

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2023

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 001-40800

**TYRA BIOSCIENCES, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**2656 State Street**

**Carlsbad, California**

(Address of principal executive offices)

**83-1476348**

(I.R.S. Employer  
Identification No.)

**92008**

(Zip Code)

**Registrant's telephone number, including area code: (619) 728-4760**

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, \$0.0001 par value per share	TYRA	The 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, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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

As of May 2, 2023, the registrant had 42,561,733 shares of common stock, \$0.0001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Tyra Biosciences, Inc.

Balance Sheets

(in thousands, except share and par value data)

	March 31, 2023 (unaudited)	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 241,701	\$ 251,213
Prepaid and other current assets	5,008	6,075
Total current assets	246,709	257,288
Restricted cash	1,000	1,000
Property and equipment, net	1,048	1,077
Right-of-use asset	2,424	2,466
Other long-term assets	3,874	4,350
Total assets	\$ 255,055	\$ 266,181
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 1,280	\$ 1,145
Lease liabilities, current	144	140
Accrued and other current liabilities (including related party amounts of \$0 and \$59, respectively)	2,258	4,416
Total current liabilities	3,682	5,701
Lease liabilities, noncurrent	2,444	2,482
Other long-term liabilities	139	169
Total liabilities	6,265	8,352
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 50,000,000 shares authorized at March 31, 2023 and December 31, 2022; no shares issued and outstanding at March 31, 2023 and December 31, 2022.	—	—
Common stock, \$0.0001 par value; 500,000,000 shares authorized at March 31, 2023 and December 31, 2022; 42,762,501 and 42,634,459 shares issued at March 31, 2023 and December 31, 2022, respectively, and 42,535,374 and 42,353,550 shares outstanding at March 31, 2023 and December 31, 2022, respectively.	4	4
Additional paid-in capital	356,362	353,521
Accumulated deficit	(107,576)	(95,696)
Total stockholders' equity	248,790	257,829
Total liabilities and stockholders' equity	\$ 255,055	\$ 266,181

See accompanying notes to unaudited financial statements.

**Tyra Biosciences, Inc.**  
**Statements of Operations and Comprehensive Loss**  
(unaudited)  
(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2023	2022
Operating expenses:		
Research and development	\$ 10,408	\$ 9,645
General and administrative (including related party amounts of \$0 and \$210, respectively)	3,926	5,189
Total operating expenses	<u>14,334</u>	<u>14,834</u>
Loss from operations	(14,334)	(14,834)
Other income (expense):		
Interest income	2,455	18
Other expense	(1)	(10)
Total other income	<u>2,454</u>	<u>8</u>
Net loss and comprehensive loss	\$ (11,880)	\$ (14,826)
Net loss per share, basic and diluted	<u>\$ (0.28)</u>	<u>\$ (0.36)</u>
Weighted-average shares used to compute net loss per share, basic and diluted	<u>42,394,623</u>	<u>41,551,713</u>

*See accompanying notes to unaudited financial statements.*

**Tyra Biosciences, Inc.**  
**Statements of Stockholders' Equity**  
(unaudited)  
(in thousands, except share amounts)

	Common Stock			Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance at December 31, 2021</b>	41,441,135	\$ 4	4	\$ 342,104	\$ (40,371)	\$ 301,737
Issuance of common stock under benefit plans	28,951	—	—	238	—	238
Vesting of shares of common stock subject to repurchase	226,478	—	—	63	—	63
Stock-based compensation	—	—	—	3,972	—	3,972
Net loss	—	—	—	—	(14,826)	(14,826)
<b>Balance at March 31, 2022</b>	<u>41,696,564</u>	<u>\$ 4</u>	<u>4</u>	<u>\$ 346,377</u>	<u>\$ (55,197)</u>	<u>\$ 291,184</u>

	Common Stock			Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balance at December 31, 2022</b>	42,353,550	\$ 4	4	\$ 353,521	\$ (95,696)	\$ 257,829
Issuance of common stock under benefit plans	129,669	—	—	376	—	376
Vesting of shares of common stock subject to repurchase	52,155	—	—	32	—	32
Stock-based compensation	—	—	—	2,433	—	2,433
Net loss	—	—	—	—	(11,880)	(11,880)
<b>Balance at March 31, 2023</b>	<u>42,535,374</u>	<u>\$ 4</u>	<u>4</u>	<u>\$ 356,362</u>	<u>\$ (107,576)</u>	<u>\$ 248,790</u>

*See accompanying notes to unaudited financial statements.*

**Tyra Biosciences, Inc.**  
**Statements of Cash Flows**  
(unaudited)  
(in thousands)

	Three Months Ended March 31,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Net loss	\$ (11,880)	\$ (14,826)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	83	64
Stock-based compensation	2,433	3,972
Loss on disposal of property and equipment	—	2
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	1,530	299
Accounts payable, accrued expenses and other liabilities (including related party amounts of \$0 and \$22, respectively)	(2,022)	1,560
Right-of-use assets and lease liabilities, net	9	4
Net cash used in operating activities	(9,847)	(8,925)
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(41)	(239)
Net cash used in investing activities	(41)	(239)
<b>Cash flows from financing activities:</b>		
Proceeds from issuances of common stock under benefit plans	376	238
Net cash provided by financing activities	376	238
Net cash decrease for the period	(9,512)	(8,926)
Cash, cash equivalents and restricted cash at beginning of the period	252,213	302,425
Cash, cash equivalents and restricted cash at end of the period	\$ 242,701	\$ 293,499
Reconciliation of cash, cash equivalents and restricted cash to the balance sheet		
Cash and cash equivalents	\$ 241,701	\$ 292,499
Restricted cash	1,000	1,000
Total cash, cash equivalents and restricted cash	\$ 242,701	\$ 293,499
<b>Supplemental disclosure of cash flow information:</b>		
Right-of-use asset obtained in exchange for lease liability	\$ —	\$ 1,547
Non-cash investing activities:		
Purchases of equipment included in accounts payable	—	17

*See accompanying notes to unaudited financial statements.*

**Tyra Biosciences, Inc.**  
**Notes to the Financial Statements**  
(unaudited)

## **1. Organization and Basis of Presentation**

### ***Organization***

Tyra Biosciences, Inc. (the Company) was incorporated in the state of Delaware on August 2, 2018. The Company is a clinical-stage biotechnology company focused on developing next-generation precision medicines that target large opportunities in Fibroblast Growth Factor Receptor (FGFR) biology. The Company's in-house precision medicine platform, SNÄP, enables rapid and precise drug design through iterative molecular SNÄPshots that help predict genetic alterations most likely to cause acquired resistance to existing therapies. The Company's initial focus is on applying accelerated small molecule drug discovery engine to develop therapies in targeted oncology and genetically defined conditions.

### ***Basis of Presentation***

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) for interim financial information and pursuant to the instructions of the Securities and Exchange Commission (SEC) on Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) promulgated by the Financial Accounting Standards Board (FASB). The unaudited financial statements include only normal and recurring adjustments that the Company believes are necessary to fairly state the Company's financial position and the results of its operations and cash flows. The results for the three months ended March 31, 2023 and 2022 are not necessarily indicative of the results expected for the full fiscal year or any subsequent interim period. The balance sheet at March 31, 2023 has been derived from the financial statements at that date but does not include all disclosures required by GAAP for complete financial statements. Because all of the disclosures required by GAAP for complete financial statements are not included herein, these unaudited financial statements and the notes accompanying them should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

## **2. Summary of Significant Accounting Policies**

During the three months ended March 31, 2023, there have been no changes to the Company's significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

### ***Restricted Cash***

Restricted cash is comprised of cash that is restricted as to its withdrawal or use under the terms of certain contractual agreements. Restricted cash as of both March 31, 2023 and December 31, 2022 was \$1.0 million, which consisted of collateral for letters of credit related to the Company's operating leases which are considered a non-current asset on the balance sheets.

### ***Commitments and Contingencies***

The Company recognizes a liability with regard to loss contingencies when it believes it is probable a liability has been incurred, and the amount can be reasonably estimated. If some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, the Company accrues that amount. When no amount within the range is a better estimate than any other amount the Company accrues the minimum amount in the range.

### ***Related Parties***

Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. FASB ASC 850, Related Party Disclosures (FASB ASC 850) requires that transactions with related parties

that would make a difference in decision making shall be disclosed so that users of the financial statements can evaluate their significance. Related party transactions typically occur within the context of the following relationships:

- Affiliates of the entity;
- Entities for which investments in their equity securities is typically accounted for under the equity method by the investing entity;
- Trusts for the benefit of employees;
- Principal owners of the entity and members of their immediate families;
- Management of the entity and members of their immediate families; or
- Other parties that can significantly influence the management or operating policies of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The Company previously entered into a consulting agreement with van den Boom & Associates, LLC (van den Boom & Associates), a professional services firm contracted to provide resources to assist with day-to-day accounting functions. Services provided under the agreement with van den Boom & Associates are billed at hourly rates. On April 16, 2021, Ms. van den Boom, the managing partner of van den Boom & Associates, entered into an employment agreement with the Company whereby she became its Chief Financial Officer. Van den Boom & Associates is considered a related party under FASB ASC 850 from the point in which Ms. van den Boom became a Company officer. On October 28, 2022, Ms. van den Boom informed the Company of her intent to resign as the Chief Financial Officer, effective December 31, 2022. Effective January 1, 2023, van den Boom & Associates is no longer considered a related party.

### ***Recently Issued 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"). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. Under the new guidance, credit losses for certain types of financial instruments will be estimated based on expected losses. The new guidance also modifies the impairment models for available-for-sale debt securities and for purchased financial assets with credit deterioration since their origination. In November 2019, the FASB issued ASU No. 2019-10, which changed the effective date of ASU 2016-13 for smaller reporting companies to fiscal years beginning after December 15, 2022, including interim periods. This update was effective for the Company beginning January 1, 2023. The adoption of this new standard did not have a material impact on the Company's financial statements.

There were no other significant updates not already disclosed in the Company's audited financial statements for the years ended December 31, 2022 and 2021 to the recently issued accounting standards for the three months ended March 31, 2023. Although there were several other new accounting pronouncements issued or proposed by the FASB, the Company does not believe any of those accounting pronouncements have had or will have a material impact on its financial position or operating results.

### **3. Fair Value Measurements**

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as an 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 such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

**Level 1**—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

**Level 2**—Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and



**Level 3**—Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, prepaid and other current assets, restricted cash, accounts payable, and accrued and other current liabilities, approximate fair value due to their short maturities.

Assets measured at fair value on a recurring basis are as follows (in millions):

	As of March 31, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money Market Funds	239.7	\$ 239.7	\$ —	\$ —

	As of December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money Market Funds	\$ 240.7	\$ 240.7	\$ —	\$ —

None of the Company's non-financial assets or liabilities are recorded at fair value on a non-recurring basis.

#### 4. Property and Equipment

Property and equipment consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Equipment	\$ 1,150	\$ 1,119
Computers and software	181	181
Leasehold improvements	165	156
Furniture and fixtures	96	82
	1,592	1,538
Less: accumulated depreciation	(544)	(461)
Total property and equipment, net	\$ 1,048	\$ 1,077

The Company recognized \$83,000 and \$64,000 in depreciation expense for the three months ended March 31, 2023 and 2022, respectively.

#### 5. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	March 31, 2023	December 31, 2022
Accrued payroll and other employee benefits	\$ 863	\$ 2,854
Accrued research and development	986	1,028
Accrued legal and professional fees	79	94
Accrued other general and administrative fees	330	440
Total accrued and other current liabilities	\$ 2,258	\$ 4,416

## 6. Stockholders' Equity

### Common Stock

Common stock reserved for future issuance consisted of the following:

	March 31, 2023	December 31, 2022
Common stock options granted and outstanding	6,126,093	5,890,869
Shares available for future issuance under the 2021 Incentive Award Plan	6,138,644	4,339,373
Shares available for future issuance under the 2021 Employee Stock Purchase Plan	1,153,344	759,442
Total common stock reserved for future issuance	<u>13,418,081</u>	<u>10,989,684</u>

On October 3, 2022, the Company entered into an ATM Sales Agreement (the Sales Agreement) with Virtu Americas LLC (the Agent), under which the Company may, from time to time, sell shares of its common stock having an aggregate offering price of up to \$150.0 million in "at the market" offerings through the Agent. Sales of the shares of common stock, if any, will be made at prevailing market prices at the time of sale, or as otherwise agreed with the Agent. The Agent will receive a commission from the Company of up to 3.0% of the gross proceeds of any shares of common stock sold under the Sales Agreement. As of March 31, 2023, no shares of common stock were issued and sold pursuant to the Sales Agreement.

### Restricted Stock

Since inception, the Company has issued 2,820,560 shares of restricted common stock at a price of \$0.0001 per share to certain founders of the Company (Founders Stock). The Company maintains a repurchase right whereby the shares of Founders Stock are released from such repurchase right over a period of time of continued service by the recipient. Any shares subject to repurchase by the Company are not deemed to be outstanding, for accounting purposes, until those shares vest. Unvested outstanding Founders Stock as of March 31, 2023 and December 31, 2022 were 3,175 and 3,828 shares, respectively. The amount recorded as liabilities associated with shares issued with repurchase rights were immaterial as of March 31, 2023 and December 31, 2022.

For the three months ended March 31, 2023 and 2022, 654 and 122,470 shares vested in each period and the Company recognized \$5,000 and \$73,000 of stock-based compensation expense for each period related to the Founders Stock, respectively. As of March 31, 2023, the total unrecognized compensation expense related to unvested Founders Stock was immaterial.

## 7. Equity Incentive Plans and Stock-Based Compensation

### Equity Incentive Plans

In September 2021, the Company's Board of Directors adopted, and its stockholders approved, the 2021 Incentive Award Plan (the 2021 Plan). Upon the adoption of the 2021 Plan, the Company restricted the grant of future equity awards under the 2020 Equity Incentive Plan (the 2020 Plan).

The 2021 Plan provides for the grants of stock options and other equity-based awards to employees, non-employee directors, and consultants of the Company. A total of 5,570,000 shares of the Company's common stock were initially reserved for issuance pursuant to the 2021 Plan. In addition to 4,537,850 reserved shares, the number of shares reserved under the 2021 Plan also included 1,032,150 shares of the Company's common stock that remained available for issuance under the 2020 Plan as of immediately prior to the effectiveness of the 2021 Plan. The 2021 Plan share reserve will be increased by the number of shares under the 2020 Plan that are repurchased, forfeited, expired or cancelled after the effective date of the 2021 Plan. In addition, the number of shares of the Company's common stock available for issuance under the 2021 Plan automatically increases on the first day of each fiscal year, beginning with the Company's 2022 fiscal year, in an amount equal to the lesser of (1) 5% of the outstanding shares of the Company's common stock on the last day of the immediately preceding fiscal year, or (2) such smaller amount as determined by the Company's Board of Directors. On January 1, 2022, the number of shares reserved for issuance under the 2021 Plan was increased to 7,696,809 shares and on January 1, 2023, the number of shares reserved for issuance under the 2021 Plan was increased to 9,828,531 shares. As of March 31, 2023, 6,138,644 shares were authorized for issuance under the 2021 Plan, inclusive of shares added from cancellations under the 2020 Plan.

A summary of the Company's stock option activity for the period ended March 31, 2023 is as follows (in thousands, except share and per share data and years):

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2022	5,890,869	\$ 7.91	8.8	\$ 13,492
Granted	541,300	\$ 8.55		
Exercised	(97,227)	\$ 1.68		
Cancelled	(208,849)	\$ 11.68		
Outstanding at March 31, 2023	<u>6,126,093</u>	\$ 7.94	8.5	\$ 55,897
Exercisable at March 31, 2023	<u>1,975,304</u>	\$ 7.06	7.5	\$ 20,377
Vested and expected to vest as of March 31, 2023	<u>6,126,093</u>	\$ 7.94	8.5	\$ 55,897

#### Stock-Based Compensation Expense

The Company estimated the fair value of stock options using the Black-Scholes valuation model. The Company accounts for forfeitures of options when they occur. Previously recognized compensation expense for an award is reversed in the period that the award is forfeited. The fair value of stock options was estimated using the following assumptions (excluding option modifications):

	Three Months Ended March 31,	
	2023	2022
<b>Stock Options:</b>		
Stock price	\$7.07 - 13.20	\$10.96 - 12.31
Risk-free rate of interest	3.5 - 4.2%	1.6 - 2.0%
Expected term (years)	6.0 - 6.1	6.0 - 6.1
Expected stock price volatility	89.2 - 89.7%	86.4 - 90.4%
Dividend yield	—	—

Stock-based compensation expense recognized for all equity awards has been reported in the statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Research and development expense	\$ 1,460	\$ 1,478
General and administrative expense	973	2,494
Total	<u>\$ 2,433</u>	<u>\$ 3,972</u>

During the period ended March 31, 2022, the Company recognized \$1.2 million additional stock-based compensation expense within general and administrative expenses related to accelerated vesting of options of a former executive.

The weighted-average grant date fair value of options granted for the three months ended March 31, 2023 and 2022 was \$6.51 and \$8.52 per share, respectively.

Forfeitures resulting in the reversal of compensation expense were immaterial for the three months ended March 31, 2023 and 2022.

As of March 31, 2023, the unrecognized compensation cost related to outstanding employee and nonemployee options was \$24.5 million, and is expected to be recognized as expense over a weighted-average period of approximately 2.3 years.

## Employee Stock Purchase Plan

In September 2021, the Company's Board of Directors and stockholders approved and adopted the 2021 Employee Stock Purchase Plan (ESPP). The ESPP became effective on the business day immediately prior to the effective date of the Company's first registration statement. A total of 380,000 shares of the Company's common stock were initially reserved for issuance pursuant to the ESPP. In addition, the number of shares of the Company's common stock available for issuance under the ESPP will automatically increase on the first day of each fiscal year, beginning with the Company's 2022 fiscal year, in an amount equal to the lesser of (1) 1% of the outstanding shares of the Company's common stock on the last day of the immediately preceding fiscal year, or (2) such smaller amount as determined by the Company's Board of Directors. On January 1, 2022, the number of shares reserved for issuance under the ESPP was increased to 805,361 shares and on January 1, 2023, the number of shares reserved for issuance under the ESPP was increased to 1,231,705 shares.

The ESPP permits eligible employees who elect to participate in an offering under the ESPP to have up to 15% of their eligible earnings withheld, subject to certain limitations, to purchase shares of common stock pursuant to the ESPP. The price of common stock purchased under the ESPP is equal to 85% of the lower of the fair market value of the common stock at the commencement date of each offering period or the relevant date of purchase. Each offering period is 24 months, with new offering periods commencing every six months on or about the dates of March 15 and September 15 of each year. During the three months ended March 31, 2023 and 2022, the Company issued 32,442 and 27,518 shares, respectively, of common stock in connection with the ESPP. As of March 31, 2023, there were 1,153,344 shares available for future purchase under the ESPP.

The Company estimated the fair value of shares purchased under the ESPP, using the Black-Scholes valuation model. The fair value of shares purchased under the ESPP was estimated using the following assumptions:

	Three Months Ended	
	March 31,	
	2023	2022
<b>Stock Options:</b>		
Stock price	\$14.77	\$11.03
Risk-free rate of interest	4.1 - 4.9%	0.9 - 2.0%
Expected term (years)	0.5 - 2.0	0.5 - 2.0
Expected stock price volatility	99.2 - 122.5%	80.7 - 89.8%
Dividend yield	—	—

During the three months ended March 31, 2023 and 2022, the Company recognized compensation expense of \$0.1 million and \$0.2 million, respectively, related to the ESPP. As of March 31, 2023, the remaining unrecognized compensation expense related to the ESPP was \$0.7 million, and is expected to be recognized as expense over a weighted-average period of approximately 1.4 years.

### Liability for Early Exercise of Stock Options

Certain individuals were granted the ability to early exercise their stock options prior to the IPO. The shares of common stock issued from the early exercise of unvested stock options are restricted and continue to vest in accordance with the original vesting schedule. The Company has the option to repurchase any unvested shares at the original purchase price upon any voluntary or involuntary termination. The shares purchased by the employees and non-employees pursuant to the early exercise of stock options are not deemed, for accounting purposes, to be outstanding until those shares vest. The cash received in exchange for exercised and unvested shares related to stock options granted is recorded as a liability for the early exercise of stock options on the accompanying balance sheets and will be transferred into common stock and additional paid-in capital as the shares vest. As of March 31, 2023 and December 31, 2022, 225,581 and 277,081 unvested shares issued under early exercise provisions were subject to repurchase by the Company, respectively. As of March 31, 2023 and December 31, 2022, the Company recorded \$0.1 million and \$0.2 million, respectively, associated with early exercised stock options in other long-term liabilities.

## 8. Net Loss Per Share

The following table sets forth the computation of the basic and diluted net loss per share (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net loss	\$ (11,880)	\$ (14,826)
Denominator:		
Weighted-average common shares outstanding	42,690,767	42,585,657
Less: weighted-average unvested restricted common stock subject to repurchase	(3,274)	(454,163)
Less: weighted-average unvested common stock issued upon early exercise of common stock options	(292,870)	(579,781)
Weighted-average shares used to compute net loss per common share, basic and diluted	42,394,623	41,551,713
Net loss per share, basic and diluted	\$ (0.28)	\$ (0.36)

The following table sets forth the outstanding potentially dilutive securities that have been excluded from the calculation of diluted net loss per share because their inclusion would be anti-dilutive.

	As of March 31,	
	2023	2022
Unvested restricted common stock subject to repurchase	3,175	372,700
Unvested common stock upon early exercise of stock options	225,581	495,870
Options to purchase common stock	6,126,093	3,844,194
	6,354,849	4,712,764

## 9. Leases

The Company has operating leases for its office and laboratory space, including its corporate headquarters.

In August 2020, the Company entered into a lease agreement for approximately 4,734 square feet of office and lab space at 2656 State Street in Carlsbad, California, for the Company's headquarters (the Original Lease). The Original Lease commenced in May 2021, and had an original term of 60 months, with an option to extend for two additional 36 month periods.

In March 2022, the Company entered into an agreement for an additional office and laboratory space (the Expansion Lease). The Expansion Lease is expected to commence in the second half of 2023 and projected lease payments over the life of the lease are expected to be \$5.5 million with a lease expiration of 120 months after the commencement of the Expansion Lease. The Original Lease was amended to have the same lease expiration as the Expansion Lease. The Company has an option to renew the Expansion Lease and the Original Lease, which has the same lessor and has been amended to have the same option to extend for two additional 36 month periods.

The Company did not include the renewal periods in determining the lease term, as the Company was not reasonably certain to exercise either the amended Original Lease or the Expansion Lease renewal options.

In connection with the Company's lease agreements, the Company paid security deposits of \$0.1 million and is required to maintain a letter of credit of \$1.0 million until 2027 at which time it can be reduced to \$0.5 million throughout the end of the lease term.

Cash paid for amounts included in the measurement of lease liabilities was \$0.1 million and \$0.1 million for the three months ended March 31, 2023 and 2022, respectively.

The components of lease expense include operating, short-term, and variable lease costs. Amortization is recorded within research and development and general and administrative expenses in the statements of operations and comprehensive loss. Components of lease cost for the three months ended March 31, 2023 and 2022, respectively, were as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Operating lease cost	\$ 83	\$ 73
Short-term lease cost	22	20
Variable lease cost	14	16
Total lease cost	<u>\$ 119</u>	<u>\$ 109</u>

Maturities of lease liabilities, weighted-average remaining term and weighted-average discount rate were as follows (in thousands):

Year ending December 31,	As of March 31,	
2023 (remaining nine months)	\$	225
2024		309
2025		318
2026		328
2027		337
Thereafter		2,044
Total minimum lease payments <sup>(1)</sup>		3,561
Less: amount representing interest		(973)
Present value of lease liabilities		2,588
Less: current portion of lease liabilities		(144)
Lease liabilities, noncurrent	\$	<u>2,444</u>

(1) Excludes \$5.5 million of legally binding minimum lease payments for leases not yet commenced

	March 31, 2023	December 31, 2022
Weighted-average remaining lease term (years) - operating leases	10.3	10.5
Weighted-average incremental borrowing rate - operating leases	6.50%	6.50%

## 10. Commitments and Contingencies

### *Other Funding Commitments*

As of March 31, 2023, the Company had ongoing clinical and pre-clinical studies for its various pipeline programs. The Company enters into contracts in the normal course of business with contract research organizations in preparation for clinical trials, professional consultants for expert advice and other vendors for clinical supply manufacturing or other services. These contracts are generally cancellable, with notice, at the Company's option and do not have significant cancellation penalties.

### *Litigation*

The Company, from time to time, may be party to litigation arising in the ordinary course of business. The Company was not subject to any material legal proceedings as of March 31, 2023, and no material legal proceedings are currently pending or threatened. If the potential loss from any claim, asserted or unasserted, or legal proceeding is considered probable and the amount is reasonably estimable, the Company will accrue a liability for the estimated loss.

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

*The following discussion and analysis and the unaudited interim financial statements included in this Quarterly Report on Form 10-Q should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2022 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in the Annual Report on Form 10-K for the year ended December 31, 2022 (the 2022 Annual Report).*

### Forward-Looking Statements

This Quarterly Report on Form 10-Q (Quarterly Report) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, business strategy, research and development plans, the anticipated timing and phase of development, costs, design and conduct of our ongoing and planned preclinical studies and clinical trials for our product candidates, the timing and likelihood of regulatory filings and approvals for our product candidates, the potential to develop product candidates and the safety and therapeutic benefits of our product candidates, our ability to commercialize our product candidates, if approved, the impact on our business from the COVID-19 pandemic and other epidemic diseases on our business, the pricing and reimbursement of our product candidates, if approved, the timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated product development efforts, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “contemplate,” “continue” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target” “will” or “would” or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of risks, uncertainties and assumptions, including, without limitation, the risk factors described in Part II, Item 1A, “Risk Factors” of this Quarterly Report. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

### Overview

We are a clinical-stage biotechnology company focused on developing next-generation precision medicines that target large opportunities in Fibroblast Growth Factor Receptor (FGFR) biology. Our in-house precision medicine platform, SNÁP, enables rapid and precise drug design through iterative molecular SNÁPshots that help predict genetic alterations most likely to cause acquired resistance to existing therapies. Our initial focus is on applying our accelerated small molecule drug discovery engine to develop therapies in targeted oncology and genetically defined conditions.

In oncology, the widespread availability of approved targeted treatments, such as kinase inhibitors, has transformed the cancer treatment landscape. Despite the therapeutic benefit that targeted oncology treatments have created for some patients, the response rate and duration of efficacy is often limited by acquired drug resistance, off-target toxicities and other shortcomings of existing therapies. We are using our proprietary SNÁP platform, which is optimized to enable rapid and precise refinement of structural design through iterative molecular SNÁPshots, in order to generate novel product candidates that are specifically designed to limit off-target toxicities and address acquired drug resistance to provide next-generation treatment options. Genomic alterations in FGFR family members occur in approximately 7% of all human cancers, representing about 126,000 new cases per year.

We are advancing multiple oncology product candidates toward the clinic, including our lead product candidate TYRA-300, an FGFR3 selective inhibitor with an initial focus on patients with metastatic urothelial carcinoma of the bladder and urinary tract (mUC). We submitted an Investigational New Drug application (IND) to the U.S. Food and Drug Administration (FDA) for TYRA-300 in June 2022 and received clearance in July 2022 to proceed with our Phase 1/2 clinical trial of TYRA-300, SURF301 (Study in Untreated and Resistant FGFR3+ Advanced Solid Tumors), a multi-center, open label study designed to determine the optimal and maximum tolerated doses and the recommended Phase 2 dose of TYRA-300, as well as to evaluate the preliminary antitumor activity of TYRA-300. In November 2022, the first patient was dosed with TYRA-300 in our Phase 1/2 study SURF301.

Beyond oncology, FGFR3 is implicated in many developmental conditions, such as achondroplasia (ACH) and other skeletal dysplasias, due to its role in regulating bone and cartilage formation. In March 2023, we announced we were expanding development of TYRA-300 into achondroplasia based on positive preclinical results demonstrated in a study performed in collaboration with the Imagine Institute in Paris, France. Achondroplasia, the most common form of dwarfism, is a skeletal dysplasia in which growth plate cartilage is affected, resulting in decreased growth of the long bones, vertebral bodies and skull base. These growth differences can result in health complications such as cranial and spinal stenosis, hydrocephalus, genu varum (bowed legs), and sleep apnea. A specific mutation in FGFR3 causes an estimated 97% of achondroplasia. We believe that the design of TYRA-300 may have a meaningful impact on achondroplasia and other skeletal dysplasias. We are planning additional IND-enabling studies and anticipate submitting an IND to the FDA to enable a Phase 2 study in pediatric achondroplasia in 2024.

We are also advancing our second oncology product candidate, TYRA-200, an FGFR1/2/3 inhibitor with potency against activating FGFR2 gene alterations, as well as clinically important molecular brake and gatekeeper resistance mutations. In December 2022, we submitted an IND to the FDA for TYRA-200 and received clearance in January 2023 to proceed with a Phase 1 clinical trial of TYRA-200, which will be focused on intrahepatic cholangiocarcinoma resistant to other FGFR inhibitors. We anticipate dosing the first patient in this trial in the second half of 2023.

Since the commencement of our operations in 2018, we have devoted substantially all of our resources to organizing and staffing the company, business planning, raising capital, developing our proprietary SNĀP platform, undertaking research and development activities for our development programs, establishing our intellectual property portfolio, and providing general and administrative support for our operations. We have not generated any revenue to date and have funded our operations primarily from our initial public offering (IPO), private placements of our convertible preferred stock, and the issuance of Simple Agreements for Future Equity. Our net losses for the three months ended March 31, 2023 and 2022 were \$11.9 million and \$14.8 million, respectively. As of March 31, 2023, we had an accumulated deficit of \$107.6 million. As of March 31, 2023, we had cash and cash equivalents of \$241.7 million.

We have incurred significant operating losses since inception. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical development activities, other research and development activities and capital expenditures. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future particularly if and as we conduct preclinical studies and clinical trials, continue our research and development activities, utilize third parties to manufacture our product candidates and related raw materials, hire additional personnel, expand and protect our intellectual property, and incur additional costs associated with being a public company.

Based on our current operating plan, we believe that our existing cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditures through at least 2024. We have never generated any revenue and do not expect to generate any revenues from product sales unless and until we successfully complete development of and obtain regulatory approval for our product candidates, which will not be for several years, if ever. In addition, if we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. However, we may not be able to raise additional funds or enter into such other arrangements when needed or on favorable terms, or at all. If we are unable to raise additional capital or enter into such arrangements when needed, we could be forced to delay, limit, reduce or terminate our research and development programs or future commercialization efforts, or grant rights to develop and market our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

## **Components of Results of Operations**

### ***Operating Expenses***

#### *Research and Development Expenses*

To date, our research and development expenses consist primarily of external and internal costs related to the development of our SNĀP platform and our product candidates and development programs. Our research and development expenses primarily include:

- external costs, including:
  - expenses incurred in connection with conducting clinical trials, including investigator grants and site payments for time and pass-through expenses and expenses incurred under agreements with contract research organizations (CROs), central laboratories and other vendors and service providers engaged to conduct our trials;



- expenses incurred in connection with the discovery and preclinical development of our product candidates, including under agreements with third parties, such as consultants and CROs;
- costs associated with consultants for chemistry, manufacturing and controls (CMC) development, and other services;
- the cost of manufacturing compounds for use in our preclinical studies, including under agreements with third parties, such as consultants and third-party manufacturers; and
- costs related to compliance with drug development regulatory requirements; and
- internal costs, including:
  - employee-related expenses, including salaries, related benefits, travel and share-based compensation expenses for employees engaged in research and development functions;
  - the costs of laboratory supplies and acquiring, developing and manufacturing preclinical study materials; and
  - facilities, depreciation and other expenses, which include allocated expenses for rent and maintenance of facilities, and supplies.

We expense research and development expenses in the periods in which they are incurred. External expenses are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers or our estimate of the level of service that has been performed at each reporting date. We track external expenses on a development program and other program specific basis. However, we do not track internal costs on a program specific basis because these costs primarily relate to compensation, early research and consumable costs, which are deployed across multiple programs under development.

Research and development activities are central to our business model. There are numerous factors associated with the successful development of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. In addition, future regulatory factors beyond our control may impact our clinical development programs. Product candidates in later stages of development generally have higher development costs than those in earlier stages of development. As a result, we expect that our research and development expenses will increase substantially over the next several years as we advance our product candidates through preclinical studies into and through clinical trials, continue to discover and develop additional product candidates and expand our pipeline, maintain, expand, protect and enforce our intellectual property portfolio, and hire additional personnel.

Our future research and development expenses may vary significantly based on a wide variety of factors such as:

- the number and scope, rate of progress, expense and results of our discovery and preclinical development activities and clinical trials;
- the number of trials required for approval;
- the number of sites included in each of our trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- the ability to identify appropriate patients eligible for our clinical trials;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;

- the duration of patient participation in the trials and follow-up;
- the phase of development of the product candidate;
- the efficacy and safety profile of the product candidate;
- the timing, receipt, and terms of any approvals from applicable regulatory authorities including the FDA and non-U.S. regulators;
- maintaining a continued acceptable safety profile of our product candidates following approval, if any;
- the cost and timing of manufacturing our product candidates;
- significant and changing government regulation and regulatory guidance;
- the impact of any business interruptions to our operations or to those of the third parties with whom we work, including the COVID-19 pandemic or other epidemic diseases;
- geopolitical instability, such as the war in Ukraine;
- adverse effects on the financial markets, the global economy, the supply chain and our expenses due to the COVID-19 pandemic or other epidemic diseases, geopolitical instability, inflation, rising interest rates and other factors; and
- the extent to which we establish additional strategic collaborations or other arrangements.

A change in the outcome of any of these variables with respect to the development of any of our product candidates could significantly change the costs and timing associated with the development of that product candidate.

The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates or any future candidates may be affected by a variety of factors. We may never succeed in achieving regulatory approval for any of our product candidates or any future candidates.

#### *General and Administrative Expenses*

General and administrative expenses consist primarily of personnel-related expenses, including employee salaries, bonuses, benefits, and stock-based compensation charges, for personnel in executive and administrative functions. Other significant general and administrative expenses include legal fees relating to intellectual property and corporate matters, professional fees for accounting, tax and consulting services and insurance costs. We expect our general and administrative expenses will increase for the foreseeable future to support our increased research and development activities, manufacturing activities, and the increased costs associated with operating as a public company. These increased costs will likely include increased expenses related to hiring of additional personnel, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and the Securities and Exchange Commission (SEC) requirements, director and officer insurance costs, and investor and public relations costs.

#### *Other Income and Expenses*

Other income (expense) consists primarily of interest income from our cash and cash equivalents.

## Results of Operations

### Comparison of the Three Months Ended March 31, 2023 and 2022

The following table summarizes our results of operations for the periods indicated (in thousands):

	Three Months Ended March 31,		Change
	2023	2022	
Operating expenses:			
Research and development	\$ 10,408	\$ 9,645	\$ 763
General and administrative	3,926	5,189	(1,263)
Total operating expenses	14,334	14,834	(500)
Loss from operations	(14,334)	(14,834)	500
Other income (expense):			
Interest income	2,455	18	2,437
Other expense	(1)	(10)	9
Total other income	2,454	8	2,446
Net loss and comprehensive loss	<u>\$ (11,880)</u>	<u>\$ (14,826)</u>	<u>\$ 2,946</u>

### Research and Development Expenses

Research and development expenses were \$10.4 million and \$9.6 million for the three months ended March 31, 2023 and 2022, respectively. The increase of \$0.8 million was primarily due to higher personnel-related costs.

The following table summarizes our research and development expenses by development program for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	2022
External research and development expense by program		
TYRA-300 ONC	\$ 2,006	\$ 2,292
TYRA-200	717	1,007
TYRA-300 ACH	150	228
RET	462	1,466
FGFR4	566	486
Other development programs	1,932	463
Unallocated research and development expense		
Other research and development	932	599
Compensation and stock-based compensation	3,643	3,104
Total research and development expense	<u>\$ 10,408</u>	<u>\$ 9,645</u>

### General and Administrative Expenses

General and administrative expenses were \$3.9 million and \$5.2 million for the three months ended March 31, 2023 and 2022, respectively. The decrease of \$1.3 million was primarily due to decreases of \$1.5 million in compensation and stock-based compensation costs, partially offset by increase of \$0.2 million in other operating expenses.

### Other Income

Other income was \$2.5 million and \$0.1 million for the three months ended March 31, 2023 and 2022, respectively. The increase of \$2.4 million was primarily related to an increase in interest rate return on our cash and cash equivalents.

## Liquidity and Capital Resources

### Sources of Liquidity

On September 17, 2021, we completed our IPO and issued 12,420,000 shares of common stock for net proceeds of approximately \$181.2 million. Prior to our initial public offering, we funded our operations primarily through private placements of our convertible preferred stock with net proceeds of \$157.2 million excluding issuance costs of \$0.4 million.

Our primary uses of cash to date have been to fund our research and development activities, including with respect to TYRA-300 and TYRA-200 and other research programs, business planning, establishing and maintaining our intellectual property portfolio, hiring personnel, raising capital, and providing general and administrative support for these operations.

On October 3, 2022, we entered into an ATM Sales Agreement (the Sales Agreement) with Virtu Americas LLC (the Agent), under which we may, from time to time, sell shares of our common stock having an aggregate offering price of up to \$150.0 million in “at the market” offerings through the Agent. Sales of the shares of common stock, if any, will be made at prevailing market prices at the time of sale, or as otherwise agreed with the Agent. The Agent will receive a commission from us of up to 3.0% of the gross proceeds of any shares of common stock sold under the Sales Agreement.

We are not obligated to sell, and the Agent is not obligated to buy or sell, any shares of common stock under the Sales Agreement. No assurance can be given that we will sell any shares of common stock under the Sales Agreement, or, if we do, as to the price or amount of shares of common stock that we may sell or the dates when such sales will take place.

### Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2023	2022
Net cash used in operating activities	\$ (9,847)	\$ (8,925)
Net cash used in investing activities	(41)	(239)
Net cash provided by financing activities	376	238
Net cash decrease for the period	<u>\$ (9,512)</u>	<u>\$ (8,926)</u>

### Operating Activities

Net cash used in operating activities for the three months ended March 31, 2023 was \$9.8 million, consisting primarily of our net loss of \$11.9 million, adjusted for \$2.5 million of non-cash charges primarily related to stock-based compensation expense and \$0.4 million for net changes in operating assets and liabilities.

Net cash used in operating activities for the three months ended March 31, 2022 was \$8.9 million, consisting primarily of our net loss of \$14.8 million, adjusted for \$4.0 million of non-cash charges primarily related to stock-based compensation expense and \$1.9 million for net changes in operating assets and liabilities.

### Investing Activities

Net cash used in investing activities for the three months ended March 31, 2023 and 2022 was \$41,000 and \$0.2 million, respectively, consisting of purchases of property and equipment.

### Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2023 and 2022 was \$0.4 million and \$0.2 million, respectively, primarily related to proceeds from issuances of common stock under benefit plans.

### Future Funding Requirements

Based on our current operating plan, we believe that our existing cash and cash equivalents will be sufficient to meet our anticipated operating expenses and capital expenditures through at least 2024. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and

we could deplete our capital resources sooner than we expect. Additionally, the process of conducting preclinical studies and testing product candidates in clinical trials is costly, and the timing of progress and expenses in these studies and trials is uncertain.

Our future capital requirements will depend on many factors, including:

- the initiation, type, number, scope, results, costs and timing of, our ongoing and planned preclinical studies and clinical trials of existing product candidates or clinical trials of other potential product candidates we may choose to pursue in the future, including based on feedback received from regulatory authorities;
- the costs and timing of manufacturing for current or future product candidates, including commercial scale manufacturing if any product candidate is approved;
- the costs, timing and outcome of regulatory review of current or future product candidates;
- the costs of obtaining, maintaining and enforcing our patents and other intellectual property rights;
- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal controls over financial reporting;
- the costs associated with hiring additional personnel and consultants as our business grows, including additional executive officers and clinical development personnel;
- the costs and timing of establishing or securing sales and marketing capabilities if any current or future product candidate is approved;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products;
- costs associated with any products or technologies that we may in-license or acquire; and
- delays or issues with any of the above, including that the risk of each may be exacerbated by the ongoing COVID-19 pandemic, any future epidemic diseases, potential geopolitical instability, inflation or rising interest rates.

Until such time, if ever, as we can generate substantial product revenues to support our cost structure, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders could 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 and equity 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 collaborations, or other similar arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. 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 our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

#### **Contractual Obligations and Commitments**

Other than disclosed below, there were no material changes outside the ordinary course of our business during the three months ended March 31, 2023 to the information regarding our contractual obligations that was disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the 2022 Annual Report.

As of March 31, 2023, total future aggregate operating lease commitments were \$9.0 million, including payments on leases not yet commenced, with approximately \$0.5 million due in 2023, and the remaining due in periods from 2024 through 2033.

### **Critical Accounting Policies and Estimates**

There have been no material changes to our critical accounting policies and estimates during the three months ended March 31, 2023, as compared to the critical accounting policies and estimates disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the 2022 Annual Report.

### **Recently Adopted Accounting Pronouncements**

See Note 2 to our financial statements included elsewhere in this Quarterly Report on Form 10-Q for recently issued accounting pronouncements that may potentially impact our financial position and results of operations.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As of March 31, 2023, there have been no material changes surrounding our market risk, including interest rate risk, foreign currency exchange risk, and inflation risk, from the discussion provided in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Market Risk” in the 2022 Annual Report.

### **Item 4. Controls and Procedures**

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this quarterly report. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

### **Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting that occurred during our most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings. From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

### Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Item 1A of our 2022 Annual Report.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Unregistered Sales of Equity Securities

None.

#### Use of Proceeds from Initial Public Offering

On September 14, 2021, our registration statement on Form S-1 (File No. 333-258970) was declared effective by the SEC for our IPO. At the closing of the offering on September 17, 2021, we sold 12,420,000 shares of common stock, which included the exercise in full by the underwriters of their option to purchase 1,620,000 additional shares, at an initial public offering price of \$16.00 per share and received gross proceeds of \$198.7 million, which resulted in net proceeds to us of approximately \$181.2 million, after deducting underwriting discounts and commissions of approximately \$13.9 million and offering-related transaction costs of approximately \$3.6 million. None of the expenses associated with the IPO were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to their associates, or to our affiliates. BofA Securities, Inc., Jefferies LLC, and Cowen and Company, LLC acted as joint book-running managers for the offering.

As of March 31, 2023, we estimate that we have used approximately \$71.4 million of the proceeds from our IPO for general corporate purposes, including to fund the development of TYRA-300, TYRA-200 and our other development programs. There has been no material change in the planned use of proceeds from that described in the final prospectus filed with the SEC pursuant to Rule 424(b)(4) under the Securities Act on September 15, 2021.

#### Issuer Repurchases of Equity Securities

None.

### Item 3. Defaults Upon Senior Securities

Not applicable.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	<a href="#">Amended and Restated Certificate of Incorporation</a>	10-K	3/22/23	3.1	
3.2	<a href="#">Amended and Restated Bylaws</a>	8-K	9/17/21	3.2	
4.1	<a href="#">Specimen stock certificate evidencing the shares of common stock</a>	S-1	8/20/21	4.1	
4.2	<a href="#">Amended and Restated Investors' Rights Agreement, dated March 5, 2021, by and among the Registrant and certain of its stockholders</a>	S-1/A	9/9/21	4.2	
31.1	<a href="#">Certification of Chief Executive Officer, as required by Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Certification of Chief Financial Officer, as required by Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
32.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
32.2*	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Label Linkbase Document				X
101.PRE	Inline XBRL Presentation Linkbase Document				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				X

\* This certification is deemed not filed for purpose of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.



**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.

**TYRA BIOSCIENCES, INC.**

Date: May 4, 2023

By

:

/s/ Todd Harris, Ph.D.

**Todd Harris, Ph.D.**

**President, Chief Executive Officer, and Director  
(Principal Executive Officer)**

Date: May 4, 2023

By

:

/s/ Alan Fuhrman

**Alan Fuhrman**

**Chief Financial Officer  
(Principal Financial and Accounting Officer)**

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Todd Harris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tyra Biosciences, 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(s) 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(s) 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.

Date: May 4, 2023

By

:

/s/ Todd Harris, Ph.D.

**Todd Harris, Ph.D.**

**President, Chief Executive Officer, and Director**

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**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Alan Fuhrman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tyra Biosciences, 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(s) 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(s) 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.

Date: May 4, 2023

By

:

/s/ Alan Fuhrman

**Alan Fuhrman**  
**Chief Financial Officer**

**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 of Tyra Biosciences, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: May 4, 2023

By

:

/s/ Todd Harris, Ph.D.

**Todd Harris, Ph.D.**

**President, Chief Executive Officer, and Director**

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**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 of Tyra Biosciences, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: May 4, 2023

By  
:

/s/ Alan Fuhrman

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**Alan Fuhrman**  
**Chief Financial Officer**

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