyme's stockholders. These interests, among other factors, may have influenced the directors and executive officers of us and Tyme to support or approve the merger.

Our stockholders may not realize a benefit from the merger and PIPE Financing commensurate with the ownership dilution they will experience in connection with the merger and the PIPE Financing.

If the combined company is unable to realize the full benefits currently anticipated from the merger, our stockholders will have experienced substantial dilution of their ownership interests without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent the combined company is able to realize only part of the benefits currently anticipated from the merger and the PIPE Financing.

If the merger is not completed, our stock price may fluctuate significantly.

The market price of our common stock is subject to significant fluctuation. During the 12-month period ended July 1, 2022, thœlosing sales price of our common stock on The Nasdaq Global Select Market ranged from a high of $5.55 on September 2, 2021 to a low of $0.6940 on May 25, 2022. Market prices for securities of pharmaceutical, biotechnology and other life science companies have historically been particularly volatile. Although our common stock will remain subject to such significant fluctuations even if the merger is completed, the market prices of our common stock will likely be volatile based on whether stockholders and other investors believe that we can complete the merger or otherwise raise additional capital to support our operations if the merger is not consummated and another strategic or financial transaction cannot be identified, negotiated and consummated in a timely manner, if at all.

The volatility of the market price of our common stock may be exacerbated by low trading volume or other factors. Moreover, the stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against such companies.

Our securityholders will have a reduced ownership and voting interest in, and will exercise less influence over the management of, the combined company following the completion of the merger as compared to their current ownership and voting interests in the respective companies.

After the completion of the merger, our current stockholders will own a smaller percentage of the combined company than their ownership prior to the merger. Based upon the initially estimated exchange ratio, following the merger and giving effect to the PIPE Financing, (i) our securityholders immediately before the merger together with the investors in the PIPE Financing are expected to own approximately 63% of the aggregate number of outstanding shares of our common stock following the merger and (ii) Tyme securityholders immediately before the merger are expected to own approximately 37% of the aggregate number of outstanding shares of our common stock following the merger, subject to certain assumptions (including as to the amount of Tyme net cash at closing, which could be materially different). Assuming the exercise of all pre-funded warrants, including those being issued in the PIPE Financing, without giving effect to any beneficial ownership limitations applicable thereto, then (i) our securityholders immediately before the merger together with the investors in the PIPE Financing would own approximately 73% of the aggregate number of outstanding shares of our common stock following the merger and (ii) Tyme securityholders immediately before the merger would own approximately 27% of the aggregate number of outstanding shares of our common stock following the merger, subject to certain assumptions (including as to the amount of Tyme net cash at closing, which could be materially different). The foregoing percentages do not give effect to the exercise or conversion of outstanding stock options or warrants other than as set forth above. Our executive officers are expected to continue to serve as the executive officers of the combined company following the completion of the merger.

During the pendency of the merger, we may not be able to enter into a business combination with another party on more favorable terms because of restrictions in the Merger Agreement, which could adversely affect our business prospects.

Covenants in the Merger Agreement impede our ability to make acquisitions during the pendency of the merger, subject to specified exceptions. As a result, if the merger is not completed, we may be at a disadvantage to our competitors during that period. In addition, while the Merger Agreement is in effect, each party is generally prohibited from soliciting, proposing, seeking or knowingly encouraging, facilitating or supporting any inquiries, indications of interest, proposals or offers that constitute or may reasonably be expected to lead to certain transactions involving a third party, including a merger, sale of assets or other business combination, subject to specified exceptions. Any such transactions could be favorable to our stockholders, but we may be unable to pursue them.

Certain provisions of the Merger Agreement may discourage third parties from submitting competing proposals, including proposals that may be superior to the transactions contemplated by the Merger Agreement.

The terms of the Merger Agreement prohibit each of us and Tyme from soliciting competing proposals or cooperating with persons making unsolicited takeover proposals, except in limited circumstances. In addition, if the Merger Agreement is terminated under specified circumstances, we would be required to pay Tyme a termination fee of $2.068 million or Tyme would be required to pay us a termination fee of $2.443 million. These termination fees may

discourage third parties from submitting competing proposals to us or Tyme or to our respective stockholders and may cause our board of directors or the Tyme board of directors to be less inclined to recommend a competing proposal.

The financial analyses, estimates and forecasts considered by us and Tyme in connection with the merger may not be realized.

The unaudited prospective financial information of us and Tyme considered by us and Tyme in connection with the merger were not prepared with a view toward public disclosure, and such information and the estimated synergies were not prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The estimates and assumptions underlying the unaudited prospective financial information and estimated synergies involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions, future tax rates and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described in the Registration Statement on Form S-4 that we filed with the SEC in connection with the merger on July 18, 2022, including under the sections entitled "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Statements and Industry Data*," all of which are difficult to predict and many of which are beyond the control of us and/or Tyme. In addition, the unaudited prospective financial information and estimated synergies will be affected by our or Tyme's, as applicable, ability to achieve strategic goals, objectives and targets over the applicable periods. As a result, there can be no assurance that the underlying assumptions will prove to be accurate or that the projected results or synergies will be realized, and actual results or synergies likely will differ, and may differ materially, from those reflected in the unaudited prospective financial information and the estimated synergies, whether or not the merger is completed, which could have an adverse effect on our business, financial condition and result of operations.

Risks Related to Our Financial Position and Need for Additional Capital

We will need substantial additional fundingto execute our operating plan and continue to operate as a going concern, and if we are unable to raise capital, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is a time consuming, expensive and uncertain process. Accordingly, 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 attractive terms, we may be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

We believe that our cash, cash equivalents and marketable securities as of June 30, 2022 will enable us to fund our planned operating expense and capital expenditure requirements into the second quarter of 2023. These funds may not be sufficient to fund operations for at least the next 12 months from the date of issuance of these consolidated financial statements which raises substantial doubt about our ability to continue as a going concern. Our future viability beyond one year from the date of issuance of these consolidated financial statements is dependent on our ability to raise additional capital to finance our operations. Our estimate as to how long we expect our existing cash, cash equivalents, and marketable securities to be able to continue to fund our operations is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Further, changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned. In any event, our existing cash, cash equivalents and marketable securities will not be sufficient to fund all of the efforts that we plan to undertake or to fund the completion of development of our product candidates or our other preclinical programs.

Following the closing of the merger and the PIPE Financing and giving effect to certain provisions of the Loan Amendment related to such closings, the total cash balance of the combined company is expected to be approximately $240.0 million (after transaction expenses), which we believe will be sufficient to fund our planned operating expenses and capital expenditure requirements into 2025, allowing us to advance our late-stage clinical programs toward commercialization, including tamibarotene, currently being studied in the SELECT-MDS-1 trial and the randomized portion of the SELECT-AML-1 trial, and SY-2101, which we plan to advance into a Phase 3 trial for the treatment of APL in the second half of 2023.

Our future funding requirements will depend on many factors, including those discussed in Part I, Item 1A, "Risk Factors" in the 2021 10-K under "*Risks Related to Our Financial Position and Need for Additional Capital - We have incurred significant losses since inception, expect to incur significant and increasing losses for at least the next several years, and may never achieve or maintain profitability*." Our future funding requirements may also depend on:

- whether a drug candidate will be nominated to enter into investigational new drug application-enabling studies under our sickle cell disease collaboration with GBT, whether GBT will exercise its option to exclusively license intellectual property arising from the collaboration, whether and when any option exercise fees, milestone payments or royalties under the collaboration agreement with GBT will ever be paid, and whether we exercise our U.S. co-promotion option under the GBT agreement;
- whether our target discovery collaboration with Incyte will yield any validated targets, whether Incyte will exercise any of its options to exclusively license intellectual property directed to such targets, and whether and when any of the target validation fees, option exercise fees, milestone payments or royalties under the collaboration agreement with Incyte will ever be paid;
- the costs of precommercial activities related to our product candidates, including any physician education programs relating to selecting and treating genomically defined patient populations;
- the timing and amount of milestone and other payments due to licensors for patent and technology rights used in our gene control platform or to TMRC Co. Ltd., or TMRC, associated with the development, manufacture and commercialization of tamibarotene;
- the timing and amount of milestone payments due to Orsenix, LLC, associated with the development and commercialization of SY-2101; and
- the timing and amount of milestone payments due to QIAGEN Manchester Limited associated with the development and commercialization of a companion diagnostic test for use with tamibarotene.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

We expect our expenses to remain high in connection with our planned operations. To the extent that we raise additional capital through the sale of common stock, convertible securities or other equity securities, as we did through a public offering of our common stock in January 2021, the ownership interests of our existing stockholders may be substantially diluted, and the terms of these securities could include liquidation or other preferences and anti-dilution protections that could adversely affect our stockholders' rights. In addition, debt financing, such as our term loan facility with Oxford that we entered into in February 2020 and amended in July 2022, has created fixed payment obligations and imposed restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, creating liens, redeeming stock or declaring dividends, that could adversely impact our ability to conduct our business. In addition, securing financing could require a substantial amount of time and attention from our management and may divert a disproportionate amount of their attention away from day-to-day activities, which may adversely affect our management's ability to oversee the development of our product candidates.

If we raise additional funds through collaborations or marketing, distribution or licensing arrangements with third parties, such as our collaboration agreement with GBT, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds 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. In this regard, we recently announced that we plan to determine the best course for further development of SY-5609 after assessing the safety and clinical activity data from the safety lead-in portion of the trial evaluating SY-5609 in combination with chemotherapy in relapsed/refractory metastatic pancreatic cancer patients that we expect to report in the second half of 2022. Further, we have announced that we are seeking partnerships for our oncology discovery programs, including our CDK12 program. In addition, we previously announced that we did not plan to pursue Phase 3 development of SY-2101 unless and until we secure additional capital. We believe that the total cash balance of the combined company following the closing of the merger and the PIPE Financing and giving effect to certain provisions of the Loan Amendment related to such closings, will be sufficient to fund our planned operating expenses and capital expenditure requirements into 2025, including the advancement of our late stage

clinical assets, and have recently announced that, subject to the closing of these transactions, we now expect to initiate a Phase 3 clinical trial of SY-2101 in the second half of 2023. However, we cannot provide assurance that these transactions will be consummated, or that sufficient additional capital to support the further development of SY-5609 or our oncology discovery programs can be obtained or will be obtained on favorable terms.

The terms of our Loan and Security Agreement place restrictions on our operating and financial flexibility.

In February 2020, we entered into the Loan Agreement with 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 refer to the Loan and Security Agreement with Oxford as the Loan Agreement. We borrowed $20.0 million upon execution of the Loan Agreement and borrowed an additional $20.0 million term loan advance in December 2020. One additional term loan advance of $20.0 million remains available under the Loan Agreement, subject to certain terms and conditions, including the achievement of certain milestones.

On July 3, 2022, we entered into an amendment to the Loan Agreement, or the Loan Amendment, pursuant to which Oxford, its capacity as lender and agent, has agreed to modify the Loan Agreement in order to, among other things, (i) consent to the entry into the Merger Agreement, and subject to certain conditions, the consummation of the merger, (ii) upon the consummation of the Merger and the PIPE Financing and the receipt of proceeds therefrom, and subject to the payment of certain fees, 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 (iii) 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.

The Loan Agreement, as amended by the Loan Amendment, contains representations and warranties, affirmative and negative covenants applicable to us and our subsidiaries and events of default, as more fully described in the Loan Agreement and Loan Amendment. In particular, 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 Discovery, Development and Commercialization of Product Candidates

We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial resources, we intend to focus on developing product candidates for specific indications that we identify as most likely to succeed, in terms of both their potential for marketing approval and commercialization. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that may prove to have greater commercial potential. In this regard, we previously announced that we do not plan to pursue Phase 3 development of SY-2101 unless and until we secure additional capital, and have more recently announced that we expect to initiate a Phase 3 clinical trial of SY-2101 in the second half of 2023 upon consummation of the merger and the PIPE Financing and upon recognition of the effect of certain provisions of the Loan Amendment related to such closings. In addition, we have elected to deprioritize our planned evaluation of SY-5609 in patients with hematologic malignancies, and plan to determine the best course for further development of SY-5609 after assessing the safety and clinical activity data from the safety lead-in portion of the trial evaluating SY-5609 in combination with chemotherapy in relapsed/refractory metastatic pancreatic cancer patients that we expect to report in the second half of 2022.

Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for

specific indications may not yield any commercially viable product candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to the product candidate.

We face substantial competition, which may result in others discovering, 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 of our most advanced programs.

For example, we are aware of several new drugs approved by the FDA since 2018 for the treatment of newly diagnosed AML or patient subsets within newly diagnosed AML (including ivosidenib, venetoclax, and glasdegib), and one new drug approved by the FDA in 2020 for the treatment of MDS or patient subsets within MDS (decitabine/cedazuridine). Tamibarotene may also face competition from other agents currently in clinical development for AML and MDS, including those in late-stage development from Gilead Sciences, Inc., Abbvie Inc., Roche Holding AG, Novartis AG, Astex Pharmaceuticals, Inc. and Pfizer Inc.

SY-2101 may face competition from Trisenox® or any of the generic forms of Trisenox, an IV ATO product approved by the FDA for the treatment of APL. We are also aware of a traditional Chinese medicine (TCM)-based formulation of oral arsenic commercially available in China. In addition, we are aware of an oral formulation of ATO in clinical development by Phebra Pty Ltd, or Phebra, an Australian based specialty pharmaceutical group. Phebra has entered into an agreement with Medsenic SAS, a European biopharmaceutical company, for the investigation of their oral ATO compound for the treatment of autoimmune diseases. We are also aware of an oral formulation of ATO being studied in an academic setting in Hong Kong.

In addition, we are aware of selective CDK7 inhibitors being developed in early clinical trials by Carrick Therapeutics Ltd. and Exelixis, Inc., and three other selective CDK7 inhibitor programs that we believe are in preclinical development from Qurient Co. Ltd., Yungjin Pharma Co., Ltd., and The Translational Genomics Research Institute, and a collaboration between Exscientia Ltd. and GT Apeiron Therapeutics Ltd. focused on developing novel cyclin-dependent kinase, or CDK, inhibitors, including selective CDK7 inhibitors. SY -5609 may face competition from these CDK7 inhibitors. There is also significant competition from products with mechanisms other than CDK7 inhibition in pancreatic cancer and BRAF-mutant colorectal cancer, the disease areas where we are currently focusing our development of SY-5609.

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 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.

Our competitors may develop and commercialize products that are safer or more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we, or any collaborators, may develop. 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. 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.

Risks Related to Our Dependence on Third Parties

We currently depend on a third-party manufacturer to develop and validate the clinical trial assay being used to select patients with our proprietary RARA biomarker, and if this assay does not perform as designed, our clinical trials of tamibarotene may be adversely affected.

We are currently conducting SELECT-MDS-1, a Phase 3 clinical trial evaluating tamibarotene in combination with azacitidine in HR-MDS patients who have been prospectively selected using our proprietary RARA biomarker, and SELECT-AML-1, a randomized Phase 2 clinical trial evaluating tamibarotene in combination with venetoclax and azacitidine in RARA-positive newly diagnosed patients with AML who are not suitable candidates for standard intensive chemotherapy. We collaborate with a third party with respect to the clinical trial assay being used to select patients with the RARA biomarker for inclusion in these trials. The FDA has approved an investigational device exemption for the assay being used to select patients with the RARA biomarker, and we used this assay in our earlier Phase 2 trial evaluating the safety and efficacy of tamibarotene in certain AML and MDS patient populations. Based on data from over 175 patients screened in our clinical trials, we believe approximately 50% of MDS patients and approximately 30% of AML patients are positive for the RARA biomarker. Our ability to continue to prospectively select RARA-positive patients for SELECT-MDS-1 and SELECT-AML-1 depends on the ability of this clinical trial assay to identify suitable patients for these clinical trials. If this assay does not perform as designed, it could adversely affect our estimated timelines to enroll patients, or adversely impact the results of these trials, which could significantly harm our business and commercial prospects.

Risks Related to Regulatory Approval and Marketing of Our Product Candidates and Other Legal Compliance Matters

We, or any collaborators, may not be able to obtain orphan drug designation or orphan drug exclusivity for our product candidates and, even if we do, that exclusivity may not prevent the FDA or the EMA from approving competing products.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. Generally, a product with orphan drug designation only becomes entitled to orphan drug exclusivity if it receives the first marketing approval for the indication for which it has such designation, in which case the FDA or the EMA will be precluded from approving another marketing application for the same product for that indication for the applicable exclusivity period. The applicable exclusivity period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a product no longer meets the criteria for orphan drug designation or if the product is sufficiently profitable so that market exclusivity is no longer justified.

We have obtained orphan drug designation for tamibarotene for the treatment of MDS in the United States, and for the treatment of AML in the United States and in Europe. In addition, the EMA has issued a positive opinion on our application for orphan drug designation for tamibarotene for the treatment of MDS in EuropeSY-2101 has also received orphan drug designation for the treatment of APL in the United States, and for the treatment of AML in Europe. In the future, we or any collaborators may seek orphan drug designations for tamibarotene or SY-2101 in other indications or territories or for other product candidates and may be unable to obtain such designations. Even if we do secure such designations and orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different products can be approved for the same condition. Further, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later product is clinically superior in that it is shown to be safer, to be more effective or to make a major contribution to patient care. Finally, orphan drug exclusivity may be lost if the FDA or the EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition.

The FDA may further reevaluate the Orphan Drug Act and its regulations and policies. This may be particularly true in light of a decision from the Court of Appeals for the 11th Circuit in September 2021 finding that, for the purpose

of determining the scope of exclusivity, the term "same disease or condition" means the designated "rare disease or condition" and could not be interpreted by the Agency to mean the "indication or use." We do not know if, when, or how the FDA may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies,our business could be adversely impacted.

Risks Related to our Common Stock

We might not be able to utilize a significant portion of our net operating loss carryforwards and research and development tax credit carryforwards.

As of December 31, 2021, we had federal and state net operating loss carryforwards of $398.9 million and $401.9 million, respectively, and federal and state research and development tax credit carryforwards of $19.7 million and $3.5 million, respectively. These carryforwards could expire unused and be unavailable to offset future income tax liabilities. Our net operating loss carryforwards generated prior to 2018 and research and development tax credit carryforwards will generally expire at various dates through 2037.

The Tax Cuts and Jobs Act of 2017, or the Tax Act, as amended by the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, contains significant changes with respect to federal net operating loss carryforwards, including the limitation of the deduction for net operating loss carryforwards to 80% of current year taxable income and the elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely and such net operating losses arising in taxable years beginning before January 1, 2021 are generally eligible to be carried back up to five years). Regulatory guidance under the Tax Act and the CARES Act is and continues to be forthcoming, and such guidance could further impact our ability to utilize our net operating loss carryforwards.

In addition, the net operating loss and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. Furthermore, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a cumulative change in ownership of significant shareholders of greater than 50%, by value, over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and research and development tax credit carryforwards to offset its post-change income may be limited. The merger and the PIPE Financing is expected to result in an ownership change for purposes of Section 382, and as a result our ability to use our historical net operating loss and tax credit carryforwards will be materially limited. Such limitation, or any adjustments to our carryforwards made by the Internal Revenue Service or state tax authorities, could harm our future operating results by effectively increasing our future tax obligations.

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 (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (File No. 001-37813) filed on May 1, 2019).
3.2	Second Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (File No. 001-37813) filed on August 5, 2021).
31.1	Certification of principal executive officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of principal financial officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of principal executive officer pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification of principal financial officer pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Syros Pharmaceuticals, Inc.

Date: August 9, 2022

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

Exhibit 31.1

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

I, Nancy Simonian, certify that:

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

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

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

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

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

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

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

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

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

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

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

Syros Pharmaceuticals, Inc.

/s/ Nancy Simonian, M.D.

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

Dated: August 9, 2022

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: August 9, 2022

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 June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Nancy Simonian, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of her knowledge:

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

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

Dated: August 9, 2022

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

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

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Syros Pharmaceuticals, Inc. (the "Company") for the quarter ended June 30, 2022 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: August 9, 2022

/s/ Jason Haas

Jason Haas
Chief Financial Officer
(Principal Financial Officer)

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