UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2021

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	**83-1476348**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2656 State Street Carlsbad, California	**92008**
(Address of principal executive offices)	**(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**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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	☐	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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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 September 30, 2021, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $299.0 million, based on the closing price of the registrant's common stock on the Nasdaq Global Select Market of $17.59 per share. The registrant has elected to use September 30, 2021 as the calculation date, as on June 30, 2021 (the last business day of the registrant's most recently completed second fiscal quarter) the registrant was a privately-held concern.

As of February 28, 2022, the registrant had 41,604,514 shares of common stock ($0.0001 par value) outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain sections of the registrant's definitive proxy statement for the 2022 annual meeting of stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Form 10-K are incorporated by reference into Part III of this Form 10-K.

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PART I

FORWARD-LOOKING STATEMENTS AND MARKET DATA

This Annual Report on Form 10-K (Annual Report) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), 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 Annual Report, including statements regarding our future results of operations and financial position, business strategy, research and development plans, the anticipated timing, costs, design and conduct of our ongoing and planned preclinical studies and planned clinical trials for our product candidates, the timing and likelihood of regulatory filings and approvals for our product candidates, our ability to commercialize our product candidates, if approved, the impact of the COVID-19 pandemic on our business, 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. This Annual Report on Form 10-K also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “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 Annual 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 Annual Report and are subject to a number of risks, uncertainties and assumptions, including, without limitation, the risk factors described in Part I, Item 1A, “Risk Factors.” 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.

This Annual Report includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this Annual Report appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or that the applicable owner will not assert its rights, to these trademarks and tradenames.

We maintain a website at www.tyra.bio, to which we regularly post copies of our press releases as well as additional information about us. Our filings with the Securities and Exchange Commission (SEC) are available free of charge through our website as soon as reasonably practicable after being electronically filed with or furnished to the SEC. Information contained in our website does not constitute a part of this report or our other filings with the SEC.

Item 1. Business.

Overview

We are a precision oncology company focused on developing purpose-built therapies to overcome tumor resistance and improve outcomes for patients with cancer. The widespread availability of approved targeted oncology 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 and other shortcomings of existing therapies. We are using our proprietary SNÅP platform, which is optimized to enable rapid and precise refinement of structural design through iterative molecular SNÅPshots, in order to generate next-generation product candidates that are specifically designed to address acquired drug resistance and provide alternative treatment options. We are initially focused on developing a pipeline of selective inhibitors of the Fibroblast Growth Factor Receptor (FGFR) family, which are altered in approximately 7% of all cancers. We are advancing multiple product candidates toward the clinic, including our lead product candidate TYRA-300, an FGFR3 inhibitor with an initial focus on patients with metastatic urothelial carcinoma of the bladder and urinary tract (mUC). Our second product candidate, TYRA-200, is an FGFR2 inhibitor with an initial focus on patients with intrahepatic cholangiocarcinoma (ICC), who have developed drug resistance mutations to existing FGFR inhibitors due to activating mutations and gene alterations in FGFR2. We anticipate submitting an Investigational New Drug application (IND) to the U.S. Food and Drug Administration (FDA) for TYRA-300 in mid-2022 and for TYRA-200 in the second half of 2022. In addition, we have pipeline development programs targeting achondroplasia and other FGFR3-related skeletal dysplasias, REarranged during Transfection kinase (RET) and FGFR4-related cancers.

Our SNÅP Platform

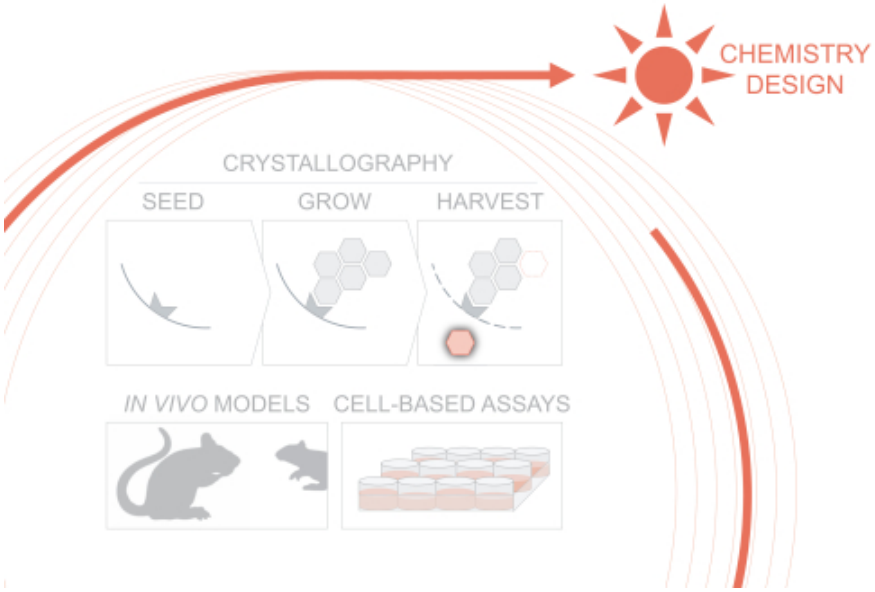
We developed our proprietary SNÅP platform to efficiently identify and selectively target vulnerabilities in the mutant proteins where genetic alterations have eliminated or reduced the effectiveness of targeted therapies. Through the rapid generation of precise molecular SNÅPshots, we continually gain deeper insights into the structure of inhibitor binding sites and how commonly occurring genetic alterations lead to acquired drug resistance to existing therapies. Leveraging these insights, we aim to predict the genetic alterations most likely to cause resistance to specific existing therapies and develop compound candidates with innovative structures that are designed to inhibit the target while avoiding those mutations. Through this process, we identify product candidates that may have the potency and selectivity to, if approved, be used as important treatment options to address critical unmet needs.

Our SNÅP platform is driven by our ability to rapidly and concurrently generate iterative data from the following three key pillars.

- **Protein crystallography**. We have developed proprietary protein crystallography techniques that enable us to determine the co-crystal structures of newly synthesized compounds in target proteins in as little as three days. This enables weekly generation of detailed structural insights on the precise interactions and conformational changes that occur when our potential product candidates bind to a particular target, creating opportunities to further refine the structural design.

- **Cell-based assays**. We assess inhibitor potency directly in *in vitro* target-specific anti-proliferation assays, in addition to enzymatic assays, to enable us to simultaneously understand target potency and cell penetration as well as target-specific cell killing. Our process allows us to generate data on newly synthesized compounds in as little as two days.

- ***In vivo* models**. Our direct structural insights and *in vitro* datasets are complemented by *in vivo* pharmacologic data generated through in-house animal models that provide us with bioavailability, pharmacokinetic data and anti-tumor activity in as little as five days.



SNÅP platform

Together, these three pillars of our platform provide a molecular SNÅPshot for our compound candidates. At this time, we are able to generate a molecular SNÅPshot for a compound candidate within one week. We believe that a sharp focus on efficiently generating these three key empirical datasets for compound candidates enables us to balance speed with the robust identification of pivotal insights to rapidly and precisely iterate on the design of our novel molecular structures.

Our Programs

Below is an overview of our programs.

Program	Resistance alteration[1]	US incidence	Lead Optimization	IND-Enabling	Phase 1	Phase 2	Phase 3	Anticipated Milestone
FGFR3: TYRA-300	$V555^{GK}$	28-33K						Submit IND mid-2022
FGFR2: TYRA-200	$V565^{GK}$ $N550^{MB}$	3.5K						Submit IND 2H-2022
FGFR3 (ACH)	G380R[1]	8-22K[2]						Nominate lead candidate
RET	$V804^{GK}$ $G810^{SF}$	2-6K						Nominate lead candidate
FGFR4	$V550^{GK}$ $C552^{CYS}$	2K						Nominate lead candidate

SNÅP CHEMISTRY DESIGN

ACH: Achondroplasia, GK: Gatekeeper, CYS: Cysteine Mutant, SF: Solvent Front, MB: Molecular Brake
Key activating mutation for ACH. 2. Number represents US prevalence rather than incidence

Our FGFR3 Program—TYRA-300

We are developing our lead product candidate, TYRA-300, a selective inhibitor of FGFR3, initially for the treatment of mUC. One common mechanism of acquired drug resistance in kinases such as FGFR3 is the emergence of gatekeeper mutations. For example, the V555M and V555L gatekeeper mutations have been shown to block access to a portion of the binding pocket accessed by first generation FGFR compounds, such as Balversa (erdafitinib), the only currently FDA approved FGFR3 inhibitor for MIBC, as well as Truseltiq (infigratinib), an FGFR inhibitor recently approved for cholangiocarcinoma. Because we believe the gatekeeper mutation represents a key limitation to efficacy and durability of the therapeutic effect of first generation FGFR compounds, we have designed TYRA-300 to avoid interactions with the gatekeeper region of the inhibitor binding site. In cell-based assays and preclinical xenograft models, we observed that TYRA-300 had similar inhibition against both the wild-type and the gatekeeper mutations.

In addition to addressing the gatekeeper resistance mutations, we have designed TYRA-300 to be more selective for FGFR3 over FGFR1, FGFR2, and FGFR4 to minimize off-target side effects, providing potential clinical advantages over less selective first-generation compounds. For example, inhibition of FGFR1 is associated with a well-characterized adverse event, hyperphosphatemia, an electrolyte disorder characterized by an elevated level of phosphate in the blood, which is commonly observed in patients treated with these inhibitors, limiting their dosing and potentially their efficacy. This is particularly important in the mUC population, where more than half of patients are ineligible for cisplatin therapy, making hyperphosphatemia resulting from pan-FGFR inhibitors more difficult to manage due to underlying renal dysfunction.

In addition, we believe that if we are able to establish a differentiated tolerability profile for TYRA-300, it has the potential to address additional indications such as non-muscle invasive bladder cancer (NMIBC) as well as other FGFR3-driven conditions, which may see limited use due to toxicity seen with pan-FGFR inhibitors.

Our FGFR2 Program

Our second product candidate, TYRA-200, is an FGFR2 inhibitor being developed as a potential treatment for patients with tumors due to activating mutations and gene alterations in FGFR2 with an initial focus on the treatment of patients with ICC. Acquired resistance mutations, such as gatekeeper and molecular brake mutations, have been observed in patients treated with Pemazyre (pemigatinib) and Truseltiq (infigratinib), the two FDA approved FGFR inhibitors for ICC, and in other late-stage clinical inhibitors, such as futibatinib. We have designed TYRA-200 to be active against multiple acquired resistant mutations that arise during treatment with other FGFR inhibitors, which we believe is necessary to address the problem of polyclonal resistance.

Our FGFR3 Skeletal Dysplasia, RET and FGFR4 Programs

Our pipeline also includes development programs targeting achondroplasia (FGFR ACH) and other FGFR3-related skeletal dysplasias as well as RET and FGFR4-related cancers. These programs are currently in the lead optimization stage. Our skeletal dysplasia program is focused on developing potential therapies for children and benefits from our structural insights into the FGFR3 selectivity we have observed with TYRA-300. These genetic syndromes are caused by mutations in the FGFR3 gene. Our RET and FGFR4 programs are focused on overcoming acquired drug resistance mutations that are clinically observed to arise in response to marketed or clinical-stage drugs in RET- and FGFR4-related cancers.

Our Strategy

At Tyra, we do not accept that cancer patients with acquired drug resistance should be left with the devastating reality of limited or no treatment options. Our vision is to become a leading precision medicine company utilizing our unique approach to designing and developing purpose-built therapies to overcome acquired drug resistance in tumors and provide treatment options to these patients who have limited or no options. Key elements of our strategy to achieve our vision are as follows:

- **Advance product candidates for acquired drug resistance mutations in FGFR3 and FGFR2 through clinical development and regulatory approval.** We are developing our next-generation precision oncology programs with a goal of overcoming the tumor alterations in FGFR3 and FGFR2-driven cancers that result in resistance and reduction of therapeutic effect of first generation FGFR treatments. We are initially developing product candidates for patients with mUC and ICC who have developed resistance to FGFR inhibitors. We believe this differentiation will enable us to expand into multiple cohorts of FGFR2/3-driven cancer including patients naïve to FGFR inhibitors, tumor agnostic populations, as well as patients with other tumors driven by FGFR2/3 alterations. We anticipate filing an IND for our lead product candidate TYRA-300 in mid-2022 and for our second product candidate TYRA-200 in the second half of 2022.

- **Harness the strength of our SNÅP platform to rapidly develop additional next-generation precision therapies**. We believe our SNÅP platform has disrupted the conventional process used to discover differentiated product candidates, resulting in what we believe is a significantly condensed time frame. Leveraging our SNÅP platform, we have rapidly developed an expanding pipeline of product candidates since our founding in August 2018. Although our initial focus has been on a specific set of drug targets, our SNÅP platform can be extended to multiple gene families and therapeutic areas. We plan to leverage our SNÅP platform to expand our pipeline with additional oncology and non-oncology indications where there is high unmet need, with an initial focus on our three discovery stage programs in FGFR3-related achondroplasia and RET- and FGFR4-related cancers.

- **Leverage the recent advances in the precision oncology landscape to potentially expedite our product candidates' development.** There have been multiple recent accelerated approvals by the FDA of targeted therapies on the basis of compelling clinical outcomes from single-arm dose expansion cohort clinical trials. Recent accelerated approvals have been conditionally granted in as little as three years from initial clinical testing. Although the exact clinical development and regulatory path for our product candidates has not been defined, subject to consultation with the FDA, we intend to leverage the precedent pathways used by recently approved precision oncology drugs to inform our clinical and regulatory decisions and pathway to potentially seek expedited regulatory approval, if we are successful in the clinical development, of one or more of our product candidates. However, we have not filed an IND for any of our product candidates, nor have we applied for accelerated approval by the FDA, and as a result, there can be no assurance that an accelerated pathway will be available for us or that it will lead to a faster development process or a faster regulatory review. While an accelerated pathway may potentially expedite development or the approval process, it does not change the FDA's standards of approval or increase the likelihood that a product candidate will receive approval. In addition, advances in next-generation genomic sequencing continue to help physicians and their patients identify the mutations responsible for their cancer. We believe this may assist us in identifying and enrolling patients, thereby allowing us to accelerate the development timeline of our product candidates.

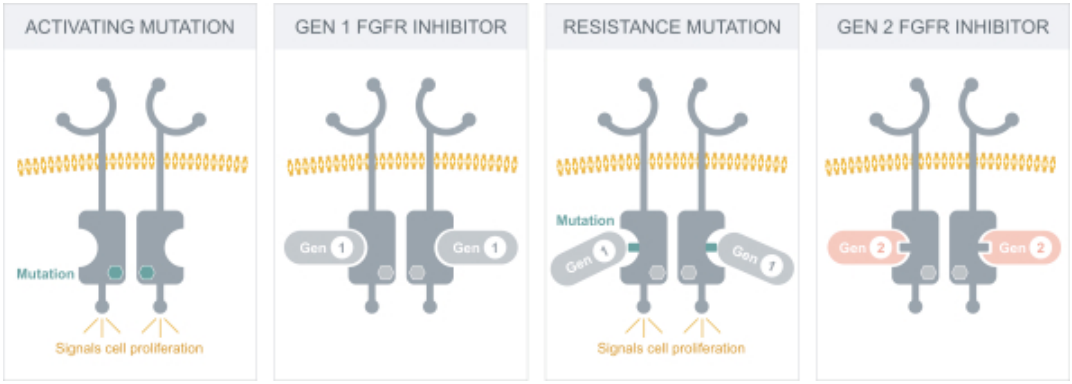
- **Maximize the value of our product candidates across multiple therapeutic areas through accelerated development and potential partnerships**. We believe that our ability to generate product candidates with improved selectivity for the target of interest enables the possibility of designing and developing product candidates for indications outside of oncology. Specifically, we believe we can apply our SNÅP platform to targets, such as FGFR3, that have data validating their role in the pathogenesis of diseases, including achondroplasia and other skeletal diseases. We currently retain worldwide rights to all of our product candidates. We will consider entering into

compound, target or geographic specific strategic partnerships on an opportunistic basis, especially for programs outside of oncology, if we believe that such a partnership can accelerate the development and/or maximize the market potential of a product candidate.

Background

Protein kinase inhibitors in cancer and the challenge posed by acquired drug resistance

Receptortyrosine kinases, or RTKs, are a family of proteins that respond to external growth factors affecting cell proliferation. In cancer, RTKs can be constitutively activated though gain-of-function mutations or gene rearrangements, driving tumor growth. Protein kinase inhibitors are a class of targeted therapies that can effectively block protein kinase signaling and cause tumor regression. These targeted therapies have delivered profound therapeutic benefits in the treatment of cancer. As of March 1, 2022, there were over 50 FDA-approved protein kinase inhibitors for the treatment of cancer, targeting about two dozen different protein kinases. Despite the success of these drugs, they have been susceptible to acquired drug resistance and reduction of effect, leaving patients with limited or no treatment options. In particular, these current or first-generation kinase inhibitors lose potency in response to mutations that prevent the drug from binding to the target protein, allowing the kinase to continue to function resulting in continued tumor growth. This mutation, and resulting loss of potency from these kinase inhibitors, results in the patient's cancer becoming refractory to treatment and the patient regressing.



Overview of RTK activating mutations and acquired drug resistance mutations

Development of acquired drug resistance to kinase inhibitors is common among protein kinases. Acquired on-target resistance has emerged in nearly every validated target, including FGFR, RET, epidermal growth factor receptor, or EGFR, anaplastic lymphoma kinase, or ALK, KIT, neurotrophic tropomyosin receptor kinase, or NTRK, ROS1 and mesenchymal epithelial transition factor, or MET. These key resistance mutations can be generally grouped into four classes:

- **Gatekeeper.** Mutations such as BCR-ABL T315I and EGFR T790M are known as gatekeeper mutations because they are found at a key location at the entrance to a hydrophobic pocket in the back of the adenosine triphosphate, or ATP, binding site that many kinase inhibitors access to increase potency and obtain specificity.
- **Molecular brake.** Activating mutations in the kinase domain of RTKs are associated with the development of many forms of cancer. A number of these mutations cluster in a hinge region of the kinase structure, resulting in kinase activation by disengaging a highly conserved region referred to as a molecular brake.
- **Cys mutant.** Irreversible kinase inhibitors, such as Tagrisso (osimertinib), typically covalently attach to cysteine residues in the kinase active site. EGFR C797S and corresponding mutations in cysteine residues of other kinases prevent binding and block the activity of these inhibitors.

- **Solvent front.** Certain kinase inhibitors obtain their specificity by interacting with amino acid residues located at the opening of the ATP binding site to solvent. Mutations in these residues that lead to drug resistance are referred to as solvent front mutations.

The rapid rise of mutations that enable tumors to become resistant to previous generations of kinase inhibitors poses a challenge to drug developers, one that we believe will demand innovation for a long time to come.

Commercial success of next-generation kinase inhibitors

Osimertinib is an example of how a next-generation kinase inhibitor can not only overcome the limitations of acquired drug resistance to first generation therapies, but also demonstrate broader applicability across different lines of therapies. While first generation epidermal growth factor receptor, or EGFR, inhibitors, such as Iressa (gefitinib) and Tarceva (erlotinib), led to significant improvements in tolerability compared to standard of care chemotherapy, on average, tumor responses last only six to twelve months before disease progression. About 50% of treated patients developed drug resistance due to a gatekeeper mutation at T790M. Osimertinib's ability to overcome this key gatekeeper mutation, which limited the duration of efficacy of first generation EGFR inhibitors, has contributed to osimertinib realizing sales of double the amount of the peak sales achieved by the two first generation inhibitors in 2013. In addition to its ability to overcome the gatekeeper mutation, osimertinib also displayed higher mutant selectivity and other performance enhancements resulting in greater tolerability, safety and efficacy. When used earlier in treatment, osimertinib nearly doubled progression-free survival compared to gefitinib or erlotinib with a better overall safety profile.

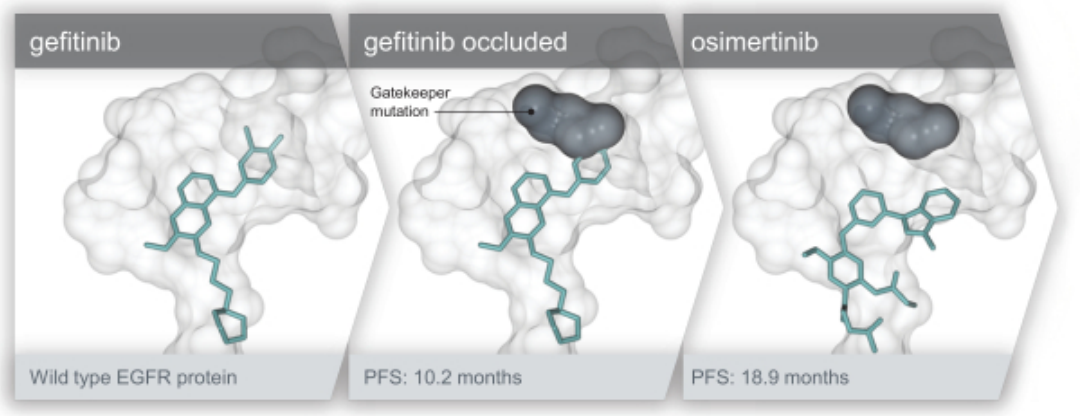
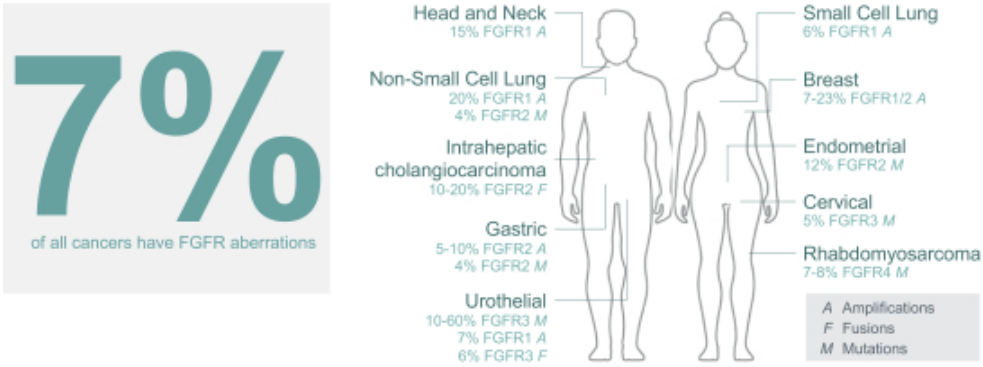


Illustration of osimertinib overcoming gatekeeper mutations

FGFR gene alterations and cancer

The FGFR family consists of four highly conserved RTKs, FGFR1-4. These receptors regulate a variety of cellular functions, including proliferation, differentiation and survival. Genomic alterations in FGFR family members occur in approximately 7% of all human cancers, representing about 126,000 new cases a year. These genomic alterations, many of which lead to increased FGFR activity, have been found in cancers throughout the body, as shown in the figure below. The highest FGFR alteration frequencies are seen in urothelial cancer, ICC, endometrial cancer, lung cancers, breast cancer and cervical cancer.



Alterations in FGFR are found in cancers throughout the body

Three FGFR targeted therapies have been approved by the FDA: erdafitinib for locally advanced or metastatic urothelial carcinoma, or bladder cancer, and pemigatinib and infigratinib for FGFR2-fusion positive ICC. These inhibitors have demonstrated clinical benefit, however response rates and duration of response are limited. While patients may initially respond to FGFR targeted therapies, many develop acquired drug resistance, ultimately resulting in disease progression and discontinuation of therapy. Decreased activity of erdafitinib and pemigatinib due to resistance mutations that alter their ability to bind to the active site, such as gatekeeper mutations, has been observed. Gatekeeper mutations have also been seen in patients in a clinical trial treated with infigratinib while acquired-resistance molecular brake mutations have been seen in patients in clinical trials of both pemigatinib and infigratinib.

Our Approach and Solution

Our SNÅP platform

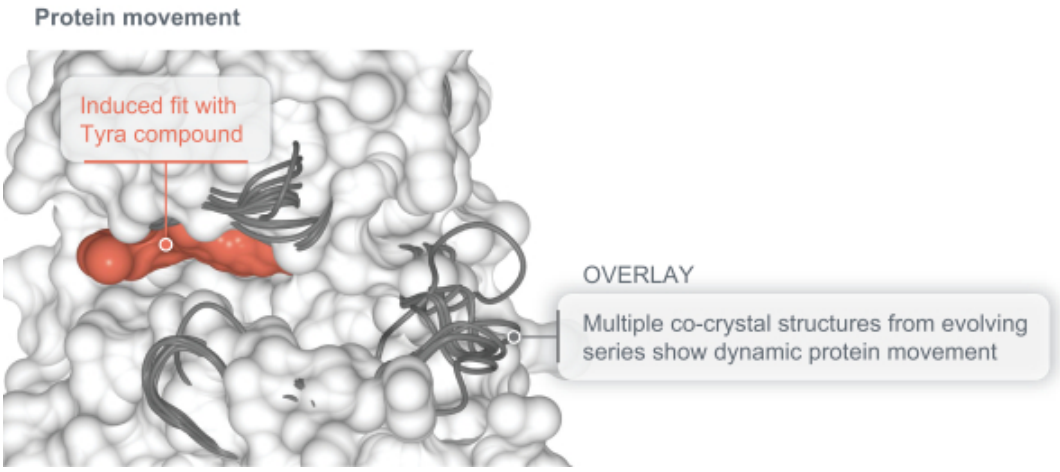
We developed our proprietary SNÅP platform to efficiently identify and selectively target vulnerabilities in the mutant proteins where genetic alterations have eliminated or reduced the effectiveness of current targeted therapies. Our SNÅP platform is driven by our ability to rapidly and concurrently generate iterative data from three key pillars. Rapid generation of crystallographic data, use of custom cell-based assays and *in vivo* models comprise the three pillars of our platform. We leverage our platform to identify and develop product candidates that may have the potency and selectivity to address the liabilities that acquired drug resistance has created for other therapies. Collectively, our efforts to optimize and integrate these three pillars in parallel have enabled us to condense our design cycles and more quickly develop high quality, differentiated product candidates.

Rapid generation of crystallographic data

We have streamlined the use of protein crystallography for visualizing the interaction of our potential product candidates with binding pockets of protein kinases. Through our proprietary methods, we can rapidly induce crystal formation and enhance crystal durability. Together, this reduces the time required to generate new crystal structures. We routinely generate co-crystal structures on newly synthesized compounds in as little as three days, a pace that allows us to continually refresh and, we believe, improve our insights into the features and structures that

enable us to discover compounds that are potent and selective inhibitors of our targets. The rapid and iterative nature of our proprietary approach also allows us to address known mutations and potentially avoid future mutations.

While conventional discovery approaches prioritize computational simulations based on a small number of structures or structural models, we believe the ability to generate a large amount of empirical data obtained from many protein crystal structures is more informative and allows us to better design our product candidates. We are able to sustain rapid crystallography throughput, enabling the generation of graphical images of protein structures with and without bound inhibitors that, when combined with enzyme, cell and *in vivo* assays, comprise molecular SNÅPshots. These structures show the exact binding conformation of small molecules to our protein targets as well as the variations in protein structure that they induce at a resolution down to a single tenth of an angstrom (Å). We iterate rapidly between the wet lab and the crystallography lab and believe that the resulting datasets provide us with robust empirical data more quickly relative to conventional approaches as we seek innovative compounds that can potentially overcome acquired drug resistance seen with other kinase inhibitors.



We capture variations in ligand-protein interactions by generating molecular SNÅPshots of many ligands

This figure shows several structures of the same protein which has been co-crystallized with different inhibitors. Certain regions of the protein, shown as dark gray loops, assume different conformations in the presence of different ligands. The plasticity of the protein revealed by these structures informs our drug design.

Custom cell-based assays

Determining the potency, selectively and cytotoxicity of our compounds early through custom cell-based assays allows us to rapidly evaluate, design and optimize our potential product candidates. The cell-based assays we use are a combination of cell lines derived from naturally occurring tumors and treatment-resistant tumors as well as engineered cell lines in which specific kinases or kinase mutations are introduced to create panels of isogenic cells. By providing direct evidence of cell penetration and target engagement, we believe these assays yield more meaningful information about the potential of our compounds compared to the artificial system of purified proteins used in standard enzymological screens. While we also assess the potency and selectivity of our compounds using enzyme assays, these assays primarily serve to provide concordance to the validity of our cell-based assays. As a result, these cellular systems are our primary screening tools to progress our potential product candidates. We are able to run newly synthesized compounds through these cell-based assays in as little as two days, helping to drive a rapid, iterative drug design cycle.

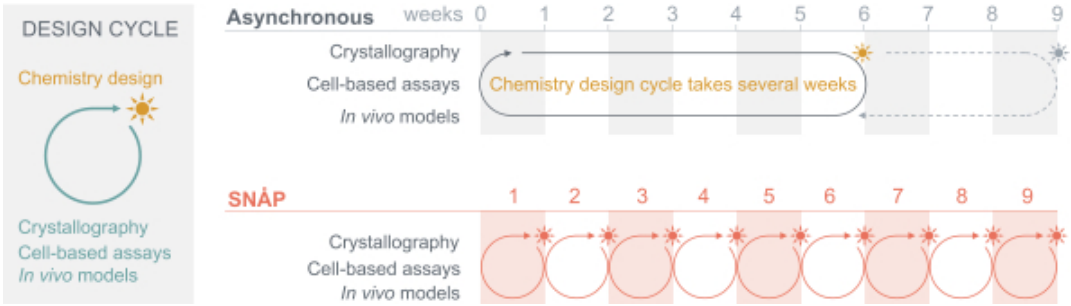
In vivo models

The ability to rapidly assess the potential of our compounds through *in vivo* models to determine their pharmacokinetic/pharmacodynamic parameters in addition to their target-specific antitumor activity is paramount.

We establish and validate the majority of our models in-house, which allows us to rapidly test new compounds and to collect actionable data in as little as five days. We feed this information back into our design cycle, allowing us to condense the traditional drug discovery timeline, prior to commencing clinical development.

A tight compound design, synthesis and testing loop

Our philosophy is to execute activities such as obtaining crystal structures, assaying for cellular activity and generating *in vivo* data not as a set of sequential steps, but rather in concurrence in order to save time. Whereas more traditional drug discovery efforts may rely upon the availability of crystallographic and *in vivo* model data at monthly intervals, we strive to generate this data on a weekly basis. We do not wait to determine if a compound passes a potency test in a cell-based assay before evaluating it in other assays, with the explicit understanding that there is key knowledge to be gained from compounds that are not as potent as expected.



Our synchronized and compressed data generation cycle time allows us to accelerate drug discovery by allowing the execution of more drug design cycles in a fixed amount of time

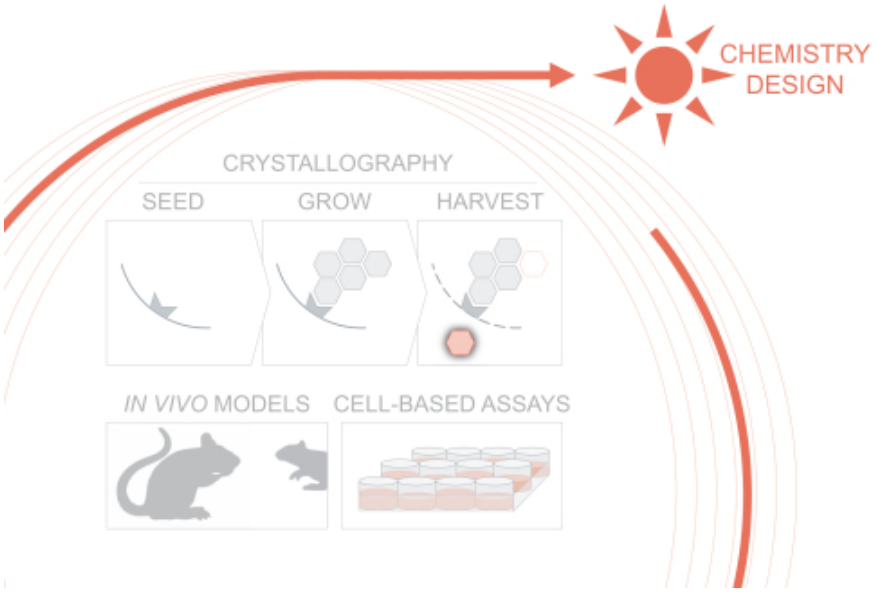
Our ever-growing understanding of protein and inhibitor interactions, deepened by the crystal structures we continue to generate, provides insights that we leverage in product candidate engineering. We combine these potency and selectivity predictions with metabolic stability, bioavailability and pharmacokinetics data to design small molecules with the chemical properties required to become potential product candidates. In a single weekly drug discovery cycle, we profile newly synthesized compounds as follows.

(1) Generating a crystal structure with a target protein in as little as three days.

(2) Evaluating activity in ‘on-target’ and ‘off-target’ cell-based assays in as little as two days.

(3) Measuring tumor growth inhibition, or TGI, of newly synthesized compounds in as little as five days.

Taken together, the high-resolution structural data and preclinical experiments inform new chemistry designs that are rapidly synthesized for evaluation in our next weekly drug discovery cycle. This process, enabled by trade-secrets and proprietary engineered assays, comprises our SNÅP platform. Our highly experienced team of medicinal chemists efficiently utilizes our platform to rapidly synthesize compounds designed to further optimize potency and selectivity, among other properties, while avoiding interactions with mutations which are known to induce drug resistance to other kinase inhibitors.



SNAP platform

Targeted Oncology

Targeted oncology therapies approved by the FDA since 2018 have received their initial approvals in as little as three years after their first-in-human dosing began. FDA guidance notes that the agency has at times accepted data from single-arm clinical trials as substantial evidence for accelerated approvals of oncology therapies. Based on these precedents, subject to consultation with the FDA, we believe that our product candidates may be eligible for accelerated approval by the FDA should they demonstrate appropriate safety and efficacy in our clinical trials. However, we have not filed an IND for any of our product candidates, nor have we applied for accelerated approval by the FDA, and as a result, there can be no assurance that an accelerated pathway will be available for us or that it will lead to a faster development process or a faster regulatory review. While an accelerated pathway may potentially expedite development or the approval process, it does not change the FDA's standards of approval or increase the likelihood that a product candidate will receive approval.

Approval of targeted oncology therapies since 2018 has been granted in as little as three years from initial testing in the clinic

Our FGFR3 Program—TYRA-300

We are developing TYRA-300, a selective inhibitor of FGFR3, for the treatment of FGFR3-driven cancers initially for patients with mUC who are resistant to FGFR therapies. Resistance to approved and investigational FGFR inhibitors has been shown to arise due to mutations in the gatekeeper region of FGFR3. We have designed TYRA-300 to avoid this region of FGFR3 and, in preclinical models to date, TYRA-300 has demonstrated similar potency against both wild-type and resistant FGFR3 targets. We believe this differentiation will enable us to expand into multiple cohorts of FGFR3-driven cancer including patients naïve to FGFR therapy, tumor agnostic populations, as well as patients with high-risk NMIBC. Although no head-to-head clinical trials have been conducted, we believe the use of comparative *in vitro* and *in vivo* data from pre-clinical studies provides meaningful insight into the potential for our product candidates to improve on certain characteristics of approved and investigational FGFR inhibitors and helps inform potential future clinical development of our product candidates. We anticipate filing an IND for TYRA-300 with the FDA in mid-2022.

Market Opportunity

Urothelial cancer disease background

Urothelial cancer (UC) is one of the most common malignancies of the genitourinary system and can involve the bladder or the upper urinary tract. Patients with UC classically present with painless blood in the urine. However, because this symptom is similar to those of benign disorders, such as urinary tract infections, cystitis, prostatitis and the passage of kidney stones, diagnosis of UC is often delayed as these other, more common, conditions are ruled out. Delays in diagnosis can lead to worse outcomes due to the presence of more advanced stage disease by the time a diagnosis of UC is made. We refer to bladder cancer, NMIBC and muscle invasive bladder cancer (MIBC) when describing localized disease, and UC and mUC when describing a population that includes both bladder and upper urinary tract cancers.

An estimated 83,730 new cases of bladder cancer and 17,200 deaths are projected for 2021 in the United States. Globally, bladder cancer accounted for approximately 550,000 cases and 200,000 deaths in 2018. Bladder cancer itself is classified into two broad categories: NMIBC where the cancer is restricted to surface lining of the bladder; and MIBC, which is a cancer that has grown deeper into the bladder wall and has a higher potential metastatic spread. Approximately 30% of newly diagnosed cases of bladder cancer are MIBC. Of the remaining 70% of new diagnoses of bladder cancer that are NMIBC cases, an estimated 10 to 15% progress to MIBC. Whereas the five-year survival for early stage NMIBC is 96%, it falls to 6.4% for metastatic MIBC.

FGFR3 is a protein receptor expressed on the cell surface that stimulates cellular proliferation upon binding of a fibroblast growth factor. Uncontrolled activation of FGFR3 has been implicated in the oncogenesis of multiple solid tumor types. The incidence of activating FGFR3 mutations in bladder cancer has been estimated to be as high as 75% in NMIBCs and up to 20% of mUC, making FGFR3 an attractive target for development.

Limitations of current therapies

Standard of care and current limitations for the treatment of locally advanced or metastatic UC

Patients suffering from locally advanced or metastatic UC have limited treatment options and there continues to be a high unmet need. These options come with significant toxicities, lack of durable response and potential diminished quality of life. The initial standard treatment for patients is typically platinum-based chemotherapy with cisplatin (or carboplatin) in combination with gemcitabine. Unfortunately, the median overall survival for patients treated with chemotherapy is only 12.7 months. Following chemotherapy, patients may receive immunotherapies, such as Bavencio (avelumab) as maintenance therapy or Keytruda (pembrolizumab) after progression on chemotherapy. Responses to immunotherapy are limited and overall survival for immunotherapy is 10.3 months on average. Alternatively, patients may also receive other chemotherapies, such as Taxotere (docetaxel), Taxol (paclitaxel), or Javlor (vinflunine) alone, however overall survival is typically no greater than 7 to 9 months in select patients. Recent Phase 3 data demonstrated that the antibody-drug conjugate Padcev (enfortumab vendotin) improved overall survival to 12.8 months compared to chemotherapy following disease progression after initial platinum-containing chemotherapy and immunotherapy. Tropdelvy (sacituzumab govitecan-hziy), another antibody-drug conjugate targeting the Trop-2 receptor, was recently granted accelerated approval for mUC following treatment with platinum-containing chemotherapy and a checkpoint inhibitor based upon an overall response rate of 33.3%. The relativity low overall response data and overall survival data come with significant toxicities and we believe highlights the unmet need for therapies with greater efficacy and tolerability.

Standard of care and current limitations for the treatment of localized MIBC

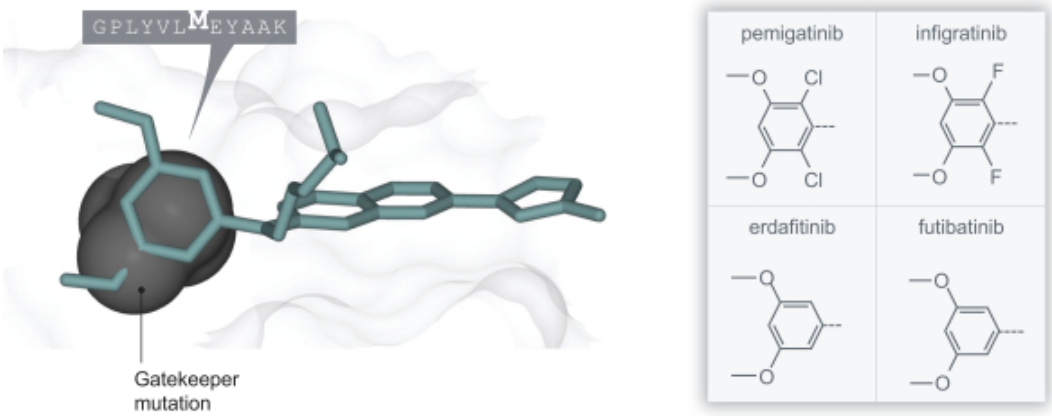
Patients suffering from localized MIBC are potentially curable with surgery, which may include trans-urethral resection, or TURBT, partial cystectomy (partial removal of the bladder), or radical cystectomy (complete removal of the bladder and nearby lymph nodes) depending on the stage of the tumor. For those who are not physically able or willing to undergo surgery, localized radiation to the bladder is an option, but local recurrence rates are high, survival rates are no better than surgery, and few contemporary randomized studies have been performed comparing radiation and surgery in the same population of patients. TURBT and partial cystectomy are reserved for highly selected patients with earlier stage tumors, often combined with neoadjuvant chemoradiotherapy for those who are willing and able to tolerate such aggressive therapy. Despite these strict criteria, recurrence rates are high (as high as 60% in some series). For the majority of patients who can have surgery, complete removal of the bladder and lymph nodes remains the only potentially curative treatment option. However, despite such a life altering operation, recurrence of metastatic disease is estimated to be 50%, highlighting the need for effective adjuvant therapies that can decrease the risk of recurrence. Nivolumab was recently approved for the adjuvant treatment of patients at high risk for recurrence following surgery for bladder cancer. While there are no currently approved targeted therapies available for NMIBC, a number of tyrosine kinase inhibitors are being studied in this setting. We believe that effective oral therapies that can reduce the rate of recurrence following surgery remains a high unmet need.

Standard of care and current limitations for the treatment of NMIBC

NMIBC comprises the largest population of bladder cancer patients, representing 70-75% of cases diagnosed annually in the United States. Initial evaluation consists of local resection to confirm the diagnosis and establish the grade and stage of the tumor. The majority of cases are low grade lesions confined to the lining of the bladder. However, a significant proportion are considered high risk for recurrence. Treatment of NMIBC is directed at reducing recurrences and preventing progression to a more advanced stage. For low grade lesions, local resection with or without adjuvant Bacillus Calmette-Guerin, or BCG, and close follow up are usually successful in curing the disease, whereas high risk lesions should be treated with either adjuvant BCG or radical cystectomy. Recurrence overall for NMIBC is 30-70%, but for high-risk patients, 5-year recurrence rates are as high as 80%, with progression to muscle invasive disease in up to 50% of patients. An additional 10-15% will recur with metastatic disease. Following recurrence of NMIBC, few bladder-sparing options are available to prevent future recurrences and disease progression. Those with NMIBC that recurs following BCG and are unable or refuse surgery may be treated with pembrolizumab, which was approved based on a complete response rate of 41% and a median duration of response of 16.2 months, highlighting the need for the majority of patients for additional treatment options.

FGFR Inhibitors

Patients with genetic alterations in FGFR3 can be treated with FGFR inhibitors. Currently, the only FDA approved FGFR inhibitor for locally advanced or metastatic UC is erdafitinib, which received accelerated approval in the United States in 2019. In clinical trials, erdafitinib demonstrated a 32.2% overall response rate and a median duration of response of 5.4 months. We believe one of the key limitations to erdafitinib's duration of response is the emergence of mutations like the gatekeeper mutation. In addition, this mutation may impact the efficacy of other first generation FGFR inhibitors such as infigratinib, pemigatinib and futibatinib. In a study of infigratinib and other FGFR inhibitors, the mutation that has been described in patients is the valine to methionine gatekeeper mutation at the V555 position of FGFR3, which results in a significant shift in potency of all of the first generation FGFR inhibitors. Once patients progress due to acquired drug resistance, there are very few options available, representing a significant unmet need in this patient population.



FGFR gatekeeper mutations block binding, resulting in a loss of potency in first generation FGFR inhibitors such as erdafitinib

Erdafitinib is a pan-FGFR inhibitor and due to its lack of selectivity there may be toxicities associated with the inhibition of FGFR receptors 1, 2 and 4. FGFR1 is expressed in kidney cells where it regulates phosphate and calcium reabsorption, and inhibition of FGFR1 results in hyperphosphatemia. Hyperphosphatemia was the dose-limiting toxicity and was reported in over 70% of patients in a clinical trial of erdafitinib. Hyperphosphatemia and other toxicities contributed to interruptions in 68% of patients and dose reductions in 53% of patients. We believe this is a key limitation of erdafitinib's efficacy. A similarly high rate of FGFR-related toxicities has been reported in clinical trials of other non-isoform selective FGFR inhibitors including pemigatinib, infigratinib and futibatinib.

Approximately 60-80% of NMIBC has been shown to carry FGFR3 gene alterations, the majority of which are activating point mutations. There are currently no approved therapies for FGFR3-driven NMIBC patients who have recurred following adjuvant BCG therapy. FGFR inhibitors have the potential to be highly efficacious in NMIBC, as demonstrated by three complete responses in four clinical trial patients with NMIBC treated with infigratinib. However, toxicities associated with this pan-FGFR inhibitor in that trial resulted in poor tolerability and limited treatment duration, and the trial was terminated early. We believe a highly specific FGFR3-directed inhibitor, with minimal effects from other FGFR-related toxicities, could be highly efficacious and represents an attractive future market opportunity for our product candidate.

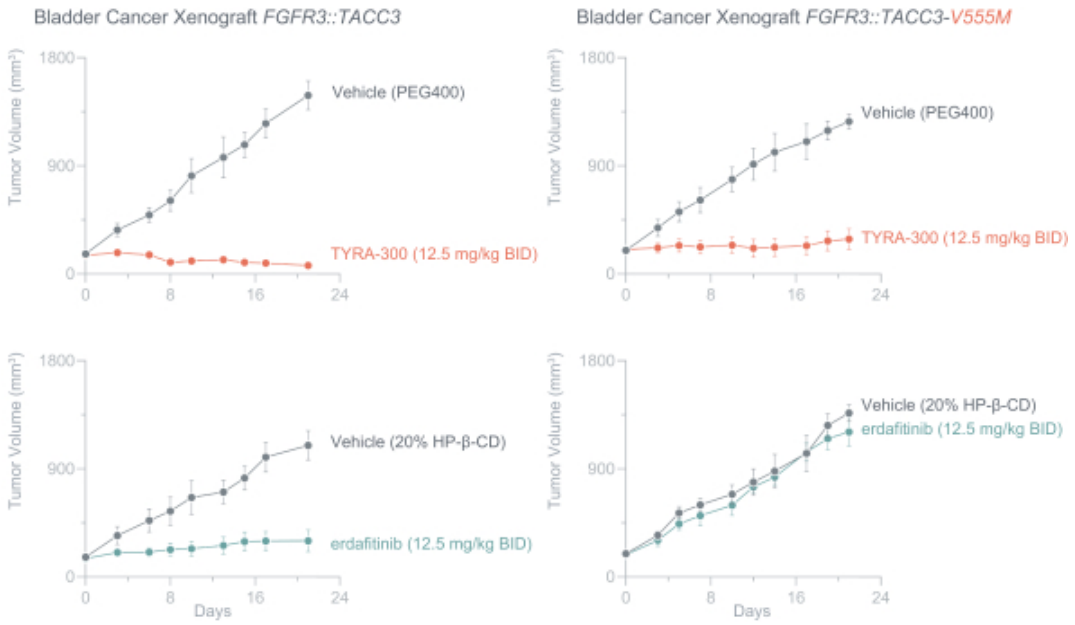
We believe the limitations of current standard of care therapies, as well as the liabilities of first generation FGFR inhibitors, necessitates a solution that can address this unmet need and improve patient outcomes.

Our solution, TYRA-300

In preclinical models to date, TYRA-300 has demonstrated potency against the gatekeeper mutation and selectivity for FGFR3. Although no head-to-head clinical studies have been conducted, we believe that these pre-clinical studies assist with the characterization of our product candidates and inform future clinical development.

TYRA-300 is active in a bladder cancer xenograft model

UM-UC-14 is a human bladder cancer cell line which contains an FGFR3 S249C activating mutation. TYRA-300 was tested in a preclinical mouse xenograft model using this cell line, as seen in the figure below. TYRA-300 given either once daily, or QD, at a dose of 18 mg/kg or twice daily, or BID, at a dose of 9 mg/kg led to substantial inhibition of tumor growth in this model. We observed 90% tumor growth inhibition, or TGI, at the 9 mg/kg BID dose and 96% TGI at the 18 mg/kg QD dose. We observed 91% TGI with erdafitinib using a 12.5 mg/kg BID dose in this study.



TYRA-300 tumor growth inhibition in a UM-UC-14 xenograft model

Antitumor activity in the FGFR3 S249C activating mutant UM-UC-14 bladder cancer xenograft model in nu/nu mice of various doses of TYRA-300 (3, 6, and 9 mg/kg BID, upper left; and 6, 12, and 18 mg/kg QD, lower left) and erdafitinib (12.5 mg/kg BID) shown in both the upper and lower left. Body weight averages for the dose groups depicted in the upper and lower left are shown in the upper and lower right, respectively. All doses were by oral administration. No TGI was observed for TYRA-300 at 3 mg/kg BID. TGI observed for the other TYRA-300 doses is shown in parentheses; 6 mg/kg BID (53%), 9 mg/kg BID (90%), 6 mg/kg QD (46%), 12 mg/kg QD (80%), and 18 mg/kg QD (96%). We observed 91% TGI for 12.5 mg/kg BID erdafitinib. Data points represent mean tumor volume (n=6 per group except 6 mg/kg BID TYRA-300 dosing group where one animal was found dead at day 7 of treatment where n=5) and error bars represent standard error of the mean.

In this model, we used a salt form of TYRA-300, and the vehicle is 30% hydroxypropyl beta cyclodextrin, or HP-ß-CD, for both the erdafitinib and TYRA-300 groups. Based on the results of this study, we expect to use a salt form of TYRA-300 for future TYRA-300 development. The salt form/cyclodextrin formulation used here replaces the polyethylene glycol 400 formulation we used in the bladder cancer xenograft model utilizing the RT112/84 +/- V555M immortalized cancer cell line, as described further below.

Potent inhibition of FGFR3 mutants including gatekeeper mutations

We utilized our SNÅP platform to design TYRA-300 to avoid any interactions with the gatekeeper region of FGFR3, which most other FGFR kinase inhibitors rely on for potency. In a bladder cancer xenograft model, we observed that we could obtain FGFR3 potency roughly equivalent to that of erdafitinib, by targeting other parts of the kinase active site. Although no head-to-head clinical studies have been conducted, this design strategy provides what we believe is a key advantage in that FGFR3 proteins containing gatekeeper mutations, such as V555M, were inhibited by TYRA-300 with very similar potency to wild-type FGFR3. Other FGFR inhibitors were at least 30-fold less potent versus FGFR3 V555M.

Enzymatic IC_{50} (nM) of TYRA-300 and other approved or late-stage clinical compounds

Kinase Domain	Alteration	erdafitinib	futibatinib	pemigatinib	infigratinib	TYRA-300
FGFR3 WT		0.6	2.3	1.3	2.0	1.6
FGFR3 [K650E]	A-loop Activator	1.0	3.7	3.9		2.8
FGFR3 [K650M]	A-loop Activator	1.4	5.9	9.6		2.3
FGFR3 [V555L]	Gatekeeper	19.7	175	206		1.5
FGFR3 [V555M]	Gatekeeper	90.6	1509	530	662	2.0

TYRA-300 has balanced potency for important gatekeeper and activating mutations

Ratios of Resistance Mutations Compared to Unmutated (Fold Difference in IC50)

FGFR3 [K650E]	A-loop Activator	1.7x	1.6x	3.0x		1.8x
FGFR3 [K650M]	A-loop Activator	2.3x	2.6x	7.4x		1.4x
FGFR3 [V555L]	Gatekeeper	33x	76x	159x		0.9x
FGFR3 [V555M]	Gatekeeper	151x	656.0x	408x	331x	1.3x

All assays run at Km of ATP for individual enzymes

Clinical and approved pan-FGFR inhibitors lose potency vs gatekeeper mutations

TYRA-300 retained potency against multiple potential acquired drug resistance mutations in FGFR3

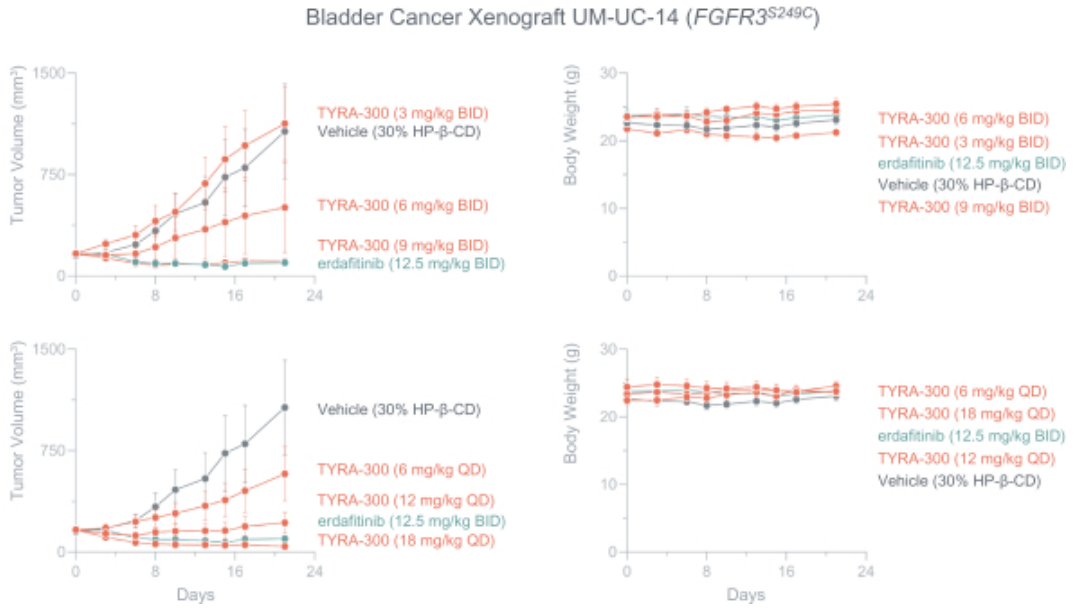
RT112/84 IC_{50} (nM) of TYRA-300 and other approved or late-stage clinical compounds

	erdafitinib	futibatinib	pemigatinib	infigratinib	TYRA-300
FGFR3-TACC3	4.4	11.0	5.3	14.5	7.9
FGFR3 [V555M]-TACC3	>3000	244	>3000	2557	18.0
WT / Mutant ratio	>682x	22x	>567x	177	2.3x

TYRA-300 maintains activity for key gatekeeper mutation in FGFR3 fusion clinical cell lines

TYRA-300 retained potency in a V555M CRISPR mutated RT112/84 immortalized cancer cell line

The ability of TYRA-300 to maintain potency against the V555M gatekeeper mutation, as observed in *in vitro* assays conducted to date, was tested in a preclinical xenograft model containing an FGFR3 fusion, as seen in the figure below. TYRA-300, at a dose of 12.5 mg/kg twice daily, led to significant inhibition of tumor growth in this model. We also observed inhibition of tumor growth by erdafitinib at a dose of 12.5 mg/kg twice daily in this model. We engineered a gatekeeper mutation into the cell line used for this model. We observed 77% inhibition of tumor growth by TYRA-300 in xenografts using the cell line containing the gatekeeper mutation, while we observed 12% tumor growth inhibition in the gatekeeper xenograft treated with erdafitinib.



TYRA-300 tumor growth inhibition was maintained in the presence of the FGFR3 V555M gatekeeper mutation in a RT112/84 xenograft model

Anti-tumor activity of TYRA-300 (95% TGI, upper left) and erdafitinib (73% TGI, lower left) dosed twice daily, or BID, by oral administration in the FGFR3::TACC3 fusion activating RT112/84 bladder cancer xenograft model in Balb/c nude mice. Data points represent mean tumor volume (n=8 per group on left, n=6 per group on right) and error bars represent standard error of the mean. To test the effect of the gatekeeper mutation on tumor growth inhibition, we introduced the V555M mutation into the FGFR3::TACC3 fusion gene in the RT112/84 cell line using CRISPR. Anti-tumor activity in this isogenic gatekeeper containing model was evaluated using TYRA-300 (77% TGI, upper right) and erdafitinib (12% TGI, lower right) dosed BID by oral administration. The erdafitinib delivery vehicle in this experiment is 20% hydroxypropyl beta cyclodextrin and the TYRA-300 delivery vehicle is polyethylene glycol 400.

High selectivity for FGFR3

Designing inhibitors that bind to the ATP-binding site and can selectively differentiate between FGFR3 and FGFR1 is challenging due to the near-identical amino acid sequence in this site. We utilized the differentiated approach of our SNÅP platform to generate compounds, including TYRA-300, that capitalize on subtle conformational differences between FGFR3 and FGFR1 to obtain greater than ten-fold selectivity for FGFR3 versus FGFR1. In comparison, other FGFR inhibitors that are approved or in clinical development such as erdafitinib, pemigatinib, futibatinib and infigratinib, have demonstrated low or no selectivity for FGFR3. The high FGFR3-specificity that we observed to date for our potential product candidates for FGFR3 also extended to the broader family of protein kinases, where we showed that very few kinases were inhibited by our potential product candidates. Although we have not conducted any head-to-head clinical studies, we believe that TYRA-300's relative selectivity for FGFR3 observed in pre-clinical studies may address dose limiting toxicities of the first generation compounds, enabling higher dosing and potentially better efficacy.

Ba/F3 Cellular IC_{50}, (nM) of TYRA-300 and other approved or late-stage clinical compounds

Kinase Domain	erdafitinib	futibatinib	pemigatinib	infigratinib	TYRA-300
FGFR1	5.5	3.9	12.3	15.3	113
FGFR2	1.8	1.0	4.3	5.8	34.9
FGFR3	1.3	0.8	5.2	6.9	1.8
FGFR4	17.7	6.1	142	459	98.4

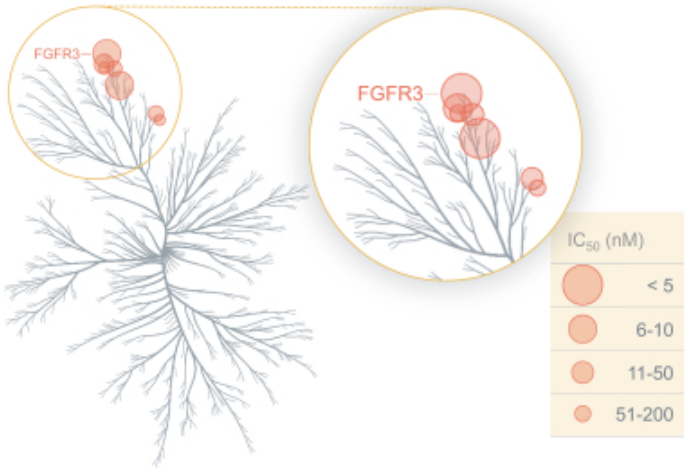
FGFR Isoform Selectivity Compared to FGFR3 (Fold Difference in Cellular IC_{50})

FGFR1	4.2x	4.9x	2.4x	2.2x	63x
FGFR2	1.4x	1.3x	0.8x	0.8x	19x
FGFR4	14x	7.6x	27x	67x	55x

TYRA-300 shows significant isoform selectivity for FGFR3 over other FGFR isoforms

TYRA-300 was highly selective for FGFR3 over other FGFR isoforms in a Ba/F3 cell-based assay

Beyond selectivity for FGFR3 relative to FGFR1, FGFR2 and FGFR4, TYRA-300 avoided off-target inhibition of other kinases when profiled in a scanMAX (KINOMEscan) screen.

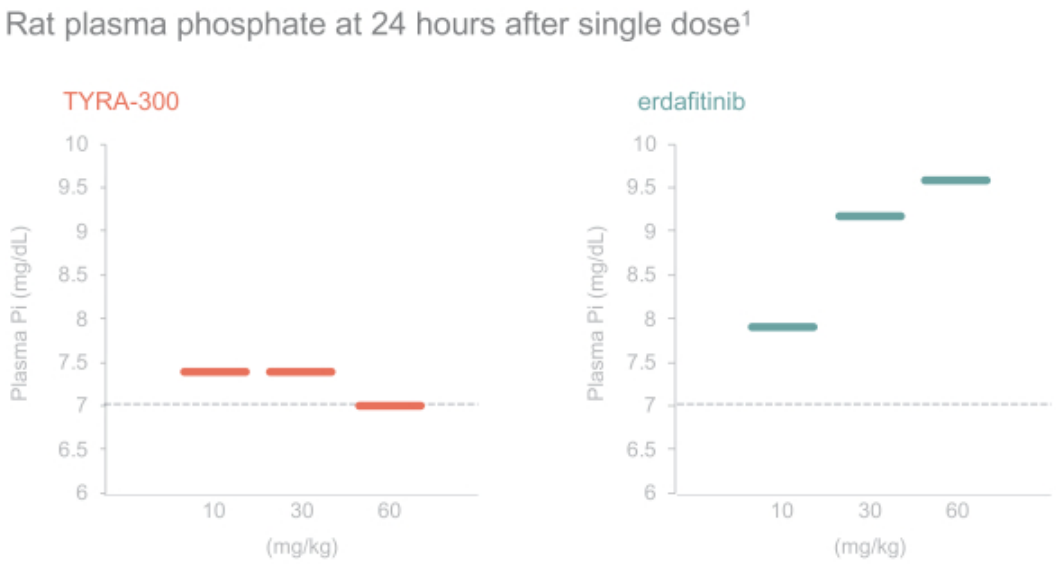


	TYRA-300	FGFR3 selectivity
FGFR3	1.6	1.0x
FLT4	2.1	1.3x
FGFR2	6.5	4.0x
FGFR4	11.0	6.9x
JAK2	35.5	22x
LTK	65.1	41x
FGFR1	108	68x
FLT1	201	126x
JAK3	206	129x

TYRA-300 was highly selective for FGFR3 over other protein kinases

Phosphate levels in vivo

In a xenograft model using a bladder cancer-derived cell line RT112/84 shown above, treatment with TYRA-300 led to tumor regression at a dose of 12.5 mg/kg delivered twice a day. Treatment with erdafitinib also resulted in tumor volume reduction at the same dose in this model. Because the human dosing of erdafitinib is limited by hyperphosphatemia we measured the plasma phosphate levels in male Sprague Dawley rats 24 hours after dosing. Plasma phosphate levels in TYRA-300 treated rats were not substantially elevated at 10 mg/kg, 30 mg/kg, or 60 mg/kg doses, unlike the erdafitinib doses, as seen in the figure below. We believe TYRA-300 may be able to sustain higher doses without inducing hyperphosphatemia.



TYRA-300 did not elevate phosphate relative to erdafitinib

Effect of a single oral dose (10, 30 or 60 mg/kg) of TYRA-300 or erdafitinib on plasma phosphate levels 24 hours after dosing in male Sprague Dawley rats. Each data point represents the plasma phosphate measurement from the pooled sample of all 4 rats per dose group. Plasma phosphate levels were observed to be lower in the TYRA-300 treated groups than in the erdafitinib treated groups.

Clinical Development plans for TYRA-300

We are currently conducting IND-enabling studies for TYRA-300. In a completed 10-day non-GLP toxicology study in rats, TYRA-300 was well tolerated at dose levels up to 20 mg/kg in both males and females. We are conducting GLP toxitcology studies in animals of TYRA-300 using the salt form/cyclodextrin formulation as part of our IND-enabling activities.

We plan to file an IND with the FDA for TYRA-300, followed by initiation of a Phase 1/2 clinical trial. We anticipate that the Phase 1 portion of the trial will be designed as an accelerated dose escalation in any advanced solid tumor refractory to existing therapies, including dose expansion cohorts of patients with FGFR3-positive cancers. The primary objectives of the Phase 1 portion of the trial will be evaluation of the safety and tolerability of TYRA-300 and a determination of the recommended Phase 2 dose, or RP2D. In addition, we plan to characterize the pharmacokinetic/pharmacodynamic relationship for TYRA-300 as well as conduct early validation of a liquid biopsy companion diagnostic test to assist us in identifying appropriate patients for our product candidates.

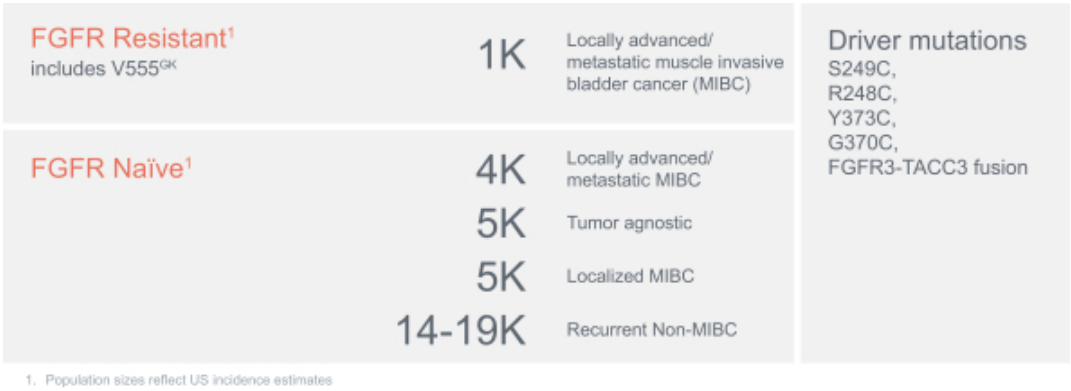
We are designing the Phase 2 portion of our trial to be consistent with the well-established precedent of clinical trials of approved targeted therapies. If the data from any or all of these predefined patient populations are sufficient to support marketing authorization, we expect to seek feedback from the FDA in order to evaluate our ability to pursue and receive accelerated approval in the United States. We have not received any feedback from the FDA relating to our plans to pursue accelerated approval in the United States, and there can be no assurance that after our evaluation of the feedback and other factors, we will decide to pursue accelerated approval or any other

form of expedited development, review or approval. We initially plan to evaluate TYRA-300 in the following three populations of FGFR3-positive tumors.

- Metastatic UC patients who have received an FGFR inhibitor previously and have developed resistance to that inhibitor due to an FGFR3 mutation, such as the gatekeeper V555M.
- Metastatic UC patients who have not yet received an FGFR inhibitor where we believe a reduction in toxicities and side effects, as well as the avoidance of the selection for the V555M gatekeeper mutations, have the potential to lead to improved tolerability, higher dosing and increasing the duration of responses.
- Any solid tumors containing known activating FGFR3 gene alterations.

If TYRA-300 is well-tolerated, we plan to evaluate additional patient populations as adjuvant therapy for localized MIBC following surgery and in recurrent NMIBC following BCG therapy, where reduction in side effects is a significant consideration for treatment choice and patient adherence.

We plan to select a diagnostic company to use a liquid biopsy companion diagnostic test to aid in identifying appropriate patients for this clinical trial.



Potential indications for TYRA-300

FGFR3 mutations in initial patient populations include S249C, R248C, Y373C, G370C and FGFR3-TACC3 fusions with a resistance mutation including the V555 gatekeeper. FGFR3 mutations in follow-on patient populations that are naïve to FGFR therapy include S249C, R248C, Y373C, G370C and FGFR3-TACC3 fusions.

Our FGFR2 program—TYRA-200

Our second product candidate, TYRA-200, is a small molecule inhibitor of FGFR2 for the treatment of FGFR2-dependent cancers, initially for patients with ICC who are resistant to FGFR therapies. Similar to therapies designed for the treatment of FGFR3-driven cancers, resistance to both approved and investigational FGFR inhibitors has been shown to arise due to gene alterations in FGFR2. We have designed TYRA-200 to be active against multiple acquired resistant mutations that arise during treatment with other FGFR2 inhibitors. Although no head-to-head clinical trials have been conducted, we believe the use of comparative in vitro data from pre-clinical studies provides meaningful insight into the potential for TYRA-200 to improve on certain characteristics of approved and investigational FGFR inhibitors, and helps inform potential future clinical development of TYRA-200. We plan to file an IND for TYRA-200 in the second half of 2022.

ICC disease background

ICC is a form of cancer that originates in the bile ducts, which are a series of thin vessels that transport bile from liver cells to the small intestine. Diagnosis of ICC is often difficult as it is not associated with any specific symptoms other than dull abdominal pain, weight loss and elevated liver enzymes. ICC is a rare tumor, accounting for only 3% of gastrointestinal malignancies worldwide, with an incidence in the United States estimated to be 0.95 cases per 100,000. However, the incidence of this disease has risen in the past 30 years. The median overall survival for all patients diagnosed with ICC is reported to be 16.1 months. The median overall survival for patients diagnosed with late-stage disease is less than one year.

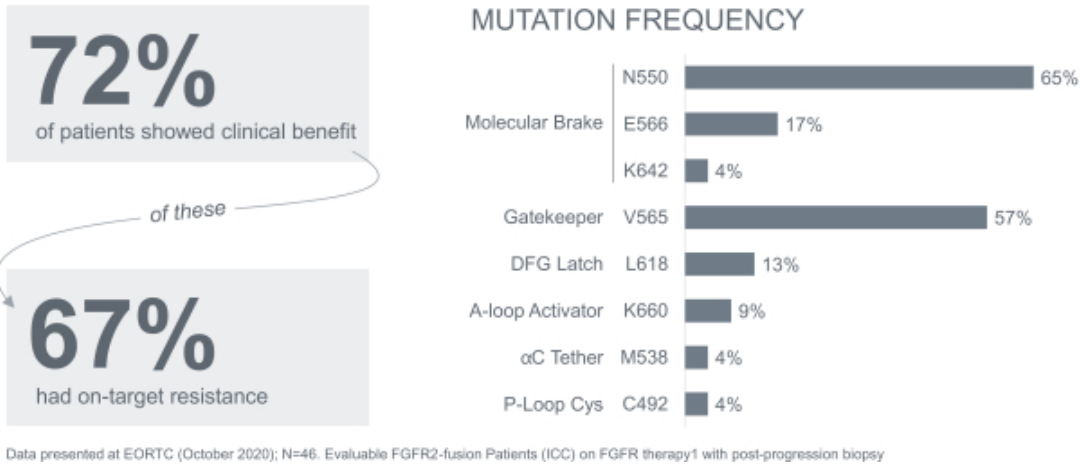
FGFR2 is a protein receptor present on the cell surface that promotes cellular proliferation and transformation upon binding of fibroblast growth factor. Similar to FGFR3, activating gene alterations of FGFR2 have been implicated in the tumorigenesis of multiple solid tumor types. Approximately 15-20% of patients with ICC have genetic alterations in FGFR2, which are primarily gene fusions and activating mutations.

Standard of care and current limitations for the treatment of ICC

Currently, surgical recession is the only curative option available to ICC patients. However, only approximately one-third of patients are eligible for surgery at diagnosis. The remaining patients with unresectable tumors are typically treated with chemotherapies. The recommended frontline regimen is a combination of gemcitabine and cisplatin, which offers a median overall survival benefit of 11.7 months. Upon disease progression, patients with actionable mutations, such as FGFR2 alterations, are eligible to receive targeted therapies.

FGFR inhibitors

Patients with genetic alternations in FGFR2 are eligible to be treated with Pemazyre (pemigatinib), an FGFR inhibitor that received accelerated approval in the United States in 2020 for treatment following chemotherapy. In the Phase 2 clinical trial of pemigatinib for the treatment of ICC, the overall response rate was 36% with a median duration of response of 9.1 months. A second FGFR inhibitor, Truseltiq (infigratinib), received accelerated approval in the United States in 2021 based on an overall response rate of 23% and a median duration response of 5.0 months. We believe a critical unmet need for patients with FGFR2 fusion or FGFR2-altered ICC is balancing the potency for the wild type and the numerous on-target resistance mutations that emerge in patients treated with currently approved and investigational FGFR inhibitors. The most frequently occurring acquired drug resistance mutations are active site mutations such as the gatekeeper and amino acids comprising the molecular brake. These mutations, as well as allosteric gain-of-function mutations, have been observed clinically to confer resistance to current FGFR inhibitors. We believe maintaining potency against these mutations as well as wild-type FGFR2 could potentially improve efficacy and duration of response.



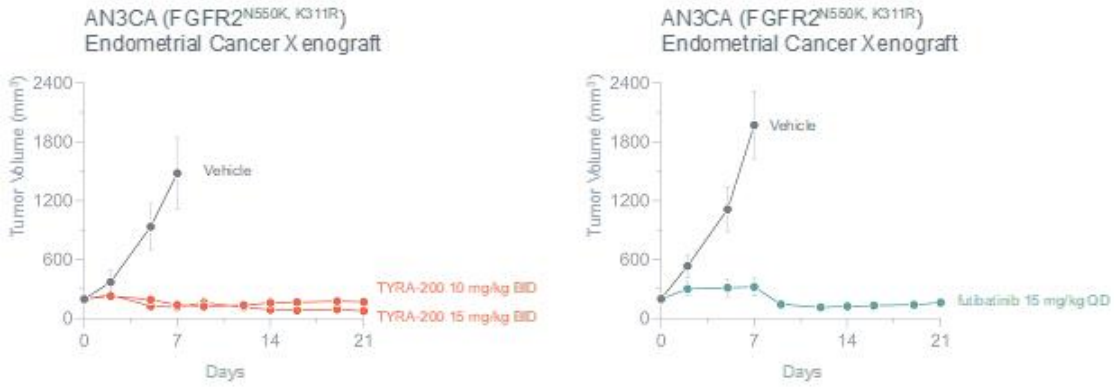
Acquired drug resistance is common in patients with ICC treated with FGFR inhibitors

Our solution, TYRA-200

In preclinical models to date, TYRA-200 has demonstrated potency against gatekeeper, molecular brake, and A-loop activator mutations and selectivity for FGFR1-3 over FGFR4. Although no head-to-head clinical studies have been conducted, we believe that these pre-clinical studies assist with the characterization of TYRA-200 and inform future clinical development.

TYRA-200 is active in an FGFR2 driven endometrial cancer xenograft model

AN3CA is a human endometrial cancer cell line which contains an FGFR2 N550K activating mutation. TYRA-200 was tested in a preclinical mouse xenograft model using this cell line, as seen in the figure below. TYRA-200 given twice daily, or BID, at a dose of 10 mg/kg or 15 mg/kg BID led to substantial inhibition of tumor growth in this model. We observed TGI with futibatinib using a 15 mg/kg QD dose in this study.



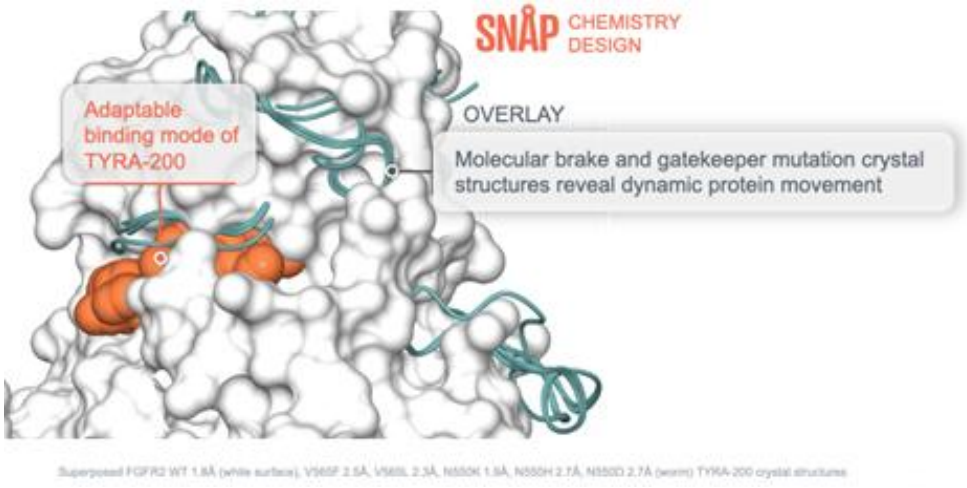
TYRA-200 tumor growth inhibition in a AN3CA xenograft model

Antitumor activity in the FGFR2 N550K, K311R mutant AN3CA endometrial cancer xenograft model in nu/nu mice of various doses of TYRA-200 (10 and 15 mg/kg BID, left) and futibatinib (15 mg/kg QD, right). All doses were by oral administration. Regression, calculated as % Regression (for $\Delta T<0$) = $100*(\Delta T/T_0)$, observed for TYRA-200 10 mg/kg BID is 14%, and for 15 mg/kg BID is 56%. We observed 5% regression with 15 mg/kg QD futibatinib. The

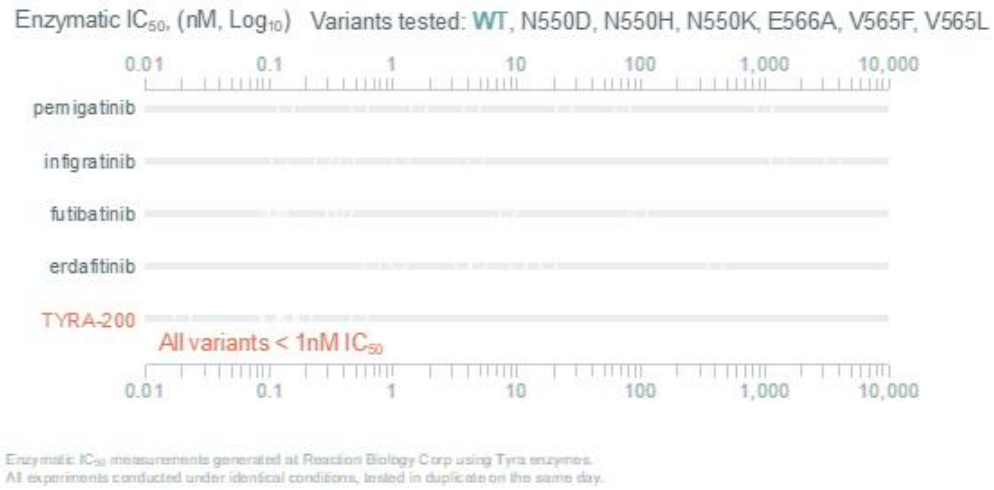
vehicle for TYRA-200 is 30% hydroxypropyl beta cyclodextrin, and the vehicle for futibatinib is 0.5% hydroxypropyl methylcellulose with 0.2% tween 80. Data points represent mean tumor volume (n=6 per group) and error bars represent standard error of the mean.

Potent inhibition of FGFR2 mutants including gatekeeper, molecular brake, and A-loop activator mutations

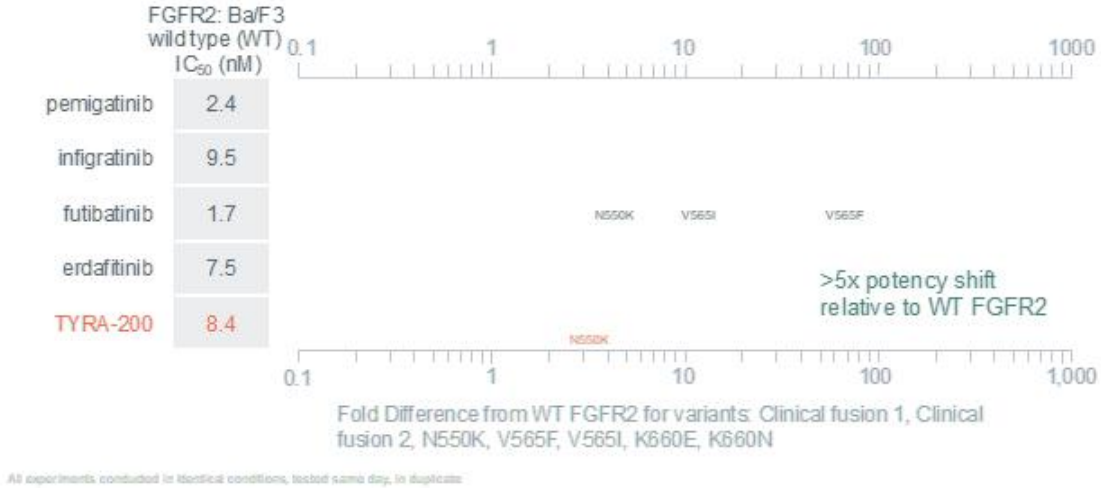
We utilized our SNÅP platform to design TYRA-200 to retain potency for a variety of acquired resistance mutations that alter FGFR2 protein structure and consequently can affect inhibitor potency. In preclinical models conducted to date, TYRA-200 has demonstrated similar potency in FGFR2-driven Ba/F3 cells to erdafitinib, pemigatinib, futibatinib or infigratinib, while reducing or eliminating the decrease in potency observed with N550K/H/D and E566A molecular brake, V565F/L/I gatekeeper, and K660E/N A-loop activator resistance mutations.



Acquired resistance mutations alter FGFR2 protein structure

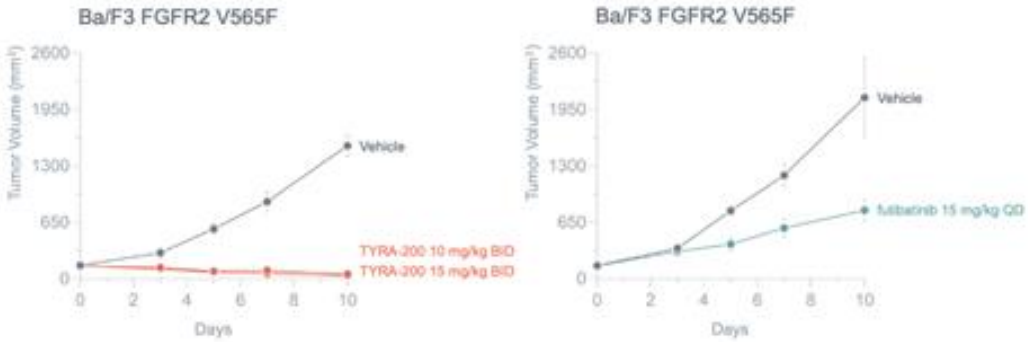


TYRA-200 retained potency against multiple potential acquired drug resistance mutations in FGFR2



TYRA-200 retained potency against multiple acquired drug resistance mutations in FGFR2-driven Ba/F3 cell lines

The potential of TYRA-200 to maintain potency against the V565F gatekeeper mutation, a key liability of pemigatinib, infigratinib, futibatinib, and erdafitinib as observed in *in vitro* assays conducted to date, was tested in a preclinical allograft model of an FGFR2-driven Ba/F3 cell line with the V565F gatekeeper mutation as seen in the figure below. We observed 96% and 98% inhibition of tumor growth by TYRA-200 in the allograft, while we observed 62% tumor growth inhibition in the allograft treated with futibatinib.

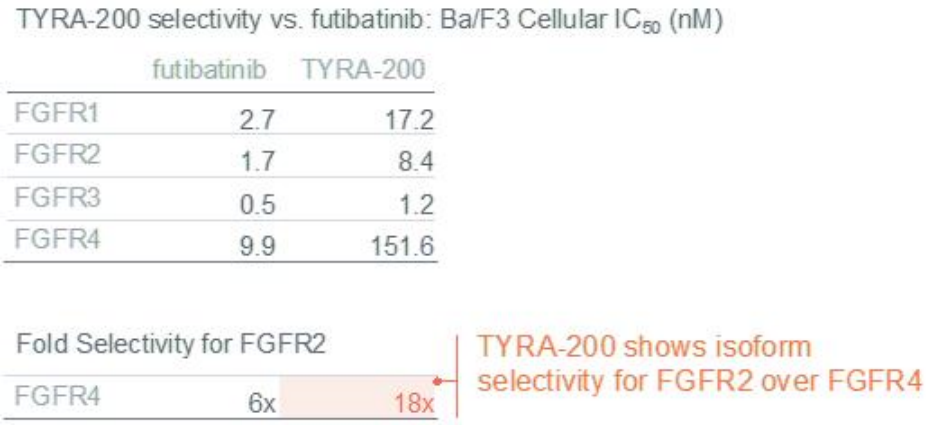


TYRA-200 tumor growth inhibition was maintained in the presence of the FGFR2 V565F gatekeeper mutation in a Ba/F3 FGFR2 allograft model

Antitumor activity in the Ba/F3-FGFR2 V565F gatekeeper mutant model in nu/nu mice of various doses of TYRA-200 (10 and 15 mg/kg BID, left) and futibatinib (15 mg/kg QD, right). All doses were by oral administration. TGI observed for TYRA-200 10 mg/kg BID is 96%, and for 15 mg/kg BID is 98%. We observed 62% TGI for 15 mg/kg QD futibatinib. The vehicle for TYRA-200 is 30% hydroxypropyl beta cyclodextrin, and the vehicle for futibatinib is 0.5% hydroxypropyl methylcellulose with 0.2% tween 80. Data points represent mean tumor volume (n=6 per group) and error bars represent standard error of the mean.

Selectivity for FGFR4

Designing covalent inhibitors that bind to the ATP-binding site and can selectively differentiate between FGFR2 and other isoforms is challenging due to the near-identical amino acid sequence in this site. We utilized the differentiated approach of our SNAP platform to generate compounds, including TYRA-200, that capitalize on subtle conformational differences between FGFR4 and the other isoforms to obtain greater selectivity for FGFR1-3 versus FGFR4. In comparison, the covalent FGFR inhibitor futibatinib has demonstrated lower selectivity for FGFR4. The high FGFR1-3-specificity that we observed to date for TYRA-200 also extended to the broader family of protein kinases, where we observed that very few kinases were inhibited. Although we have not conducted any head-to-head clinical studies, we believe that TYRA-200's relative selectivity for FGFR1-3 observed in pre-clinical studies may result in improved tolerability with respect to futibatinib.



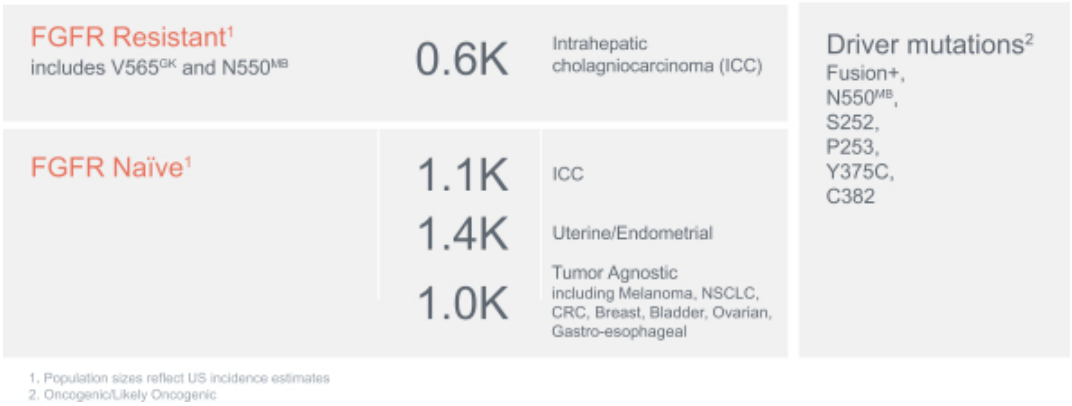
TYRA-200 was selective for FGFR1-3 over FGFR4 in a Ba/F3 cell-based assay

Beyond selectivity over FGFR4, TYRA-300 avoided off-target inhibition of other kinases when profiled in a scanMAX (KINOMEscan) screen.

TYRA-200 was highly selective for FGFR2 over other protein kinases

Development plans for TYRA-200

We plan to pursue a clinical development strategy for TYRA-200 similar to that of TYRA-300, and anticipate an IND submission in the second half of 2022. We plan to initially develop TYRA-200 for the treatment of patients with ICC who have developed drug resistance mutations to existing FGFR therapies, including the V565 gatekeeper or N550 molecular brake mutations. We believe there is potential for TYRA-200 beyond this initial patient population, including in FGFR-treatment naïve patients with ICC and in patients with endometrial carcinoma, where up to 10-16% of patients have FGFR2 mutations. Beyond these cohorts, we intend to assess the efficacy of TYRA-200 in other patient populations with activating gene alterations in FGFR2, such as colorectal cancer, melanoma, breast cancer, ovarian cancer, gastroesophageal cancer and lung cancer.



Potential indications for TYRA-200

Opportunity for a second non-oncology FGFR3 selective inhibitor

Beyond oncology, FGFR3 is implicated in many developmental disorders, such as achondroplasia and other skeletal dysplasias, due to its role in regulating bone and cartilage formation. We believe that there is an opportunity to develop a second FGFR3 selective inhibitor for the treatment of long-term complications associated with skeletal dysplasia including achondroplasia.

Achondroplasia background

Achondroplasia, the most common form of dwarfism, is a bone disorder that prevents proper cartilage growth and development, resulting in incomplete growth of the long bones in the arms and legs, malformation of the spine and chest and characteristic facial features. It occurs in approximately 1 in 15,000 to 40,000 newborns worldwide, and it is estimated that there are approximately 250,000 affected individuals worldwide. Achondroplasia can cause health complications such as restriction of breathing, obesity, recurrent ear infections and exaggerated inward curve of the spine as well as more serious problems that result from a narrowing of the spinal canal in infants at the base of the skull.

FGFR3 is normally expressed in chondrocytes (cartilage cells) in growth plates where it plays a role in bone growth. Mutations in FGFR3 can cause skeletal dysplasias including achondroplasia where a specific mutation, G380R, causes FGFR3 to be overactive, resulting in deficiencies in bone formation, primarily in long bones, causing these bones to be shorter than normal. Because the mutation in FGFR3 is an activating mutation, the presence of a single copy of a mutated gene results in increased activity and achondroplasia. Approximately 80% of cases of achondroplasia arise through spontaneous mutation of FGFR3.

Unmet need in achondroplasia

Voxzogo (vosoritide) is a C-naturetic peptide analog that is a once daily injectable that was recently approved in the United States to increase linear growth in children with achondroplasia who are 5 years of age and older whose growth plates have not closed. In Europe, Voxzogo is approved to treat children with achondroplasia aged 2 and older whose growth plates have not closed. While this is an important milestone in the treatment of children with achondroplasia, the therapeutic benefit of increasing growth velocity is not yet known. A more direct approach to addressing short stature in achondroplasia is limb lengthening surgery. In this type of surgery, rods are inserted into the long bones and used to stretch the limbs. These surgeries are typically performed in younger patients who are still undergoing active bone growth. There are other short-term and life-long complications such as sleep apnea and spinal stenosis associated with these skeletal dysplasia syndromes. Individuals may need to undergo surgery to correct spine or bone abnormalities and to reduce the pressure inside the brain in cases of hydrocephaly due to a narrow foramen magnum. In rarer genetic syndromes such as thanatophoric dysplasia, another FGFR3-related skeletal disorder, children often die in the neonatal period due to the severity of the skeletal abnormalities. As such, there remains a high unmet need for therapies to address these conditions.

Opportunity for FGFR3 inhibitor

We believe that an oral, highly selective inhibitor of mutant FGFR3 is highly desirable in this pediatric population because it has the potential to address long-term complications in affected individuals, including spinal stenosis, scoliosis and respiratory problems, alleviating the need for multiple painful surgeries and improving quality of life for this patient population.

Our RET and FGFR4 inhibitor discovery programs

RET and FGFR4 are both RTKs that perform important cell-signaling functions and are susceptible to oncogenic genetic alterations. Both RET and FGFR4 can lead to malignancies across multiple tumor types. In certain RET-driven tumors, Retevmo (selpercatinib) and Gavreto (pralsetinib) are both approved by the FDA, however, drug resistant mutations have emerged. For FGFR4-driven tumors, there are no currently approved therapies. Acquired drug resistance due to tumor mutation has been observed in current clinical stage drug candidates. This acquired drug resistance can limit drug durability, creating unmet need. We intend to utilize our SNÅP platform to develop product candidates that can potentially overcome drug resistant mutations and potentially improve patient outcomes.

Prevalence of RET alterations in cancer

RET is an RTK that is essential for neuronal and embryonic development. Activating genetic alterations such as gene fusions and point mutations in RET are oncogenic. In non-small cell lung cancer, or NSCLC, and papillary thyroid carcinoma, or PTC, RET gene fusions lead to constitutive activation and oncogenesis. In NSCLC, 1 to 2% of patients who are negative for mutations or rearrangements in other common oncogenic drivers such as EGFR, ERBB2, BRAF, KRAS and ALK, have RET fusions. In PTC, the most common form of thyroid cancer, an estimated 35% of cases in North America and up to 65% of cases in other geographies are associated with RET fusions. In sporadic medullary thyroid carcinoma, or MTC, approximately half of patients have activating mutations in RET, whereas in familial cancer syndromes, such as MEN2B, germline RET mutations at M918T predispose carriers to MTC.

Limitations of current RET inhibitors

The first FDA approved therapies for RET-driven tumors were Caprelsa (vandetanib) and Cabometyx (cabozantinib), both of which are multi-kinase inhibitors approved for MTC that has progressed on standard therapy or is symptomatic and in need of treatment. Selpercatinib and pralsetinib are highly specific next-generation RET inhibitors that have received accelerated approval in patients with RET-dependent tumors including NSCLC, PTC and MTC.

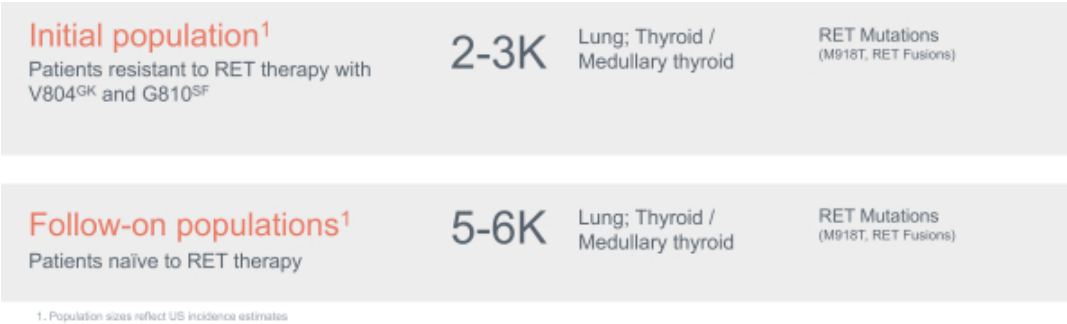
Both vandetanib and cabozantinib were approved in MTC without a restriction to the RET-mutated population. For patients with MTC with activating RET mutations treated with these therapies, secondary resistance mutations at the gatekeeper position V804 arise during treatment and can be identified at the time of disease progression. Selpercatinib and pralsetinib address a key liability of the first-generation multi-kinase inhibitors at V804. In metastatic RET-fusion positive patients with NSCLC that had previously failed platinum-based chemotherapy, selpercatinib treatment led to a 62% response rate with a median duration of response of 17.5 months. In patients with treatment-naïve NSCLC, the overall response rate was 85%. An overall response rate of approximately 70% was observed in RET-mutant MTC regardless of whether patients had previously failed on other kinase inhibitor therapies. Roughly similar efficacy was observed in clinical trials with pralsetinib. Both selpercatinib and pralsetinib received accelerated approval in the United States in 2020.

Although selpercatinib and pralsetinib were only approved in 2020 and therefore do not have a long history of use, the emergence of acquired drug resistance mutations has already been observed at the G810 solvent front. Based on the observed history with other targeted therapies in molecularly defined subgroups, we believe the use of these drugs will likely lead to additional resistance liabilities over time.

Our RET Program

We are planning to develop a RET-specific inhibitor that is insensitive to the V804 gatekeeper and the G810 solvent front mutations. Our drug discovery efforts are driven by our ability to gain molecular-level detail and insights from internally derived co-crystal structures of selpercatinib, pralsetinib and other inhibitors bound to RTKs. Recent publications have shown that these inhibitors have liabilities at the gatekeeper, the solvent front, or other parts of the ATP-binding pocket. Our focus is to develop RET inhibitors that address many of these key liabilities, an approach which we believe will allow our product candidates to demonstrate antitumor activity in patients who progress on current-generation RET inhibitors.

Our initial development plans for our RET inhibitor product candidate will focus on patients who fail previous treatment with a RET inhibitor due to acquired mutations in V804 or G810. We anticipate that our RET inhibitor will also have potential for antitumor activity in patients with RET treatment-naïve containing RET fusions or RET activating mutations.



Potential patient populations for our RET inhibitor

Role of FGFR4 in cancer

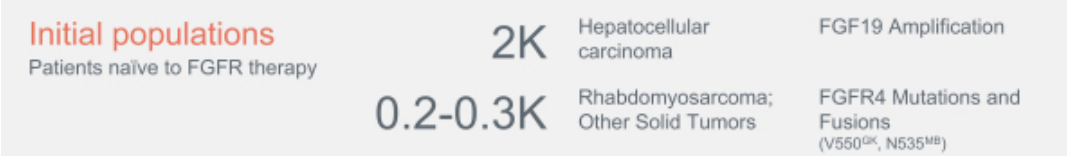
FGFR4 regulates bile acid synthesis and hepatocyte proliferation in the liver in response to fibroblast growth factor 19, or FGF19. Amplification of the gene encoding FGF19 has been implicated in activation of FGFR4 through autocrine signaling and may represent a biomarker that identifies a subpopulation of hepatocellular carcinoma, or HCC, that may be susceptible to FGFR4 inhibition. FGFR4 gene alterations such as activating point mutations and fusions have been identified in rare populations such as pediatric rhabdomyosarcoma and a variety of other solid tumors.

There are currently no approved therapies for FGFR4-driven cancers. Fisogatinib is an FGFR4 inhibitor in clinical development. A Phase 1 clinical trial with fisogatinib obtained tumor regression in patients with HCC with aberrant FGF19 expression, indicating that FGFR4 may be an important driver of disease in select patients. Results from this trial led to the identification of FGFR4 mutations associated with acquired drug resistance. These mutations included V550 gatekeeper mutations and C552 mutations, both of which were found to cause a loss of fisogatinib potency of more than 1,000-fold.

Our FGFR4 Program

Our FGFR4 drug discovery efforts are driven by our deep structural understanding of the FGFR family including over 40 co-crystal structures of FGFR4 itself. We are planning to develop an FGFR4-specific inhibitor that is insensitive to the V550 gatekeeper and the C552 mutations. We anticipate that our product candidate will also have potential for antitumor activity in patients with spontaneous FGFR4 activating mutations at the gatekeeper (V550) and molecular brake (N553), as well as in rare FGFR4 fusions.

Initial development plans for our FGFR4 inhibitor will focus on patients with FGF19-amplified HCC, activating point mutations in pediatric rhabdomyosarcoma, and other rare populations with FGFR4 fusions and activating mutations.



Potential patient populations for our FGFR4 inhibitor

Competition

The pharmaceutical and biotechnology industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our technology, the expertise of our team, and our development experience and scientific knowledge provide us with competitive advantages, we face increasing competition from many different sources, including pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions. Product candidates that we successfully develop and commercialize may compete with existing therapies and new therapies that may become available in the future.

Many of our competitors, either alone or with their collaborators, have significantly greater financial resources, established presence in the market, and expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products than we do. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Additional mergers and acquisitions may result in even more resources being concentrated in our competitors.

Our commercial potential could be reduced or eliminated if our competitors develop and commercialize products that are safer or more effective, have fewer or less severe side effects, and are more convenient or less expensive than products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we can, which could result in our competitors establishing a strong market position before we are able to enter the market or could otherwise make our development more complicated. We believe the key competitive factors affecting the success of all of our programs are likely to be efficacy, including duration of human response and breadth of coverage, safety and patient convenience.

There are numerous companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. These treatments consist of small molecule drug products, biologics, cell-based therapies, and traditional chemotherapy. There are three currently approved pan-FGFR inhibitors in the U.S.: Incyte Corporation's Pemazyre (pemigatinib) and QED Therapeutics' Truseltiq (infigratinib), each approved for FGFR2 gene rearrangements in cholangiocarcinoma; and Janssen Biotech, Inc.'s Balversa (erdafitinib), approved in specific FGFR3 and FGFR2 gene alterations in urothelial cancer. Both Incyte (NCT03656536) and QED (NCT03773302) are conducting global Phase 3 confirmatory studies in treatment-naïve metastatic ICC, and Janssen is conducting a global Phase 3 confirmatory study in metastatic urothelial cancer in subjects who have received 1 or 2 prior therapies (NCT03390504).

In addition to the confirmatory study in ICC, pemigatinib is being studied in NMIBC (NCT03914794); as adjuvant therapy following surgery for bladder cancer (NCT04294277); in tumor agnostic cancer populations (NCT04003623, NCT03822117); in combination with chemotherapy in ICC (NCT04088188); and in combination with immunotherapy in endometrial cancer (NCT04463771). QED has ongoing studies in bladder cancer prior to surgery as neoadjuvant therapy (NCT04228042); following bladder cancer surgery as adjuvant therapy (NCT04197986); in a tumor agnostic population (NCT04233567); and in achondroplasia (NCT04265651). Janssen is studying erdafitinib in NMIBC (NCT04917809, NCT04172675); in tumor agnostic cancer populations (NCT02465060, NCT03827850), including a pediatric study (NCT03155620; and in combination with immunotherapy in bladder cancer (NCT03473743), among others. In China, AstraZeneca recently out-licensed their pan-FGFR inhibitor AZD4547 to Abbisko Therapeutics who are conducting a Phase 2 study in metastatic FGFR3-driven urothelial cancer (NCT05086666).

There are a number of other investigational pan-FGFR programs for FGFR-specific populations. Taiho Oncology, Inc.'s TAS-120 (futibatinib) has completed a Phase 2 study in ICC, and is currently enrolling a pivotal Phase 3 study in treatment-naïve metastatic ICC versus standard of care chemotherapy (NCT04093362); Taiho also has ongoing studies in a tumor agnostic population (NCT04189445); and combination studies with pembrolizumab in urothelial cancer (NCT04601857) and FGF19 positive liver cancer (NCT04828486). Bayer Pharmaceutical's has an ongoing Phase 1/2 study of BAY 1163877 (rogaratinib) in urothelial cancer in combination with atezolizumab (NCT03473756). In January 2022, the FDA cleared the IND for Kinnate Biopharma Inc.'s product candidate KIN-3248, a pan-FGFR inhibitor being developed for ICC and UC. Relay Therapeutics, Inc.'s isoform specific FGFR inhibitor RLY-4008 is currently in Phase 1 with stated plans to develop their candidate in ICC. Lilly's Loxo Oncology recently announced an isoform-selective FGFR3 inhibitor compound, LOXO-435 (LOX-24350).

BioMarin Pharmaceutical's Voxzogo, a once daily injectable C-naturetic peptide analog was recently approved in the United States for children with achondroplasia who are 5 years of age and older.

There are two approved RET inhibitors, Lilly's Loxo Oncology's Retevmo (selpercatinib) and Blueprint Medicines' Gavreto (pralsetinib), both of which are approved for RET-positive NSCLC, PTC, and MTC. Both are conducting confirmatory Phase 3 studies in NSCLC (NCT03473756, NCT04222972) and in MTC (NCT04211337, NCT04760288). Turning Point Therapeutics is developing their RET candidate TPX-0046 in a Phase 1 study (NCT04161391) with stated plans to expand their study to NSCLC, MTC, and tumor agnostic populations. Boston Pharmaceuticals is developing their RET candidate zeteletinib (BOS172738) in a Phase 1 study (NCT03780517) as is Helsinn and Taiho Oncology for their partnered RET inhibitor TAS0953/HM06 (NCT04683250).

There are currently no approved FGFR4 inhibitors, but there are a number of FGFR4 programs in clinical development. Blueprint Medicine is developing BLU-554 (fisogatinib) in a Phase 1/2 study in HCC in combination with a checkpoint inhibitor (NCT04194801). H3 Biomedicines has recruited a Phase 1/2 study of H3B-6527 in HCC (NCT02834780) but no further details are publicly available. Novartis completed a Phase 1/2 study of FGF401 alone and in combination with a checkpoint inhibitor in HCC (NCT02325739) and a similar study with FGF401 is now being conducted by Everest Medicines in combination with pembrolizumab in China.

Intellectual Property

We strive to protect the intellectual property and proprietary technology that we consider important to our business through a variety of methods, including seeking and maintaining patents intended to cover our product candidates and compositions, their methods of use and processes for their manufacture, and any other inventions that

are important to our business. We rely on know-how and continuing technological innovation to develop and maintain our proprietary position. We also rely on trade secrets and know-how that may be important to the development of our business. We seek to obtain domestic and international patent protection and endeavor to promptly file patent applications for new commercially valuable inventions to expand our intellectual property portfolio.

We believe that we have an intellectual property position and substantial know-how relating to our product candidates and SNÅP platform. As of March 1, 2022, our intellectual property portfolio consisted of one pending U.S. provisional application, one Taiwanese pending application, and four patent applications pursuant to the Patent Cooperation Treaty, or the PCT, all of which are solely owned by us. At this time, we do not own any issued patents or pending non-provisional patent applications in the U.S, and we do not license any material patent rights from any third party. Collectively, our patent rights relate to various aspects of our product candidates. We do not anticipate entering national phase with respect to our current PCT applications until June 2022.

We continually assess and refine our intellectual property strategy as we develop new product candidates and improvements to our SNÅP platform. To that end, we are prepared to file additional patent applications in any appropriate fields if our intellectual property strategy requires such filings, or where we seek to adapt to competition or seize business opportunities. Further, we are prepared to file patent applications, as we consider appropriate under the circumstances, relating to the new technologies that we develop.

We cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications we may own or license in the future, nor can we be sure that any patents we may own or license in the future will be useful in protecting our technology. Please see the section entitled “Risk Factors—Risks Related to Our Intellectual Property” for additional information on the risks associated with our intellectual property strategy and portfolio.

Intellectual Property Relating to Our FGFR3 Program

With regard to our FGFR3 product candidates, as of March 1, 2022, we owned two pending PCT patent applications and one Taiwanese pending application. These patent rights relate to the FGFR3 product candidates’ compositions of matter, formulations containing them, methods of manufacturing, and methods of treating diseases, using our FGFR3 product candidates. Specifically, we have one PCT patent application and one Taiwanese pending application directed to the composition matter of our leading candidate in the FGFR3 program. We expect any patents issued from these applications to expire in 2040 or 2041 without accounting for any patent term adjustment or extension that may be available.

Intellectual Property Relating to Our FGFR2 Program

With regard to our FGFR2 program, as of March 1, 2022, we owned two pending PCT patent applications. These patent rights relate to the FGFR2 program’s compositions of matter, formulations containing them, methods of manufacturing, and methods of treating diseases. Specifically, we have one PCT patent application directed to the composition matter of our leading candidate in the FGFR2 program. We expect any patents issued from these applications to expire in 2040 or 2042 without accounting for any patent term extension that may be available.

Intellectual Property Relating to Other Programs

With regard to our other programs, including the FGFR4 program, as of March 1, 2022, we owned one pending U.S. provisional patent application. These patent rights relate to these other programs’ compositions of matter, formulations containing them, methods of manufacturing, and methods of treating diseases. We expect any patent issued from this application to expire in 2042 without accounting for any patent term extension that may be available.

Scope and Duration of Intellectual Property Protection

The term of individual patents depends upon the laws of the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing of a non-provisional patent application. However, the term of United States patents may be extended for delays incurred due to compliance with the FDA requirements or by delays encountered during prosecution that are caused by the USPTO. For example, for drugs that are regulated by the FDA under the Hatch-Waxman Act, the FDA is permitted to extend the term of a patent that covers such drug for up to five years beyond the normal expiration date of the patent, provided that the extended patent term may not exceed fourteen years after the date of approval of the marketing application. In the future, if and when our product candidates receive FDA approval, we expect to apply for patent term extensions on patents covering those product candidates. We intend to seek patent term extensions to any of our issued patents in jurisdictions where these are available; however, there is no guarantee that the applicable authorities, including the USPTO and FDA, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions. If patents are issued on our pending patent applications, the resulting patents are expected to expire on dates ranging from 2040 to 2042, unless we receive patent term extension or patent term adjustment, or both.

However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

The patent positions of companies like ours are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the field of oncology therapy has emerged in the United States. The patent situation outside of the United States is even more uncertain. Changes in the patent laws and rules, either by legislation, judicial decisions, or regulatory interpretation in the United States and other countries may diminish our ability to protect our inventions and enforce our intellectual property rights, and more generally could affect the value of our intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell, importing or otherwise commercializing any of our patented inventions, either directly or indirectly, will depend in part on our success in obtaining, defending and enforcing patent claims that cover our technology, inventions, and improvements. With respect to both licensed and company-owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our patents that may be granted to us in the future will be commercially useful in protecting our product candidates and the methods used to manufacture them. Moreover, those patents that may issue in the future may not guarantee us the right to practice our technology in relation to the commercialization of our product candidates.

The area of patent and other intellectual property rights in biotechnology is an evolving one with many risks and uncertainties, and third parties may have blocking patents that could be used to prevent us from commercializing our product candidates and practicing our proprietary technology. Our patents that may issue in the future may be challenged, narrowed, circumvented or invalidated, which could limit our ability to stop competitors from marketing related product candidates or limit the length of the term of patent protection that we may have for our product candidates. In addition, the rights granted under any issued patents may not provide us with protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may independently develop similar technologies. For these and other reasons, we may have competition for our product candidates. Moreover, because of the extensive time required for development, testing and regulatory review of a potential product, it is possible that before any product candidate can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any protection afforded by the patent. For this and other risks related to our proprietary technology, inventions, improvements, SNÅP platform and product candidates, please see the section entitled “Risk Factors—Risks Related to Our Intellectual Property.”

We intend to file applications for trademark registrations in connection with our product candidates in various jurisdictions, including the United States. We have filed for trademark protection of the TYRA and TYRA

BIOSCIENCES marks with the United States Patent and Trademark Office and certain foreign patent and trademark organizations.

We also rely on trade secret protection for our confidential and proprietary information. Although we take steps to protect our confidential and proprietary information as trade secrets, including through contractual means with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements under the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual during the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. In many cases our confidentiality and other agreements with consultants, outside scientific collaborators, sponsored researchers and other advisors require them to assign or grant us licenses to inventions they invent as a result of the work or services they render under such agreements or grant us an option to negotiate a license to use such inventions. Despite these efforts, we cannot provide any assurances that all such agreements have been duly executed, and any of these parties may breach the agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches.

We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our information technology systems. Although we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. To the extent that our employees, contractors, consultants, collaborators and advisors use intellectual property owned by others in their work for us, disputes may arise as to the rights in relation to the resulting know-how or inventions. For more information, please see the section entitled "Risk Factors—Risks Related to Our Intellectual Property."

Commercialization

We intend to retain significant development and commercial rights to our product candidates and, if marketing approval is obtained, to commercialize our product candidates on our own, or potentially with a partner, in the United States and other regions. We currently have no sales, marketing or commercial product distribution capabilities. We intend to build the necessary infrastructure and capabilities over time for the United States, and potentially other regions, following further advancement of our product candidates. Clinical data, the size of the addressable patient population, the size of the commercial infrastructure and manufacturing needs may all influence or alter our commercialization plans.

Manufacturing

We do not have any manufacturing facilities or personnel. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates undergoing preclinical testing, as well as for subsequent clinical testing and commercial manufacture if our product candidates receive marketing approval. We believe this strategy allows us to focus our expertise and resources on the development of our product candidates by eliminating the need for us to invest in our own manufacturing facilities, equipment and personnel.

We plan to put agreements in place with contract manufacturing organizations for the necessary quantities of active pharmaceutical ingredients, or API, and drug product for each of our product candidates, on a project-by-project basis, based on our development needs.

As we advance our product candidates through development, we will explore adding backup suppliers for the API and drug product for each of our product candidates to protect against any potential supply disruptions.

Government Regulation

Government authorities in the United States, at the federal, state and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing and export and import of drug products. A new drug must be approved by the FDA through the New Drug Application, or NDA, process before it may be legally marketed in the United States. We, along with any third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval of our products and product candidates. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. Drug Development Process

In the United States, the FDA regulates drugs under the federal Food, Drug, and Cosmetic Act, or the FDCA, and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in accordance with FDA's GLP requirements and other applicable regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an independent Institutional Review Board, or IRB, or ethics committee at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practices, or GCPs, to establish the safety and efficacy of the proposed drug for its intended use;
- preparation of and submission to the FDA of an NDA after completion of all pivotal trials;
- a determination by the FDA within 60 days of its receipt of an NDA to file the application for review;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with current Good Manufacturing Practice, or cGMP, requirements to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity; and
- FDA review and approval of the NDA to permit commercial marketing of the product for particular indications for use in the United States.

Prior to beginning the first clinical trial with a product candidate in the United States, a sponsor must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30- day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND

sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site and must monitor the study until completed. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial. The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- Phase 1: The product candidate is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.

- Phase 2: The product candidate is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks.

- Phase 3: The product candidate is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.

In some cases, the FDA may require, or sponsors may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase 4 studies, may be conducted after initial marketing approval, and may be used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final drug. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

While the IND is active, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report, among other things, must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs, findings from animal or in vitro testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

In addition, during the development of a new drug, sponsors are given opportunities to meet with the FDA at certain points. These points may be prior to submission of an IND, at the end of Phase 2, and before an NDA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for the FDA to provide advice, and for the sponsor and the FDA to reach agreement on the next phase of development. Sponsors typically use the meetings at the end of the Phase 2 trial to discuss Phase 2 clinical results and present plans for the pivotal Phase 3 clinical trials that they believe will support approval of the new drug.

U.S. Review and Approval Process

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, preclinical and other non-clinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the chemistry of the drug, proposed labeling and other relevant information are submitted to the FDA as part of an NDA requesting approval to market the product. Data can come from company-sponsored clinical studies intended to test the safety and effectiveness of a use of the product, or from a number of alternative sources, including studies initiated by independent investigators. The submission of an NDA is subject to the payment of substantial user fees; a waiver of such fees may be obtained under certain limited circumstances. Additionally, no user fees are assessed on NDAs for products designated as orphan drugs, unless the product also includes a non-orphan indication.

The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once filed, the FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. Under the Prescription Drug User Fee Act guidelines that are currently in effect, the FDA has a goal of ten months from the filing date to complete a standard review of an NDA for a drug that is a new molecular entity. This review typically takes twelve months from the date the NDA is submitted to FDA because the FDA has approximately two months to make a "filing" decision after it the application is submitted.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP and adequate to assure consistent production of the product within required specifications. Additionally, before approving a NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCPs.

After the FDA evaluates an NDA and conducts inspections of manufacturing facilities where the investigational product and/or its drug substance will be produced, the FDA may issue an approval letter or a Complete Response Letter, or CRL. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A CRL indicates that the review cycle of the application is

complete, and the application will not be approved in its present form. A CRL usually describes all of the deficiencies that the FDA has identified and may require additional clinical data, such as an additional pivotal Phase 3 clinical trial or other significant and time-consuming requirements related to clinical trials, nonclinical studies or manufacturing. When the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the CRL without first conducting required inspections and/or reviewing proposed labeling. In issuing the CRL, the FDA may recommend actions that the applicant might take to place the NDA in condition for approval, including requests for additional information or clarification. If a CRL is issued, the sponsor must resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information are submitted, the FDA may decide that the NDA does not satisfy the criteria for approval. The FDA may delay or refuse approval of an NDA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the NDA with a Risk Evaluation and Mitigation Strategy, or REMS to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a medicine and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries, and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may also require one or more Phase 4 post- market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies. In addition, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may change, which could impact the timeline for regulatory approval or otherwise impact ongoing development programs.

In addition, the Pediatric Research Equity Act, or PREA, requires a sponsor to conduct pediatric clinical trials for most drugs, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original NDAs and supplements must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must evaluate the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The sponsor or FDA may request a deferral of pediatric clinical trials for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the drug is ready for approval for use in adults before pediatric clinical trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or fails to submit a request for approval of a pediatric formulation.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates. For example, the Fast Track program is intended to expedite or facilitate the process for reviewing new product candidates that are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track designation applies to the combination of the product candidate and the specific indication for which it is being studied. The sponsor of a fast track product candidate has opportunities for more frequent interactions with the applicable FDA review team during product development and, once an NDA is submitted, the product candidate may be eligible for priority review. A Fast Track product may also be eligible for rolling review, where the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

A product candidate intended to treat a serious or life-threatening disease or condition may also be eligible for Breakthrough Therapy designation to expedite its development and review. A product candidate can receive Breakthrough Therapy designation if preliminary clinical evidence indicates that the product candidate, alone or in combination with one or more other drugs or biologics, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product candidate, including involvement of senior managers.

Any marketing application for a drug submitted to the FDA for approval, including a product candidate with a Fast Track designation and/or Breakthrough Therapy designation, may be eligible for other types of FDA programs intended to expedite the FDA review and approval process, such as priority review and accelerated approval. A product candidate is eligible for priority review if it is designed to treat a serious or life-threatening disease or condition, and if approved, would provide a significant improvement in safety or effectiveness compared to available alternatives for such disease or condition. For new-molecular-entity NDAs, priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date.

Additionally, product candidates studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. Products receiving accelerated approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required post-marketing studies or if such studies fail to verify the predicted clinical benefit. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Fast Track designation, Breakthrough Therapy designation, priority review, and accelerated approval do not change the standards for approval, but may expedite the development or approval process. Even if a product candidate qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 individuals in the United States and when there is no reasonable expectation that the cost of developing and making available the drug in the United States will be recovered from sales in the United States for that drug. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA.

If a product that has orphan drug designation subsequently receives the first FDA approval for the drug and indication for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or, as noted above, if a second applicant demonstrates that its product is clinically superior to the approved product with orphan exclusivity or the manufacturer of the approved product is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Post-approval Requirements

Drug products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual program fees for any marketed products. Drug manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters, or untitled letters;
- clinical holds on clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of drug products. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the

FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe, in their independent professional medical judgment, legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA-approved labelling.

Marketing Exclusivity

Market exclusivity provisions authorized under the FDCA can delay the submission or the approval of certain marketing applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not approve or even accept for review an abbreviated new drug application, or ANDA, or an NDA submitted under Section 505(b)(2), or 505(b)(2) NDA, submitted by another company for another drug containing the same active moiety, regardless of whether the drug is intended for the same indication as the original innovative drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder.

The FDCA alternatively provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active agent for the original indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to any preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of marketing exclusivity available in the United States. Pediatric exclusivity provides for an additional six months of marketing exclusivity attached to another period of exclusivity if a sponsor conducts clinical trials in children in response to a written request from the FDA and meets other conditions. The issuance of a written request does not require the sponsor to undertake the described clinical trials. In addition, orphan drug exclusivity, as described above, may offer a seven-year period of marketing exclusivity, except in certain circumstances.

FDA Regulation of Companion Diagnostics

If safe and effective use of a drug depends on an in vitro diagnostic, then the FDA may require approval or clearance of that diagnostic, known as a companion diagnostic, at the same time that the FDA approves the therapeutic product. In August 2014, the FDA issued final guidance clarifying the requirements that will apply to approval of therapeutic products and in vitro companion diagnostics. According to the guidance, if FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, FDA may will not approve the drug or new indication if the companion diagnostic device is not also approved or cleared for that indication. Approval or clearance of the companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population. The review of in vitro companion diagnostics in conjunction with the review of our product candidates will, therefore, likely involve coordination of review by the FDA's Center for Drug Evaluation and Research and the FDA's Center for Devices and Radiological Health Office of In Vitro Diagnostics and Radiological Health.

Under the FDCA, in vitro diagnostics, including companion diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, diagnostic tests require marketing clearance or approval from the FDA prior to commercial distribution. The two primary types of FDA marketing authorization applicable to a medical device are clearance of a premarket notification pursuant to Section 510(k) of the FDCA, also called 510(k) clearance, and approval of a premarket approval application, or PMA.

The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for certain devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. As part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation, or QSR, which imposes elaborate testing, control, documentation and other quality assurance requirements.

If the FDA's evaluation of the PMA application is favorable, the FDA typically issues an approvable letter requiring the applicant's agreement to specific conditions, such as changes in labeling, or specific additional information, such as submission of final labeling, in order to secure final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. The FDA may also determine that additional clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and then the data submitted in an amendment to the PMA. If the FDA concludes that the applicable criteria have been met, the FDA will issue a PMA for the approved indications, which can be more limited than those originally sought by the applicant. The PMA can include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution. Once granted, PMA approval may be withdrawn by the FDA if compliance with post-approval requirements, conditions of approval or other regulatory standards are not maintained or problems are identified following initial marketing.

After a device is placed on the market, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with the FDA. A medical device manufacturer's manufacturing processes and those of its suppliers are required to comply with the applicable portions of the QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA. The FDA also may inspect foreign facilities that export products to the United States.

Other U.S. Healthcare Laws

Pharmaceutical companies like us are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business. Such regulation and enforcement may constrain the financial arrangements and relationships through which we research, develop, and ultimately, sell, market and distribute any products for which we obtain marketing approval. Such laws include, without limitation, federal and state anti-kickback, fraud and abuse, and false claims laws, such as the federal Anti-Kickback Statute and the federal civil False Claims Act, as well as federal and state transparency laws and regulations with respect to drug pricing and payments and other transfers of value made by pharmaceutical manufacturers to physicians and other health care providers, such as the federal Physician Payments Sunshine Act.

Violation of any of such laws or any other governmental regulations that apply may result in significant criminal, civil and administrative penalties including damages, fines, imprisonment, disgorgement, additional reporting requirements and oversight if we become subject to a Corporate Integrity Agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, disgorgement, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations.

U.S. Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidate for which we may seek regulatory approval. Sales in the United States will depend, in part, on the availability of sufficient coverage and adequate reimbursement from third-party payors, which include government health programs such as Medicare, Medicaid, TRICARE and the Veterans Administration, as well as managed care organizations and private health insurers. Prices at which we or our customers seek reimbursement for our product candidates can be subject to challenge, reduction or denial by third-party payors. For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs.

The process for determining whether a third-party payor will provide coverage for a product is typically separate from the process for setting the reimbursement rate that the payor will pay for the product. In the United States, there is no uniform policy among payors for coverage or reimbursement. Decisions regarding whether to cover any of a product, the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies, but also have their own methods and approval processes. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that can require manufacturers to provide scientific and clinical support for the use of a product to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit sales of any product that receives approval. Third-party payors may not consider our product candidates to be medically necessary or cost-effective compared to other available therapies, or the rebate percentages required to secure favorable coverage may not yield an adequate margin over cost or may not enable us to maintain price levels sufficient to realize an appropriate return on our investment in drug development. Additionally, decreases in third-party reimbursement for any product or a decision by a third-party payor not to cover a product could reduce physician usage and patient demand for the product.

Moreover, as a condition of participating in, and having products covered under, certain federal healthcare programs, such as Medicare and Medicaid, we may become subject to federal laws and regulations that require pharmaceutical manufacturers to calculate and report certain pricing metrics to the government, including the Average Manufacturer Price, or AMP, and Best Price under the Medicaid Drug Rebate Program, the Medicare Average Sales Price, the 340B Ceiling Price, and Non-Federal AMP reported to the Department of Veteran Affairs, and with respect to Medicaid, pay statutory rebates on utilization of manufacturers' products by Medicaid beneficiaries. Compliance with these laws and regulations will require significant resources and may have a material adverse effect on our revenues.

U.S. Healthcare Reform

In the United States, there has been, and continues to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect the profitable sale of product candidates.

Among policy makers and payors in the United States, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding

access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively referred to as the ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly affected the pharmaceutical industry. Among other changes, the ACA increased the minimum level of Medicaid rebates payable by manufacturers of brand name drugs from 15.1% to 23.1%; required collection of rebates for drugs paid by Medicaid managed care organizations; required manufacturers to participate in a coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; imposed a non-deductible annual fee on pharmaceutical manufacturers or importers who sell certain "branded prescription drugs" to specified federal government programs; implemented a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected; expanded eligibility criteria for Medicaid programs; created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare and Medicaid Innovation at the CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and political challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA.

In addition, other legislative changes have been adopted since the ACA was enacted. Most recently, in March 2021, Congress enacted the American Rescue Plan Act of 2021, which, among other things, eliminated the statutory cap on drug manufacturers' Medicaid Drug Rebate Program rebate liability, effective January 1, 2024. Under current law enacted as part of the ACA, drug manufacturers' Medicaid Drug Rebate Program rebate liability is capped at 100% of the average manufacturer price for a covered outpatient drug. Other changes included aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, including the Bipartisan Budget Act of 2018, will remain in effect into 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products. This has resulted in several Congressional inquiries and proposed and enacted federal and state regulations designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products.

Although a number of these and other measures may require additional authorization to become effective, Congress and the Biden administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. Individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine which drugs and suppliers will be included in their healthcare programs. Furthermore, there

has been increased interest by third party payors and governmental authorities in reference pricing systems and publication of discounts and list prices.

Data Privacy & Security

Numerous state, federal and foreign laws, regulations and standards govern the collection, use, access to, confidentiality and security of health-related and other personal information, and could apply now or in the future to our operations or the operations of our partners. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy and security laws and consumer protection laws and regulations govern the collection, use, disclosure, and protection of health-related and other personal information. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. For example, the European Union General Data Protection Regulation, or GDPR, imposes strict requirements for processing the personal data of individuals within the European Economic Area, or EEA. Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Further, from January 1, 2021, companies have had to comply with the GDPR and also the United Kingdom GDPR, or UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in United Kingdom national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

Human Capital

As of March 1, 2022, we had 25 full-time employees, including a total of nine employees with M.D. or Ph.D. degrees. Of these full-time employees, 21 employees are engaged in research and development.

None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards. We value our employees and regularly benchmark total rewards we provide, such as short and long-term compensation, 401(k) contributions, health, welfare and quality of life benefits, paid time off and personal leave, against our industry peers to ensure we remain competitive and attractive to potential new hires.

Available Information

Our internet address is www.tyra.bio. Our investor relations website is located at https://tyrabio.investorroom.com. We make available free of charge on our investor relations website under “SEC Filings” our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, our directors’ and officers’ Section 16 reports and any amendments to those reports as soon as reasonably practicable after filing or furnishing such materials to the SEC. They are also available for free on the SEC’s website at www.sec.gov.

We use our investor relations website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Investors should monitor such website, in addition to following our press releases, SEC filings and public conference calls and webcasts. Information relating to our corporate governance is also included on our investor relations website The information in or accessible through the SEC and our website are not incorporated into, and are not considered part of, this filing.

Item 1A. Risk Factors.

You should carefully consider the following risk factors, together with the other information contained in this Annual Report, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before making a decision to purchase or sell shares of our common stock. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition and growth prospects. If that were to happen, the trading price of our common stock could decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations or financial condition. In this section, we first provide a summary of the principal risks and uncertainties we face and then provide a full set of risk factors and discuss them in greater detail.

Summary of Risks Related to Our Business

- We are very early in our development efforts, have a limited operating history, have not initiated or completed any clinical trials, have no products approved for commercial sale and have not generated any revenue, which may make it difficult for investors to evaluate our current business and likelihood of success and viability.
- We have incurred significant net losses in each period since our inception, and we expect to continue to incur significant net losses for the foreseeable future.
- Our ability to generate revenue and achieve profitability depends significantly on our ability to achieve our objectives relating to discovery, development and commercialization of our product candidates.
- We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our development programs, commercialization efforts or other operations.
- We are early in our development efforts and all of our development programs are in the preclinical or discovery stage. If we are unable to successfully develop, obtain marketing approval and ultimately commercialize product candidates, or experience significant delays in doing so, our business will be materially harmed.
- As an organization, we have never conducted any clinical trials or submitted an application for marketing approval and may be unable to do so for any of our product candidates.
- Preclinical and clinical development involves a lengthy and expensive process with an uncertain outcome, and the results of preclinical studies and early clinical trials are not necessarily predictive of future results. We have not tested any of our product candidates in clinical trials and our product candidates may not have favorable results in clinical trials, if any, or receive marketing approval on a timely basis, if at all.
- We may find it difficult to enroll patients in our clinical trials. If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- Use of our product candidates could be associated with side effects, adverse events or other properties or safety risks, which could delay or preclude approval, cause us to suspend or discontinue clinical trials, abandon a product candidate, limit the commercial profile of an approved label or result in other significant negative consequences that could severely harm our business, prospects, operating results and financial condition.
- We intend to rely on third parties for the manufacture of our product candidates for preclinical and clinical development. This reliance on third parties increases the risk that we will not have

sufficient quantities of our product candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

- We rely on third parties to conduct some of our preclinical studies and will rely on third parties to conduct our future clinical trials. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, our development programs and our ability to seek or obtain marketing approval for or commercialize our product candidates may be delayed.
- We face significant competition, and, if our competitors develop technologies or product candidates more rapidly than we do or their technologies are more effective, our business and our ability to develop and successfully commercialize products may be adversely affected.
- Our business is subject to risks arising from COVID-19 and other epidemic diseases.
- If we are unable to obtain and maintain patent protection for our product candidates and other proprietary technologies we develop, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize our product candidates and other proprietary technologies we may develop may be adversely affected.
- The trading price of the shares of our common stock could be highly volatile, and purchasers of our common stock could incur substantial losses.

Risks Related to Our Limited Operating History, Financial Position and Capital Requirements

We are very early in our development efforts, have limited operating history, have not initiated or completed any clinical trials, and have no products approved for commercial sale, which may make it difficult for investors to evaluate our current business and likelihood of success and viability.

Investment in drug development is a highly speculative undertaking and involves a substantial degree of risk. We are a preclinical-stage biopharmaceutical company formed in 2018 with a limited operating history upon which you can evaluate our business and prospects. Our development programs, including our lead product candidate, TYRA-300 and our FGFR2 product candidate, TYRA-200, are either in preclinical development or in the drug discovery stage. To date, we have focused primarily on organizing and staffing our company, business planning, raising capital, research and development activities including development of our proprietary SNÅP platform and identifying potential product candidates, establishing our intellectual property portfolio, conducting research and preclinical studies, and providing general and administrative support to these operations. Our approach to the discovery and development of product candidates based on our proprietary SNÅP platform is unproven, and we do not know whether we will be able to develop any product candidates that are successful in clinical development or products of commercial value.

As an organization, we have not yet initiated or completed any clinical trials, obtained regulatory approvals, manufactured a commercial-scale product, or arranged for a third party to do so on our behalf, or conducted sales and marketing activities necessary for successful product commercialization. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a history of successfully developing and commercializing biopharmaceutical products.

We have incurred significant net losses in each period since our inception, and we expect to continue to incur significant net losses for the foreseeable future.

We have incurred significant operating losses since our inception. Our net losses were $26.3 million and $9.3 million for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021, we had an

accumulated deficit of $40.4 million. Substantially all of our losses have resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations. TYRA-300, TYRA-200 and any of our other product candidates will require substantial additional development time and resources before we are able to apply for, or receive, marketing approval and begin generating revenue from product sales. We expect to continue to incur losses for the foreseeable future, and we anticipate these losses will increase substantially as we continue our development of, and seek marketing approval for, and potentially commercialize any of our product candidates and as we seek to discover, develop and market additional potential product candidates.

Our ability to generate revenue and achieve profitability depends significantly on our ability to achieve our objectives relating to discovery, development and commercialization of our product candidates.

To generate revenue and achieve profitability, we must succeed in developing and eventually commercializing product candidates that generate significant revenue. This will require us to be successful in a range of challenging activities, including identifying lead product candidates, completing preclinical studies and clinical trials of our product candidates, discovering additional product candidates, obtaining marketing approval for these product candidates and manufacturing, marketing and selling any products for which we may obtain marketing approval. We are only in the preliminary stages of many of these activities. We may never succeed in these activities and, even if we succeed in commercializing one or more of our product candidates, we may never generate revenues that are significant or large enough to achieve profitability. In addition, we have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical industry.

Because of the numerous risks and uncertainties associated with biopharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. Even if we obtain marketing approval for one or more of our product candidates and achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable may have an adverse effect on the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product candidates or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We will require substantial additional capital to achieve our goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our development programs, commercialization efforts or other operations.

The development of biopharmaceutical product candidates is capital-intensive. We expect our expenses to increase in connection with our ongoing activities, particularly as we conduct our ongoing and planned preclinical studies for our development programs, initiate clinical trials for our product candidates and seek marketing approval for our current product candidates and any future product candidates we may develop. If we obtain marketing approval for any of our product candidates, we also expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. Because the outcome of any preclinical study or clinical trial is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates. Furthermore, we expect to incur additional costs associated with operating as a public company. 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 could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

Based upon our current operating plan, we believe that our existing cash and cash equivalents will enable us to fund our operations through at least 2024. In particular, we expect that our existing cash and cash equivalents will allow us to complete the Phase 1 portion of our planned Phase 1/2 clinical trial for TYRA-300 and Phase 1 clinical development for TYRA-200, and advance our FGFR3 program into the clinic. We have based these estimates on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our operating plans and other demands on our cash resources may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other capital sources, including potentially additional collaborations, licenses and other similar arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Attempting to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop our product candidates.

Our future capital requirements will depend on many factors, including, but not limited to:

- the type, number, scope, progress, expansions, results, costs and timing of, discovery, preclinical studies and clinical trials of our product candidates which we are pursuing or may choose to pursue in the future;
- the costs and timing of manufacturing for our product candidates and commercial manufacturing if any product candidate is approved;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs of obtaining, maintaining and enforcing our patents and other intellectual property rights;
- our efforts to enhance operational, compliance, and quality 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 preclinical and clinical activities increase;
- the costs and timing of establishing or securing sales and marketing capabilities if any product candidate is approved for commercial sale;
- 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;
- changes in laws or regulations applicable to our product candidates, including but not limited to clinical trial requirements for approval;
- the terms and timing of establishing and maintaining collaborations, licenses and other similar arrangements; and
- costs associated with any products or technologies that we may in-license or acquire.

Because we do not expect to generate commercial revenues, if any, from sales of products that we do not expect to be commercially available for many years, if at all, 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.

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

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through equity offerings, debt financings, or other capital sources, including potential collaborations, licenses and other similar arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Any future debt financing and preferred equity financing, if available, may involve, agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making capital expenditures, declaring dividends or encumbering our assets to secure future indebtedness. Such restrictions could adversely impact our ability to conduct our operations and execute our business plan.

If we raise additional funds through future collaborations, licenses and other similar arrangements, we may have to relinquish valuable rights to our future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us and/or that may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings or other arrangements when needed or on terms acceptable to us, we would 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.

Risks Related to the Discovery, Development and Marketing Approval of Our Product Candidates

We are early in our development efforts and all of our development programs are in the preclinical or discovery stage. If we are unable to successfully develop, obtain marketing approval and ultimately commercialize product candidates, or experience significant delays in doing so, our business will be materially harmed.

We are in the early stages of our research and development efforts and all of our development programs, including TYRA-300 and TYRA-200, are either in the preclinical or drug discovery stage. We have invested substantially all of our efforts to date in developing our proprietary SNÅP platform, developing TYRA-300 and TYRA-200, identifying other potential product candidates and conducting preclinical studies. We will need to progress TYRA-300, TYRA-200 and our other product candidates through additional preclinical studies to enable us to submit Investigational New Drug applications (INDs) with the U.S. Food and Drug Administration (FDA) and receive clearance from the FDA to proceed with initiating their clinical development. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend on the successful development and eventual commercialization of our product candidates. The success of our product candidates will depend on several factors, including the following:

- successful completion of preclinical studies with favorable results, including those compliant with Good Laboratory Practice (GLP) such as toxicology studies, biodistribution studies and minimum effective dose studies in animals;
- acceptance by the FDA of INDs or of similar regulatory submissions by comparable foreign regulatory authorities for the conduct of clinical trials of TYRA-300, TYRA-200 and our other product candidates and our proposed design of future clinical trials;
- successful enrollment in clinical trials and completion of clinical trials with favorable results;
- successful identification of new product candidates utilizing our SNÅP platform;
- demonstrating safety and efficacy to the satisfaction of applicable regulatory authorities;

- making arrangements with our third-party manufacturers for, or establishing, commercial manufacturing capabilities;
- receipt of marketing approvals from applicable regulatory authorities, including new drug applications (NDAs), from the FDA and maintaining such approvals;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- establishing and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- maintaining an acceptable safety profile of our products following marketing approval, including acceptable results from any post-approval studies or clinical trials agreed to by us or required by the FDA; and
- maintaining and growing an organization of people who can develop and commercialize our product candidates.

The FDA or comparable foreign regulatory authorities can refuse to accept INDs or similar regulatory submissions for many reasons, including negative or ambiguous results from our preclinical studies or disagreement with our interpretation of data from preclinical studies. If we are unable to develop, obtain marketing approval for, or, if approved, successfully commercialize our product candidates, we may not be able to generate sufficient revenue to continue our business.

As an organization, we have never conducted any clinical trials or submitted an application for marketing approval, and may be unable to do so for any of our product candidates.

We are early in our development efforts for our product candidates and we will need to successfully complete IND-enabling studies, Phase 1 clinical trials and later-stage and pivotal clinical trials, in order to obtain marketing authorization from the FDA or comparable foreign regulatory authorities to market TYRA-300, TYRA-200 or any other product candidates. Carrying out clinical trials and the submission of a successful NDA is a complicated process. As an organization, we plan to commence our first Phase 1/2 clinical trial in the second half of 2022, subject to receiving clearance to proceed under an IND. We have not previously conducted any clinical trials, have limited experience as a company in preparing, submitting and prosecuting regulatory filings and have not previously submitted an IND or an NDA or other comparable foreign regulatory submission for any product candidate. If we decide to develop TYRA-300 or TYRA-200 for multiple indications, we may be required to submit multiple INDs to the FDA for these indications and may not conduct a clinical trial in the United States for that indication until we do so. In addition, we have had limited interactions with the FDA and cannot be certain how many clinical trials of TYRA-300, TYRA-200 or any other product candidates will be required or how such trials should be designed. Consequently, we may be unable to successfully and efficiently execute and complete necessary clinical trials in a way that leads to regulatory submission and approval of any of our product candidates. We may require more time and incur greater costs than our competitors and may not succeed in obtaining marketing approvals of product candidates that we develop. Failure to commence or complete, or delays in, our planned clinical trials, could prevent us from, or delay us in submitting NDAs for, and commercializing our product candidates.

Preclinical and clinical development involves a lengthy and expensive process with an uncertain outcome, and the results of preclinical studies and early clinical trials are not necessarily predictive of future results. We have not tested any of our product candidates in clinical trials and our product candidates may not have favorable results in clinical trials, if any, or receive marketing approval on a timely basis, if at all.

Preclinical and clinical development is expensive and can take many years to complete, and its outcome is inherently uncertain. We cannot guarantee that any preclinical studies or clinical trials will be conducted as planned or completed on schedule, if at all, and delay or failure can occur at any time during the preclinical study or clinical trial process, including due to factors that are beyond our control. Further, we may not be able to meet expected timeframes for data readouts. Despite promising preclinical or clinical results, any biopharmaceutical company's product candidate can unexpectedly fail at any stage of preclinical or clinical development, and regulators, such as the FDA or comparable foreign regulatory authorities, may not accept the results as demonstrating the product candidate's safety and efficacy. The historical failure rate for product candidates in our industry is high.

The results from preclinical studies or clinical trials of a product candidate may not predict the results of later clinical trials of the product candidate, and interim, topline, or preliminary results of a clinical trial are not necessarily indicative of final results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy characteristics despite having progressed through preclinical studies and initial clinical trials. In particular, while we have conducted certain preclinical studies of TYRA-300, TYRA-200 and other potential product candidates targeting acquired resistance mutations in FGFR3, RET, and FGFR4, we do not know whether TYRA-300, TYRA-200 or the other potential product candidates will perform in future clinical trials as they have performed in these prior studies. The positive results we have observed for our product candidates in preclinical animal models may not be predictive of our future clinical trials in humans. It is not uncommon to observe results in clinical trials that are unexpected based on preclinical studies and early clinical trials, and many product candidates fail in clinical trials despite very promising early results. We are currently conducting IND-enabling preclinical studies for TYRA-300 and plan to initiate IND-enabling preclinical studies for TYRA-200. If unexpected observations or toxicities are observed in these studies, or in IND-enabling studies for any of our other product candidates, this will delay and possibly prevent or limit clinical trials for TYRA-300, TYRA-200 or our other product candidates. Moreover, preclinical and clinical data may be susceptible to varying interpretations and analyses. A number of companies in the biopharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies.

For the foregoing reasons, we cannot be certain that our ongoing and planned preclinical studies and planned clinical trials will be successful. Any safety concerns observed in any one of our clinical trials in our targeted indications could impair the prospects for marketing approval of our product candidates in those and other indications, which could have a material adverse effect on our business, financial condition and results of operations.

Our discovery and preclinical development activities are focused on the development of targeted therapeutics for patients with genomically defined cancers, which is a rapidly evolving area of science, and the approach we are taking to discover and develop drugs based on our SNÅP platform is novel and unproven and may never lead to approved products of commercial value.

The discovery and development of targeted therapeutics for patients with genomically defined cancers is an emerging field, and the scientific discoveries that form the basis for our efforts to discover and develop product candidates are relatively new. Although we believe, based on our preclinical work, that the genomic alterations targeted by our programs are oncogenic drivers, clinical results may not confirm this hypothesis or may only confirm it for certain alterations or certain tumor types. In addition, even if our approach is successful in showing clinical benefit for acquired resistance mutation-driven cancers for our TYRA-300 and TYRA-200 inhibitor programs, we may never successfully identify additional oncogenic alterations for other receptor tyrosine kinases

using our SNÅP platform, or succeed in identifying additional product candidates to address such alterations. Any product candidates we do discover and advance based on scientific approach may be later shown to have harmful side effects or may have other characteristics that may necessitate additional clinical testing, or make the product candidates unmarketable or unlikely to receive marketing approval. Therefore, we do not know if our approach of discovering and developing product candidates to treat patients with genomically defined cancers will be successful, and if our approach is unsuccessful, we may be forced to abandon our development efforts for a program or programs, which would have a material adverse effect on our business and could potentially cause us to cease operation.

Any difficulties or delays in the commencement or completion, or termination or suspension, of our planned clinical trials could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our commercial prospects.

Before we can initiate clinical trials for our product candidates, we must submit the results of preclinical studies to the FDA or comparable foreign regulatory authorities along with other information, including information about product candidate chemistry, manufacturing and controls and our proposed clinical trial protocol, as part of an IND application or similar regulatory filing required for regulatory acceptance before proceeding with clinical development. We are currently conducting IND-enabling studies for TYRA-300, and expect to submit an IND for TYRA-300 in mid-2022, followed by initiation of a Phase 1/2 clinical trial. We will also need to complete IND-enabling studies and submit INDs for TYRA-200 and our other development programs prior to initiating clinical development. The FDA or comparable foreign regulatory authorities may require us to conduct additional preclinical studies for any product candidate before it allows us to initiate clinical trials under any IND or similar regulatory filing, which may lead to delays and increase the costs of our preclinical development programs. Moreover, even if these trials begin, issues may arise that could cause regulatory authorities to suspend or terminate such clinical trials. Any such delays in the commencement or completion of our planned clinical trials for TYRA-300, TYRA-200, or any other product candidate, could significantly affect our product development timelines and development costs.

We do not know whether our planned trials will begin on time or be completed on schedule, if at all. The commencement, data readouts and completion of clinical trials can be delayed for a number of reasons, including delays related to:

- inability to generate sufficient preclinical, toxicology, or other *in vivo* or in vitro data to support the initiation or continuation of clinical trials;
- obtaining regulatory clearance to commence a trial or reaching a consensus with regulatory authorities on trial design;
- the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical trials;
- any failure or delay in reaching an agreement with contract research organizations (CROs) and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- failure to reach an agreement with diagnostic companies for the use of liquid biopsy companion diagnostic tests in our clinical trials;
- obtaining approval from one or more institutional review boards (IRBs);
- IRBs refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional patients, or withdrawing their approval of the trial;
- changes to clinical trial protocol;

- identifying sufficient appropriately qualified investigators and other professionals to conduct the clinical trials;
- clinical sites deviating from trial protocol or dropping out of a trial;
- manufacturing sufficient quantities of product candidates for use in clinical trials;
- patients failing to enroll or remain in our trials at the rate we expect, or failing to return for post-treatment follow-up, including patients failing to remain in our trials due to movement restrictions, health reasons or otherwise resulting from the COVID-19 pandemic;
- patients choosing an alternative treatment for the indication for which we are developing our product candidates, or participating in competing clinical trials;
- lack of adequate funding to continue the clinical trials;
- patients experiencing severe or unexpected drug-related adverse effects;
- occurrence of serious adverse events in clinical trials of the same class of agents conducted by other companies;
- selection of clinical endpoints that require prolonged periods of clinical observation or analysis of the resulting data;
- a facility manufacturing our product candidates or any of their components suspending or limiting manufacturing due to violations of cGMP, or other applicable requirements, including infections or cross-contaminations of product candidates in the manufacturing process, or the facility being subject to other enforcement by the FDA or comparable foreign regulatory authorities that result in temporary or permanent manufacturing shut downs or product supply limitations;
- any changes to our manufacturing process that may be necessary or desired;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials or being suspended or disqualified by the FDA or comparable foreign regulatory authorities, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol, GCPs, or other regulatory requirements;
- third-party contractors not performing data collection or analysis in a timely or accurate manner; or
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA or comparable foreign regulatory authorities for violations of regulatory requirements, in which case we may need to find a substitute contractor, and we may not be able to use some or all of the data produced by such contractors in support of our marketing applications.

In addition, disruptions caused by the COVID-19 pandemic may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials. We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which our trials are being conducted, by a Data Safety Monitoring Board for our trial or by the FDA or comparable foreign regulatory authorities. These authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols and to make the appropriate required records, inspection of the clinical trial operations or trial site by the FDA or comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a clinical trial drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial

protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical trial.

Further, conducting clinical trials in foreign countries, as we may do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of investigators or enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes, as well as political and economic risks, including war, relevant to such foreign countries.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. These authorities may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial. The FDA or comparable foreign regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of a marketing application by the FDA or comparable foreign regulatory authorities and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. Moreover, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues.

Our proprietary SNÅP platform is innovative and unproven, and we do not know whether we will be able to develop any product candidates that are successful in clinical development or products of commercial value.

The success of our business depends primarily upon our ability to identify, develop and commercialize products based on our proprietary SNÅP platform, which is designed to efficiently identify and selectively target vulnerabilities in the mutant proteins that commonly eliminate or reduce the effectiveness of standard-of-care therapies. Notwithstanding our preclinical study results for TYRA-300 and TYRA-200, we have not yet succeeded and may not succeed in demonstrating efficacy and safety for any product candidates in clinical trials or in obtaining marketing approval thereafter. TYRA-300 and TYRA-200 are in late preclinical development and we have not yet completed any clinical trials for any product candidate. Our SNÅP platform utilizes the rapid generation of precise molecular SNÅPshots to continually gain deeper insights into the structure of inhibitor binding sites and how commonly occurring resistance mutations lead to acquired drug resistance to existing therapies, which we believe aids in the prediction of amino acid residues most likely to cause resistance to specific existing therapies. This innovative process may never be successful in identifying additional product candidates with innovative structures that are able to inhibit the target while avoiding those specific residues. Further, because all of our product candidates and discovery programs are based on our SNÅP platform, adverse developments with respect to one of our programs may have a significant adverse impact on the actual or perceived likelihood of success and value of our other development programs.

In addition, the biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies. Our future success will depend in part on our ability to maintain a competitive position with our innovative approach to compound identification. If we fail to stay at the forefront of technological innovation in utilizing our SNÅP platform, we may be unable to compete effectively.

We may find it difficult to enroll patients in our clinical trials. If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

We may not be able to complete clinical trials for our product candidates if we are unable to identify and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or comparable foreign regulatory authorities. Patient enrollment for our clinical trials may be affected by many factors, including:

- the size and nature of the patient population;
- the proximity of patients to clinical sites;
- the eligibility and exclusion criteria for the trial;
- the design of the clinical trial;
- the risk that enrolled patients will not complete a clinical trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience; and
- competing clinical trials and clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating as well as any product candidates under development.

We will be required to identify and enroll a sufficient number of patients for each of our clinical trials. The patient populations for our product candidates are limited to those with specific target alterations and may not be completely defined but are substantially smaller than the general treated cancer population, and we will need to screen and identify these patients with targeted alterations. Successful identification of patients is dependent on several factors, including achieving certainty as to how specific alterations respond to our product candidates and the ability to identify such alterations. Furthermore, even if we are successful in identifying patients, we cannot be certain that the resulting patient populations for each mutation will be large enough to allow us to successfully obtain approval for each mutation type and commercialize our product candidates and achieve profitability. We may not be able to initiate or continue clinical trials if we are unable to locate a sufficient number of eligible patients to participate in the clinical trials required by the FDA or comparable foreign regulatory authorities. In addition, the process of finding and diagnosing patients may prove costly.

The timing of our clinical trials depends, in part, on the speed at which we can recruit patients to participate in our trials, as well as completion of required follow-up periods. The eligibility criteria of our clinical trials, once established, will further limit the pool of available trial participants. If patients are unwilling to participate in our trials for any reason, including the existence of concurrent clinical trials for similar patient populations or the availability of other therapies, or we otherwise have difficulty enrolling a sufficient number of patients, the timeline for recruiting patients, conducting clinical trials and obtaining marketing approval of our product candidates may be delayed. Additionally, because our initial planned clinical trials will be in patients with relapsed/refractory cancer, these patients are typically in the late stages of their disease and may experience disease progression independent from our product candidates, making them unevaluable for purposes of the clinical trial and requiring additional patient enrollment. Our inability to enroll a sufficient number of patients for any of our clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. In addition, we expect to rely on CROs and clinical trial sites to ensure proper and timely conduct of our clinical trials and, while we intend to enter into agreements governing their services, we will have limited influence over their actual performance.

We cannot assure you that our assumptions used in determining expected clinical trial timelines are correct or that we will not experience delays in enrollment, which would result in the delay of completion of such trials beyond our expected timelines.

Use of our product candidates could be associated with side effects, adverse events or other properties or safety risks, which could delay or preclude approval, cause us to suspend or discontinue clinical trials, abandon a product candidate, limit the commercial profile of an approved label or result in other significant negative consequences that could severely harm our business, prospects, operating results and financial condition.

We have not evaluated any of our product candidates in human clinical trials. It is impossible to predict when or if any product candidates we may develop will prove safe in humans. As is the case with biopharmaceuticals generally, and treatments for cancer and rare diseases in particular, it is likely that there may be side effects and adverse events associated with the use of our product candidates. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities. If adverse events or other side effects are observed in any of our future clinical trials, we may have difficulty recruiting patients to our clinical trials, patients may drop out of our trials, or we may be required to abandon the trials or our development efforts of one or more product candidates altogether. Any of these occurrences may harm our business, financial condition and prospects significantly.

Moreover, if our product candidates are associated with undesirable side effects in clinical trials or have characteristics that are unexpected, we may elect to abandon their development or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial expectations for the product candidate if approved. We, the FDA or other applicable regulatory authorities, or an IRB, may suspend or terminate future clinical trials of a product candidate at any time for various reasons, including a belief that subjects in such trials are being exposed to unacceptable health risks or adverse side effects. Many compounds that initially showed promise in early-stage testing have later been found to cause side effects that prevented further development of the compound. In addition, regulatory authorities may draw different conclusions or require additional testing to confirm these determinations.

It is possible that as we test our product candidates in larger, longer and more extensive clinical trials, including with different dosing regimens, or as the use of these product candidates becomes more widespread if they receive marketing approval, illnesses, injuries, discomforts and other adverse events that were observed in earlier trials, as well as conditions that did not occur or went undetected in previous trials, may be reported by patients. If such side effects become known later in development or upon approval, if any, such findings may harm our business, financial condition and prospects significantly.

Patients treated with our products, if approved, may experience previously unreported adverse reactions, and it is possible that the FDA or comparable foreign regulatory authorities may ask for additional safety data as a condition of, or in connection with, our efforts to obtain approval of our product candidates. Even if the side effects do not preclude the product candidate from obtaining or maintaining marketing approval, undesirable side effects may inhibit market acceptance of the approved product due to its tolerability versus other therapies. If safety problems occur or are identified after our products, if any, are available for commercial sale and use, we may make the decision, or be required by regulatory authorities, to amend the labeling of our product candidates, recall our product candidates or even withdraw approval for an approved product.

In addition, if one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such product, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw, suspend or limit approvals of such product, or seek an injunction against its manufacture or distribution;
- we may be required to recall a product or change the way such product is administered to patients;
- regulatory authorities may require additional warnings on the label, such as a “black box” warning or a contraindication;
- we may be required to implement a Risk Evaluation and Mitigation Strategy (REMS) or create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way a product is distributed, conduct additional clinical trials or change the labeling of a product or be required to conduct additional post-marketing studies or surveillance;
- we could be sued and held liable for harm caused to patients; or
- sales of the product may decrease significantly or the product could become less competitive and our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

We may not be able to submit INDs to commence clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed.

We may not be able to submit INDs for our existing and future product candidates on the timelines we expect. For example, we may experience manufacturing delays or other delays with IND-enabling studies. Moreover, we cannot be sure that submission of an IND will result in the FDA allowing clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate clinical trials. Additionally, even if the FDA agrees with the design and implementation of the clinical trials set forth in an IND, we cannot guarantee that it will not change its requirements in the future. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or to a new IND. Any failure to file INDs on the timelines we expect or to obtain regulatory approvals for our planned clinical trials may prevent us from initiating or completing our clinical trials or commercializing our product candidates on a timely basis, if at all.

Our product candidates are subject to extensive regulation and compliance, which is costly and time consuming, and such regulation may cause unanticipated delays or prevent the receipt of the required approvals to commercialize our product candidates.

The clinical development, manufacturing, labeling, packaging, storage, record-keeping, advertising, promotion, import, export, marketing, distribution and adverse event reporting, including the submission of safety and other information, of our product candidates are subject to extensive regulation by the FDA in the United States and by comparable foreign regulatory authorities in foreign markets. In the United States, we are not permitted to market our product candidates until we receive marketing approval from the FDA. The process of obtaining marketing approval is expensive, often takes many years following the commencement of clinical trials and can vary substantially based upon the type, complexity and novelty of the product candidates involved, as well as the target indications and patient population. Approval policies or regulations may change, and the FDA has substantial

discretion in the drug approval process, including the ability to delay, limit or deny approval of a product candidate for many reasons. Despite the time and expense invested in clinical development of product candidates, marketing approval is never guaranteed. Neither we, nor any future collaborator, is permitted to market any of our product candidates in the United States until we receive marketing approval from the FDA.

Prior to obtaining approval to commercialize a product candidate in the United States or abroad, we or our collaborators must demonstrate with substantial evidence from adequate and well-controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidates are safe and effective for their intended uses. Results from preclinical studies and clinical trials can be interpreted in different ways. Even if we believe the preclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities, as the case may be, may also require us to conduct additional preclinical studies or clinical trials for our product candidates either prior to or post-approval, or may object to elements of our clinical development program.

The FDA or comparable foreign regulatory authorities can delay, limit or deny approval of a product candidate for many reasons, including:

- such authorities may disagree with the design or implementation of our, or our any of our potential future collaborators' clinical trials;
- negative or ambiguous results from our clinical trials or results may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for marketing approval;
- serious and unexpected drug-related side effects may be experienced by participants in our clinical trials or by individuals using drugs similar to our product candidates;
- such authorities may not accept clinical data from trials which are conducted at clinical facilities or in countries where the standard of care is potentially different from that of the United States;
- we, or any of our potential future collaborators may be unable to demonstrate that a product candidate is safe and effective, and that product candidate's clinical and other benefits outweigh its safety risks;
- such authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- such authorities may not agree that the data collected from clinical trials of our product candidates are acceptable or sufficient to support the submission of an NDA or other submission or to obtain marketing approval in the United States or elsewhere, and such authorities may impose requirements for additional preclinical studies or clinical trials;
- such authorities may disagree regarding the formulation, labeling and/or the specifications of our product candidates;
- such authorities may require additional information, data, qualification, or validation of our manufacturing and testing processes as part of the chemistry, manufacturing, and controls information we submit as part of our application;
- approval may be granted only for indications that are significantly more limited than what we apply for and/or with other significant restrictions on distribution and use;

- such authorities may find deficiencies in the manufacturing processes, approval policies or facilities of our third-party manufacturers with which we or any of our current or future collaborators contract for clinical and commercial supplies;
- regulations of such authorities may significantly change in a manner rendering our or any of our potential future collaborators' clinical data insufficient for approval; or
- such authorities may not accept a submission due to, among other reasons, the content or formatting of the submission.

Any delays in the marketing approval of our product candidates may negatively impact our ability to successfully position the product candidate in the market or the product candidate may face additional competition from other products.

With respect to foreign markets, marketing approval procedures vary among countries and, in addition to the foregoing risks, may involve additional product testing, administrative review periods and agreements with pricing authorities. In addition, events raising questions about the safety of certain marketed biopharmaceuticals may result in increased cautiousness by the FDA or comparable foreign regulatory authorities in reviewing new drugs based on safety, efficacy or other regulatory considerations and may result in significant delays in obtaining marketing approvals. Any delay in obtaining, or inability to obtain, applicable marketing approvals would prevent us or any of our potential future collaborators from commercializing our product candidates.

We are required by the FDA (or comparable regulatory authority) to obtain approval or clearance of a companion diagnostic test in connection with approval of any of our product candidates. If we do not obtain or we face delays in obtaining approval of a diagnostic test, we may not be able to commercialize the product candidate and our ability to generate revenue will be materially impaired.

If we are required by the FDA or comparable foreign regulatory authorities to obtain approval or clearance of a companion diagnostic test in connection with marketing approval of any of our product candidates, such companion diagnostic test would be used during our more advanced phase clinical trials as well as in connection with the commercialization of our product candidates. We will rely on third parties for the design, development and manufacture of companion diagnostic tests for our product candidates that may require such tests. If we enter into such collaborative agreements, we will be dependent on the sustained cooperation and effort of our future collaborators in developing and obtaining approval or clearance for these companion diagnostics. To be successful in developing and commercializing product candidates in combination with these companion diagnostics, we and our future collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. According to FDA guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved or cleared at the same time the product candidate is approved. To date, the FDA has required marketing approval of all companion diagnostic tests for cancer therapies. Various foreign regulatory authorities also regulate in vitro companion diagnostics as medical devices and, under those regulatory frameworks, will likely require the conduct of clinical trials to demonstrate the safety and effectiveness of these companion diagnostics, which we expect will require separate regulatory clearance or approval prior to commercialization.

The approval or clearance of a companion diagnostic as part of the therapeutic product's labeling limits the use of the therapeutic product to only those patients who express certain biomarkers or the specific genomic alteration that the companion diagnostic was developed to detect. If the FDA or comparable foreign regulatory authorities require approval or clearance of a companion diagnostic for any of our product candidates, whether before or concurrently with marketing approval of the product candidate, we and/or our collaborators, may encounter difficulties in developing and obtaining approval or clearance for these companion diagnostics. Any delay

or failure by us or potential future collaborators to develop or obtain regulatory approval or clearance of a companion diagnostic could delay or prevent approval or continued marketing of our related product candidates. Further, in April 2020, the FDA issued new guidance on developing and labeling companion diagnostics for a specific group of oncology therapeutic products, including recommendations to support a broader labeling claim rather than individual therapeutic products. We will continue to evaluate the impact of this guidance on any companion diagnostic strategy we undertake. This guidance and future issuances from the FDA or comparable foreign regulatory authorities may impact our product candidates and result in delays in regulatory approval. We may be required to conduct additional studies to support a broader claim. Also, to the extent other approved diagnostics are able to broaden their labeling claims to include our approved drug products, we may be forced to abandon any partnered companion diagnostic development plans we undertake or we may not be able to compete effectively upon marketing approval, which could adversely impact our ability to generate revenue from the sale of our approved products and our business operations.

Moreover, even if data from preclinical studies and early clinical trials appear to support development of a companion diagnostic for a product candidate, data generated in later clinical trials may fail to support the analytical and clinical validation of the companion diagnostic. We and our future collaborators may encounter difficulties in developing, obtaining regulatory approval or clearance for, manufacturing and commercializing companion diagnostics similar to those we face with respect to our product candidates themselves, including issues with achieving regulatory clearance or approval, production of sufficient quantities at commercial scale and with appropriate quality standards, and in gaining market acceptance. If we are unable to successfully develop companion diagnostics for our product candidates, or experience delays in doing so, the development of our product candidates may be adversely affected, our product candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of our product candidates that obtain marketing approval. As a result, our business, results of operations and financial condition could be materially harmed. In addition, a diagnostic company with whom we contract may decide to discontinue selling or manufacturing the companion diagnostic test that we anticipate using in connection with development and commercialization of product candidates or our relationship with such diagnostic company may otherwise terminate. We may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our product candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our product candidates.

We may expend our limited resources to pursue a particular product candidate 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 and managerial resources, we focus on specific product candidates, development programs and specific indications. As a result, we may forgo or delay pursuit of opportunities with other product candidates that could have had greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable potential 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 collaborations, licenses and other similar arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We may not be able to obtain or maintain orphan drug designations for any of our product candidates, and we may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs or biologics for relatively small patient populations as orphan drugs. Under the Orphan Drug Act of 1983, the

FDA may designate a product as an orphan product if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population of greater than 200,000 individuals in the United States, but for which there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the European Union, the European Medicines Agency's (EMA's), Committee for Orphan Medicinal Products grants orphan drug designation to promote the development of products that are intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 persons in the European Union. We have not received orphan drug designation in the United States for any product candidate. We may seek orphan drug designation in the United States and the European Union for TYRA-300 for patients with MIBC and other rare tumors susceptible to an FGFR3 therapy, and similar designations for TYRA-200 and our other product candidates in qualified patient populations. There can be no assurance that the FDA or the EMA's Committee for Orphan Medicinal Products will grant orphan designation for any indication for which we apply, or that we will be able to maintain such designation.

In the United States, orphan designation entitles a party to financial incentives such as opportunities for grant funding toward clinical trial costs, tax advantages and user-fee waivers. In addition, if a product candidate that has orphan designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including an NDA, to market the same product for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity. The applicable exclusivity period is ten years in Europe, but such exclusivity period can be reduced to six years if a product no longer meets the criteria for orphan designation or if the product is sufficiently profitable that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA or comparable foreign regulatory authorities can subsequently approve the same drug for the same condition if such regulatory authority concludes that the later drug is clinically superior because it is shown to be safer, more effective or makes a major contribution to patient care. Orphan drug exclusivity may also be lost if the FDA later determines that the initial request for designation was materially defective. In addition, orphan drug exclusivity does not prevent the FDA from approving competing drugs for the same or similar indication containing a different active ingredient. In addition, if a subsequent drug is approved for marketing for the same or a similar indication as any of our product candidates that receive marketing approval, we may face increased competition and lose market share regardless of orphan drug exclusivity. Orphan drug designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

If we successfully develop our product candidates, we may seek Breakthrough Therapy designation or Fast Track designation by the FDA for one or more of our product candidates, but we may not receive such designation, and even if we do, such designation may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek Breakthrough Therapy or Fast Track designation for some of our product candidates. A Breakthrough Therapy is defined as a drug or biologic that is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life- threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs or biologics that have been designated as Breakthrough Therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens.

Drugs or biologics designated as Breakthrough Therapies by the FDA may also be eligible for expedited review and approval. If a product candidate is intended for the treatment of a serious or life-threatening condition and clinical or preclinical data demonstrate the potential to address unmet medical needs for this condition, the sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we obtain Fast Track Designation for one or more of our product candidates, we may not experience a faster development process, review or approval compared to non-expedited FDA review procedures. In addition, the FDA may withdraw Fast Track Designation if it believes that the designation is no longer supported. Fast Track Designation alone does not guarantee qualification for the FDA's priority review procedures.

Whether to grant Breakthrough Therapy or Fast Track Designation is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for these designations, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of either of these designations for a product candidate may not result in a faster development process, review or approval compared to product candidates considered for approval under non-expedited FDA review procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify for either of these designations, the FDA may later decide that the product candidate no longer meet the conditions for qualification.

We may in the future conduct clinical trials for certain of our product candidates outside of the United States. However, the FDA and other foreign equivalents may not accept data from such trials, in which case our development plans will be delayed, which could materially harm our business.

We may conduct one or more of our clinical trials for our product candidates outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of this data is subject to certain conditions imposed by the FDA. Where data from foreign clinical trials are intended to as the basis for marketing approval in the United States, the FDA will not approve the application on the basis of foreign data alone unless those data are applicable to the U.S. population and U.S. medical practice; the trials were performed by clinical investigators of recognized competence; and the data are considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such an inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. For trials that are conducted only at sites outside of the United States and not subject to an IND, the FDA requires the clinical trial to have been conducted in accordance with GCP and the FDA must be able to validate the data from the clinical trial through an on-site inspection if it deems such inspection necessary. For such trials not subject to an IND, the FDA generally does not provide advance comment on the clinical protocols for the trials, and therefore there is an additional potential risk that the FDA could determine that the trial design or protocol for a non-U.S. clinical trial was inadequate, which could require us to conduct additional clinical trials. In addition, such foreign trials would be subject to the applicable local laws of the foreign regulatory and legal requirements where the trials are conducted. There can be no assurance the FDA will accept data from clinical trials conducted outside of the United States. If the FDA does not accept data from our clinical trials of our product candidates, it would likely result in the need for additional clinical trials, which would be costly and time consuming and delay or permanently halt our development of our product candidates.

Interim, topline and preliminary data from our preclinical studies and clinical trials that we may announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary, interim or topline data from our preclinical studies and clinical trials. These interim updates are based on a preliminary analysis of then-available data, and the

results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. For example, we may report responses in certain patients that are unconfirmed at the time and which do not ultimately result in confirmed responses to treatment after follow-up evaluations. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline results that we report may differ from future results of the same studies or trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available. In addition, we may report interim analyses of only certain endpoints rather than all endpoints. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse changes between interim data and final data could significantly harm our business and prospects. Further, additional disclosure of interim data by us or by our competitors in the future could result in volatility in the price of our common stock.

In addition, the information we choose to publicly disclose regarding a particular study or trial is typically selected from a more extensive amount of available information. Investors may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the interim, topline or preliminary data that we report differ from late, final or actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, any of our product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects.

Where appropriate, we plan to secure approval from the FDA or comparable foreign regulatory authorities through the use of accelerated approval pathways. If we are unable to obtain such approval, we may be required to conduct additional clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA, if our confirmatory trials do not verify clinical benefit, or if we do not comply with rigorous post-marketing requirements, the FDA may seek to withdraw accelerated approval.

Where appropriate, we plan to seek an accelerated approval for one or more of our product candidates. Under the accelerated approval program, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug or biologic over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is usually contingent on the sponsor’s agreement to conduct, in a diligent manner, additional post- approval confirmatory studies to verify and describe the drug’s clinical benefit. If such post-approval studies fail to confirm the drug or biologic’s clinical benefit or are not completed in a timely manner, the FDA may withdraw its approval of the drug or biologic.

We have not yet applied for accelerated approval by the FDA. Prior to seeking accelerated approval for any of our product candidates, we intend to seek feedback from the FDA and will otherwise evaluate our ability to seek and receive accelerated approval. There can be no assurance that after our evaluation of the feedback and other factors, we will decide to pursue or submit an NDA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that after subsequent FDA feedback we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval program, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval or receive an expedited regulatory designation (e.g., breakthrough therapy designation) for our product candidates, there can be no assurance that such submission or application will be accepted or that any expedited development, review or approval will be granted on a timely basis, or at all. The FDA or other comparable foreign regulatory authorities could also require us to conduct further studies prior to considering our application or granting approval of any type. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidate would result in a longer time period to commercialization of such product candidate, if any, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs and biologics or modifications to approved drugs and biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products and subsequently, on March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities. On July 10, 2020, the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. And on April 14, 2021, the FDA announced guidance regarding remote interactive evaluations, and how they will be requested by the FDA and conducted for the duration of the COVID-19 public health emergency at any facility where pharmaceutical products, including biological products, are manufactured, processed, packed or held; facilities covered under the FDA's bioresearch monitoring program; and outsourcing facilities registered under FDCA section 503B. In May 2021, the FDA outlined a detailed plan to move toward a more consistent state of inspectional operations, and in July 2021, the FDA resumed standard inspectional operations of domestic facilities and was continuing to maintain this level of operation as of September 2021. More recently, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates as it adapts to the evolving COVID-19 pandemic. The FDA intends to use information from remote interactive evaluations to meet user-fee commitments and to update facilities information, when deemed appropriate based on risk and history of compliance with FDA regulations. Facilities can choose to decline the FDA's request to perform a remote facility evaluation; however, this may delay the agency's ability to evaluate the facility or product and make a regulatory

decision. The FDA will not accept requests from applicants or facilities to perform a remote interactive evaluation, as decisions to offer a remote interactive evaluation will rest with the FDA, based on risk and compliance history.

Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities, it could significantly impact the ability of the FDA or comparable foreign regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Changes in methods of product candidate manufacturing or formulation may result in additional costs or delay.

As product candidates progress through preclinical studies and clinical trials to marketing approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize safety, efficacy, yield and manufacturing batch size, minimize costs and achieve consistent quality and results. For example, we have recently changed the delivery vehicle we use in our formulation for TYRA-300 from polyethylene glycol 400 to a cyclodextrin based vehicle. While we have observed positive results in a preclinical model using this new delivery vehicle, any further changes in formulation may result in effects and results that are different from those observed in our completed preclinical studies to date. Similarly, in the future we may introduce an alternative formulation of one or more of our product candidates during the course of our planned clinical trials. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay initiation or completion of clinical trials, require the conduct of bridging studies or clinical trials or the repetition of one or more studies or clinical trials, increase development costs, delay approval of our product candidates and jeopardize our ability to commercialize our product candidates, if approved, and generate revenue.

Risks Related to Our Reliance on Third Parties

We intend to rely on third parties for the manufacture of our product candidates for preclinical and clinical development. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not own or operate manufacturing facilities and have no plans to develop our own clinical or commercial-scale manufacturing capabilities. We plan to rely, and expect to continue to rely, on third parties for the manufacture of our product candidates and related raw materials for preclinical and clinical development, as well as for commercial manufacture if any of our product candidates receive marketing approval. The facilities used by third-party manufacturers to manufacture our product candidates must be approved by the FDA or comparable foreign regulatory authorities pursuant to inspections that will be conducted after we submit an NDA to the FDA or any comparable filing to a foreign regulatory authority. We do not control the manufacturing process of, and are completely dependent on, third-party manufacturers for compliance with cGMP requirements for manufacture of products. If these third-party manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or any comparable foreign regulatory authority, they will not be able to secure and/or maintain marketing approval for their manufacturing facilities. In addition, we have no control over the ability of third-party manufacturers to maintain adequate quality control, quality assurance, qualified personnel, and accurate and complete recordkeeping. If the FDA or comparable foreign regulatory authorities does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain marketing approval for or market our product candidates, if approved. Our

failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us or the third-party manufacturers, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

Our or a third party's failure to execute on our manufacturing requirements on commercially reasonable terms and in compliance with cGMP could adversely affect our business in a number of ways, including:

- an inability to initiate clinical trials of our product candidates under development;
- delay in submitting regulatory applications, or receiving marketing approvals, for our product candidates;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- requirements to cease development or to recall batches of our product candidates; and
- in the event of approval to market and commercialize our product candidates, an inability to meet commercial demands for our product candidates or any other future product candidates.

In addition, we do not have any long-term commitments or supply agreements with our third party manufacturers. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms, which increases the risk of timely obtaining sufficient quantities of our product candidates or such quantifies at an acceptable cost. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- failure of third-party manufacturers to comply with regulatory requirements and maintain quality assurance;
- breach of the manufacturing agreement by the third party;
- failure to manufacture our product according to our specifications;
- failure to manufacture our product according to our schedule or at all;
- misappropriation of our proprietary information, including our trade secrets and know-how; and
- termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Our product candidates and any products that receive marketing approval may compete with the product candidates and products of other companies for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us. Public health emergencies, such as that declared for COVID-19, might cause third-party manufacturers with whom we contract to prioritize the production of other products, possibly at the direction of the United States. or other government. This could lead to a delay in the manufacture of our product candidates or any products that receive marketing approval, and negatively impact the supply of such product candidates or products for clinical trials or commercialization.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval, and any related remedial measures may be costly or time consuming to implement. We do not currently have arrangements in place for redundant supply or a second source for all required

raw materials used in the manufacture of our product candidates. If our existing or future third-party manufacturers cannot perform as agreed, we may be required to replace such manufacturers and we may be unable to replace them on a timely basis or at all. In particular, any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third-party and a feasible alternative may not exist. In addition, certain of our product candidates and our own proprietary methods have never been produced or implemented outside of our company, and we may therefore experience delays to our development programs if and when we attempt to establish new third-party manufacturing arrangements for these product candidates or methods.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or products may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis.

Our reliance on third parties requires us to share our confidential information, which increases the possibility that confidential information will be misappropriated or disclosed.

Because we currently plan to rely on third parties to manufacture our product candidates and to perform quality testing, we must, at times, share our proprietary technology and confidential information with them. We seek to protect our proprietary technology, in part, by entering into confidentiality agreements, and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information. Despite the contractual provisions employed when working with third parties, the need to share confidential information increases the risk that such trade secrets become known by our competitors, are intentionally or inadvertently incorporated into the technology of others or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and confidential information and despite our efforts to protect our confidential information, a competitor’s discovery of our proprietary technology and confidential information or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may seek to enter into collaborations, licenses and other similar arrangements and may not be successful in doing so, and even if we are, we may relinquish valuable rights and may not realize the benefits of such relationships.

We may seek to enter into collaborations, joint ventures, licenses and other similar arrangements for the development or commercialization of our product candidates, due to capital costs required to develop or commercialize the product candidate or manufacturing constraints. We may not be successful in our efforts to establish such collaborations for our product candidates because our research and development pipeline may be insufficient, our product candidates may be deemed to be at too early of a stage of development for collaborative effort or third parties may not view our product candidates as having the requisite potential to demonstrate safety and efficacy or significant commercial opportunity. In addition, we face significant competition in seeking appropriate strategic partners, and the negotiation process can be time-consuming and complex. We may have to relinquish valuable rights to our future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us, as part of any such arrangement, and such arrangements may restrict us from entering into additional agreements with other potential collaborators. We cannot be certain that, following a collaboration, license or strategic transaction, we will achieve an economic benefit that justifies such transaction.

Even if we are successful in our efforts to establish such collaborations, the terms that we agree upon may not be favorable to us, and we may not be able to maintain such collaborations if, for example, the development or approval of a product candidate is delayed, the safety of a product candidate is questioned or the sales of an approved product candidate are unsatisfactory.

In addition, any potential future collaborations may be terminable by our strategic partners, and we may not be able to adequately protect our rights under these agreements. Furthermore, strategic partners may negotiate for certain rights to control decisions regarding the development and commercialization of our product candidates, if approved, and may not conduct those activities in the same manner as we do. Any termination of collaborations we enter into in the future, or any delay in entering into collaborations related to our product candidates, could delay the development and commercialization of our product candidates and reduce their competitiveness if they reach the market, which could have a material adverse effect on our business, financial condition and results of operations.

We rely on third parties to conduct some of our preclinical studies and will rely on third parties to conduct our clinical trials. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, our development programs and our ability to seek or obtain marketing approval for or commercialize our product candidates may be delayed.

We are dependent on third parties to conduct some of our preclinical studies and expect to rely on such third parties for our clinical trials, including our planned Phase 1/2 clinical trial of TYRA-300. Specifically, we have used and relied on, or intend to use and rely on, medical institutions, clinical investigators, CROs, contract development and manufacturing organizations, and consultants to conduct some of our preclinical studies and to conduct planned clinical trials in accordance with our clinical protocols and regulatory requirements. These CROs, investigators and other third parties play a significant role in the conduct and timing of these preclinical studies and clinical trials and subsequent collection and analysis of data. While we have and will have agreements governing the activities of our CROs, investigators and other third-party contractors, we have limited influence over their actual performance. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on our CROs and other third parties does not relieve us of our regulatory responsibilities. We and our CROs are required to comply with GLP and GCP requirements, which are regulations and guidelines enforced by the FDA or comparable foreign regulatory authorities for all of our product candidates in preclinical and clinical development. Regulatory authorities enforce these requirements through periodic inspections of trial sponsors, principal investigators, trial sites, and other third parties. If we or any of our CROs, trial sites or other third parties fail to comply with applicable GLP or GCP or other requirements, the clinical data generated in our clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional preclinical studies or clinical trials before approving our marketing applications. In addition, our clinical trials must be conducted with products produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the marketing approval process.

There is no guarantee that any of our CROs, investigators or other third parties will devote adequate time and resources to such trials or perform as contractually required. If any of these third parties fail to meet expected deadlines, adhere to our clinical protocols or meet regulatory requirements, or otherwise performs in a substandard manner, our clinical trials may be extended, delayed or terminated. In addition, many of the third parties with whom we contract may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other development activities that could harm our competitive position. In addition, principal investigators for our clinical trials may also serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or the FDA concludes that the financial relationship may have affected the interpretation of the study, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which

could result in the delay or rejection by the FDA of any NDA we submit. Any such delay or rejection could prevent us from commercializing our product candidates.

Our CROs have the right to terminate their agreements with us in the event of an uncured material breach. In addition, some of our CROs have an ability to terminate their respective agreements with us if we make a general assignment for the benefit of our creditors or if we are liquidated. If any of our relationships with these third parties terminate, we may not be able to enter into arrangements with alternative third parties on commercially reasonable terms or at all. Switching or adding additional CROs, investigators and other third parties involves additional cost and requires our management's time and focus. In addition, there is a natural transition period when a new CRO, investigator or other third party contractor commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, investigators and other third parties, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

Risks Related to Commercialization of Our Product Candidates

Even if we receive marketing approval for any product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions on marketing or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our product candidates, when and if any of them are approved.

Following potential approval of any our product candidates, the FDA may impose significant restrictions on a product's indicated uses or marketing or impose ongoing requirements for potentially costly and time consuming post-approval studies, post-market surveillance or clinical trials to monitor the safety and efficacy of the product, may contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, and may include burdensome post-approval study or risk management requirements. For example, the FDA may require a REMS, as a condition of approval of our product candidates, which could include requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export recordkeeping, and other activities relating to our products will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and GCP requirements for any clinical trials that we conduct post- approval. Manufacturers of approved products and their facilities are subject to continual review and periodic, unannounced inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and standards. Later discovery of previously unknown problems with our products, including additional adverse events or adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of our products, withdrawal of the product from the market or product recalls;
- restrictions on product distribution or use, or requirements to conduct post-marketing studies or clinical trials;
- fines, restitutions, disgorgement of profits or revenues, civil money penalties, warning letters, untitled letters or holds on clinical trials;

- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of approvals;
- product seizure or detention, or refusal to permit the import or export of our products; and
- injunctions or the imposition of civil or criminal penalties.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates and generate revenue and could require us to expend significant time and resources in response and could generate negative publicity.

In addition, if any of our product candidates are approved, our product labeling, advertising and promotion will be subject to regulatory requirements and continuing regulatory review. The FDA strictly regulates the promotional claims that may be made about drug products. In particular, a product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling. If we receive marketing approval for a product candidate, physicians may nevertheless, in their independent medical judgment, prescribe it to their patients in a manner that is inconsistent with the approved label. The FDA does not regulate the behavior of physicians in their choice of treatments but the FDA does restrict manufacturer's communications on the subject of off-label use of their products. If we are found to have promoted such off-label uses, we may become subject to significant liability. The FDA, the Department of Justice, and other governmental authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant sanctions. For example, the federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into corporate integrity agreements, consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. For example, certain policies of the current U.S. administration may impact our business and industry. Namely, the current U.S. administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine regulatory and oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these executive actions, including the Executive Orders, will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose constraints on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations..

The commercial success of our product candidates will depend upon the degree of market acceptance of such product candidates by physicians, patients, healthcare payors and others in the medical community.

Our product candidates may not be commercially successful. Even if any of our product candidates receive marketing approval, they may not gain market acceptance among physicians, patients, healthcare payors or the medical community. The commercial success of any of our current or future product candidates will depend significantly on the broad adoption and use of the resulting product by physicians and patients for approved indications. The degree of market acceptance of our products will depend on a number of factors, including:

- demonstration of clinical efficacy and safety compared to other more-established products;
- the indications for which our product candidates are approved;
- the limitation of our targeted patient population and other limitations or warnings contained in any FDA-approved labeling;
- acceptance of a new drug for the relevant indication by healthcare providers and their patients;
- the pricing and cost-effectiveness of our products, as well as the cost of treatment with our products in relation to alternative treatments and therapies;
- our ability to obtain and maintain sufficient third-party coverage and adequate reimbursement from government healthcare programs, including Medicare and Medicaid, private health insurers and other third-party payors;
- the willingness of patients to pay all, or a portion of, out-of-pocket costs associated with our products in the absence of sufficient third-party coverage and adequate reimbursement;
- any restrictions on the use of our products, and the prevalence and severity of any adverse effects;
- potential product liability claims;
- the timing of market introduction of our products as well as competitive drugs;
- the effectiveness of our or any of our current or potential future collaborators' sales and marketing strategies; and
- unfavorable publicity relating to the product.

If any product candidate is approved but does not achieve an adequate level of acceptance by physicians, hospitals, healthcare payors or patients, we may not generate sufficient revenue from that product and may not become or remain profitable. Our efforts to educate the medical community and third-party payors regarding the benefits of our products may require significant resources and may never be successful.

We currently have no marketing and sales organization and have no experience as a company in commercializing products, and we may have to invest significant resources to develop these capabilities. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our products, we may not be able to generate product revenue.

We have no internal sales, marketing or distribution capabilities, nor have we commercialized a product. If any of our product candidates ultimately receives marketing approval, we must build a marketing and sales organization with technical expertise and supporting distribution capabilities to commercialize each such product in major markets, which will be expensive and time consuming, or collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu

of our own sales force and distribution systems. We have no prior experience as a company in the marketing, sale and distribution of biopharmaceutical products and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products. We may not be able to enter into collaborations or hire consultants or external service providers to assist us in sales, marketing and distribution functions on acceptable financial terms, or at all. In addition, our product revenues and our profitability, if any, may be lower if we rely on third parties for these functions than if we were to market, sell and distribute any products that we develop ourselves. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we are not successful in commercializing our products, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

The successful commercialization of our product candidates, if approved, will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels and favorable pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our products could limit our ability to market those products and decrease our ability to generate revenue.

The availability of coverage and the adequacy of reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors are essential for most patients to be able to afford prescription medications such as our product candidates, if approved. Our ability to achieve coverage and acceptable levels of reimbursement for our products by third-party payors will have an effect on our ability to successfully commercialize those products. Moreover, we are initially developing TYRA-300 for the treatment of mUC, an indication with a small patient population. In order for products that are designed to treat smaller patient populations to be commercially viable, the reimbursement for such products must be higher, on a relative basis, to account for the lack of volume. Accordingly, we will need to implement a coverage and reimbursement strategy for any approved product candidate with a smaller patient population that accounts for the smaller potential market size. Even if we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization. We cannot be sure that coverage and reimbursement in the United States, the European Union or elsewhere will be available for any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Obtaining and maintaining reimbursement status is time consuming, costly and uncertain. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs. However, no uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and we believe that changes in these rules and regulations are likely.

Third-party payors increasingly are challenging prices charged for biopharmaceutical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when

an equivalent generic drug or a less expensive therapy is available. It is possible that a third-party payor may consider our products as substitutable and only offer to reimburse patients for the less expensive product. Even if we are successful in demonstrating improved efficacy or improved convenience of administration with our products, pricing of existing drugs may limit the amount we will be able to charge for our products. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in product development. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates and may not be able to obtain a satisfactory financial return on products that we may develop, once approved. In addition, in the event that we or third parties develop companion diagnostic tests for use with our products, once approved, such companion diagnostic tests will require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical or biological products. Similar challenges to obtaining coverage and reimbursement applicable to pharmaceutical or biological products will apply to companion diagnostics tests.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe and other countries has and will continue to put pressure on the pricing and usage of our products, once approved. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our products. Accordingly, in markets outside the United States, the reimbursement for our products, once approved, may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our products, once approved. We expect to experience pricing pressures in connection with the sale of any of our products due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products.

We face significant competition, and if our competitors develop technologies or product candidates more rapidly than we do or their technologies are more effective, our business and our ability to develop and successfully commercialize products may be adversely affected.

The biotechnology and biopharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary and novel products and product candidates. Our competitors have developed, are developing or may develop products or product candidates competitive with our product candidates. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we may attempt to develop product candidates. In particular, there is intense competition in the precision oncology field. Our competitors include larger and better-funded pharmaceutical, biopharmaceutical, biotechnological and therapeutics companies. Moreover, we may also compete with universities and other research institutions who may be active in the indications we are targeting and could be in direct competition with us. We also compete with these organizations to recruit management, scientists and clinical development personnel, which could negatively affect our level of expertise and our ability to execute our business plan. We will also face competition in establishing clinical trial sites, enrolling patients for clinical trials and in

identifying and in-licensing new product candidates. Smaller or early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

We expect to face competition from existing products and products in development for each of our product candidates. There are three currently approved pan-FGFR inhibitors: Incyte Corporation's Pemazyre (pemigatinib) and QED Therapeutics' Truseltiq (infigratinib), approved in FGFR2 gene rearrangements in cholangiocarcinoma, and Janssen Biotech, Inc.'s Balversa (erdafitinib), approved in specific FGFR3 and FGFR2 gene alterations. In China, AstraZeneca recently out-licensed their pan-FGFR inhibitor AZD4547 to Abbisko Therapeutics, who are conducting a Phase 2 study in metastatic FGFR3-driven urothelial cancer (NCT05086666). There are a number of other pan-FGFR programs in development for FGFR2 and FGFR3-specific populations, including, among others, Taiho Oncology, Inc.'s TAS-120 (futibatinib), Bayer Pharmaceutical's BAY 1163877 (Rogaratinib), as well as isoform specific FGFR inhibitors such as Relay Therapeutics, Inc.'s RLY-4008, Kinnate Biopharma Inc.'s KIN-3248 and Lilly's Loxo Oncology's recently announced isoform-selective FGFR3 inhibitor compound, LOXO-435 (LOX-24350). BioMarin Pharmaceutical's Voxzogo, a once daily injectable C-naturetic peptide analog was recently approved in the United States for children with achondroplasia who are 5 years of age and older. There are two approved RET inhibitors, Lilly's Loxo Oncology's Retevmo (selpercatinib) and Blueprint Medicines' Gavreto (pralsetinib), as well as programs in development such as Turning Point's TPX-0046 and Boston Pharmaceuticals' BOS172738. There are currently no approved FGFR4 inhibitors, but there are a number of FGFR4 programs in clinical development, including Blueprint Medicines' BLU-554 (fisogatinib), H3 Biomedicines' H3B-6527 and Novartis' FGF401.

Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. If we successfully obtain marketing approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our products, the ease with which our products can be administered and the extent to which patients accept relatively new routes of administration, the timing and scope of marketing approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, more convenient, less expensive or marketed and sold more effectively than any products we may develop. Competitive products or technological approaches may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our product candidates. If we are unable to compete effectively, our opportunity to generate revenue from the sale of our products we may develop, if approved, could be adversely affected.

If the market opportunities for our product candidates are smaller than we believe they are, our revenue may be adversely affected, and our business may suffer.

The precise incidence and prevalence for all the conditions we aim to address with our product candidates are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including the scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Further, new trials may change the estimated incidence or prevalence of these indications. The total addressable market across all of our product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of our product candidates which receives marketing approval for these indications, the availability of alternative treatments and the safety, convenience, cost and efficacy of our product candidates relative to such alternative treatments, acceptance by the medical community and patient access, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our product candidates or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect

our results of operations and our business. Further, even if we obtain significant market share for our product candidates, because some of our potential target populations are very small, we may never achieve profitability despite obtaining such significant market share.

Our future growth may depend, in part, on our ability to operate in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets. We are not permitted to market or promote any of our product candidates before we receive marketing approval from applicable regulatory authorities in foreign markets, and we may never receive such marketing approvals for any of our product candidates. To obtain separate marketing approval in many other countries we must comply with numerous and varying regulatory requirements regarding safety and efficacy and governing, among other things, clinical trials, commercial sales, pricing and distribution of our product candidates. If we obtain marketing approval of our product candidates and ultimately commercialize our products in foreign markets, we would be subject to additional risks and uncertainties, including:

- different regulatory requirements for approval of drugs in foreign countries;
- reduced protection for intellectual property rights;
- the existence of additional third-party patent rights of potential relevance to our business;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, political instability or war in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- foreign reimbursement, pricing and insurance regimes;
- workforce uncertainty in countries where labor unrest is common;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires.

Risks Related to Our Business Operations and Industry

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we may provide.

Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to:

- the timing and cost of, and level of investment in, research, development, marketing approval and commercialization activities relating to our product candidates, which may change from time to time;
- coverage and reimbursement policies with respect to our product candidates, if approved, and potential future drugs that compete with our products;
- the cost of manufacturing our product candidates, which may vary depending on the quantity of production and the terms of our agreements with third-party manufacturers;
- expenditures that we may incur to acquire, develop or commercialize additional product candidates and technologies;
- the level of demand for any approved products, which may vary significantly;
- future accounting pronouncements or changes in our accounting policies; and
- the timing and success or failure of preclinical studies or clinical trials for our product candidates or competing product candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide.

We are dependent on the services of our management and other clinical and scientific personnel, and if we are not able to retain these individuals or recruit additional management or clinical and scientific personnel, our business will suffer.

Our success depends in part on our continued ability to attract, retain, manage and motivate highly qualified management, clinical and scientific personnel. We are highly dependent upon our senior management, as well as our senior scientists and other members of our management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, initiation or completion of our preclinical studies and clinical trials or the commercialization of our product candidates. Although we have executed employment agreements or offer letters with each member of our senior management team, these agreements are terminable at will with or without notice and, therefore, we may not be able to retain their services as expected. We do not currently maintain “key person” life insurance on the lives of our executives or any of our

employees. This lack of insurance means that we may not have adequate compensation for the loss of the services of these individuals.

We will need to expand and effectively manage our managerial, operational, financial and other resources in order to successfully pursue our clinical development and commercialization efforts. We may not be successful in maintaining our unique company culture and continuing to attract or retain qualified management and scientific and clinical personnel in the future due to the intense competition for qualified personnel among biopharmaceutical, biotechnology and other businesses, particularly in the San Diego County area. Our industry has experienced a high rate of turnover of management personnel in recent years. If we are not able to attract, integrate, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

We have recently substantially increased, and will need to continue to grow, the size and capabilities of our organization, and we may experience difficulties in managing this growth.

We have substantially increased our organization from four employees as of December 31, 2019 to 25 full-time employees as of March 1, 2022, including 21 employees engaged in research and development. In order to successfully implement our development and commercialization plans and strategies, and as we transition into operating as a public company, we expect to need to continue to add significant additional managerial, operational, sales, marketing, financial and other personnel. Future growth will impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining, retaining and motivating our current and additional employees;
- managing our internal development efforts effectively, including the preclinical, clinical, the FDA or comparable foreign regulatory authorities' review process for product candidates, while complying with any contractual obligations to contractors and other third parties;
- managing increasing operational and managerial complexity; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to successfully develop and, if approved, commercialize product candidates developed from our FGFR and RET programs and other product candidates will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

If we are not able to effectively expand our organization by hiring new employees and/or engaging additional third-party service providers, we may not be able to successfully implement the tasks necessary to further develop and commercialize TYRA-300, TYRA-200 and any of our other product candidates and, accordingly, may not achieve our research, development and commercialization goals.

We are subject to various federal, state and foreign healthcare laws and regulations, which could increase compliance costs, and our failure to comply with these laws and regulations could harm our results of operations and financial condition.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors and customers expose us to broadly applicable foreign, federal and

state fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute any products for which we obtain marketing approval. Such laws include, without limitation:

- the federal Anti-Kickback Statute, which is a criminal law that prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe or certain rebates), directly or indirectly, overtly or covertly, in cash or in kind, in return for, either the referral of an individual or the purchase, lease, or order, or arranging for or recommending the purchase, lease, or order of any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti- Kickback Statute or specific intent to violate it in order to have committed a violation;

- the federal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making or causing to be made a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;

- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the Centers for Medicare & Medicaid Services (CMS) information related to payments and other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiology assistants and certified nurse-midwives) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; some state laws require biopharmaceutical and biotechnology companies to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; some state laws that require biopharmaceutical and biotechnology companies to report information on the pricing of certain drug products; and some state and local laws require the registration or pharmaceutical sales representatives.

Efforts to ensure that our current and future business arrangements with third parties will comply with applicable healthcare laws and regulations will involve ongoing substantial costs. It is possible that governmental authorities will conclude that our business practices, including certain arrangements with physicians who receive

stock or stock options as compensation for services provided to us, may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. Further, if any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Actuals or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, results of operations, and financial condition.

We, our future collaborators and our service providers may be subject to a variety of privacy and data security laws and contractual obligations, which could increase compliance costs and our failure to comply with them could subject us to potentially significant fines or penalties and otherwise harm our business. We are subject to laws and regulations governing the privacy and security of sensitive information, including confidential business and health-related information. The global data protection landscape is rapidly evolving, and we may be affected by or subject to new, amended or existing laws and regulations in the future, including as our operations continue to expand or if we operate in foreign jurisdictions. These laws and regulations may be subject to differing interpretations, which adds to the complexity of processing personal information. Guidance on implementation and compliance practices are often updated or otherwise revised.

In the United States, there are numerous federal and state privacy and data security laws and regulations governing the collection, use, disclosure and protection of personal information, including health information privacy laws, security breach notification laws and consumer protection laws. Each of these laws is subject to varying interpretations and constantly evolving. By way of example, HIPAA imposes privacy and security requirements and breach reporting obligations with respect to individually identifiable health information upon “covered entities” (health plans, health care clearinghouses and certain health care providers), and their respective business associates, individuals or entities that create, received, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity, as well as their covered subcontractors. We may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA. Depending on the facts and circumstances, we could be subject to significant penalties if we violate HIPAA.

Even when HIPAA does not apply, according to the Federal Trade Commission, or FTC, failing to take appropriate steps to keep consumers’ personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company’s data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business and the cost of available tools to improve security and reduce vulnerabilities.

In addition, certain state laws govern the privacy and security of health-related and other personal information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. By way of example, the California Consumer Privacy Act, or CCPA, which went into effect on January 1, 2020, gives

California residents certain rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability. Further, the California Privacy Rights Act, or CPRA, recently passed in California. The CPRA significantly amends the CCPA, giving California residents additional control over their personal information and imposing further obligations on businesses processing the personal information of California residents. The CPRA includes the creation of a privacy-specific enforcement agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The majority of the provisions of the CPRA will go into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required. Similar laws have passed in Virginia and Colorado, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

In Europe, the GDPR went into effect in May 2018 and imposes strict requirements for processing the personal data of individuals within the EEA. Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States; in July 2020, the Court of Justice of the EU, or CJEU, limited how organizations could lawfully transfer personal data from the EU/EEA to the United States by invalidating the Privacy Shield for purposes of international transfers and imposing further restrictions on the use of standard contractual clauses, or SCCs. The European Commission issued revised SCCs on June 4, 2021 to account for the decision of the CJEU and recommendations made by the European Data Protection Board. The revised SCCs must be used for relevant new data transfers from September 27, 2021; existing standard contractual clauses arrangements must be migrated to the revised clauses by December 27, 2022. The new SCCs apply only to the transfer of personal data outside of the EEA and not the UK; the UK's Information Commissioner's Office launched a public consultation on its draft revised data transfers mechanisms in August 2021. There is some uncertainty around whether the revised clauses can be used for all types of data transfers, particularly whether they can be relied on for data transfers to non-EEA entities subject to the GDPR. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the SCCs cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Further, from January 1, 2021, companies have had to comply with the GDPR and also the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, and it is unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term. The European Commission has adopted an adequacy decision in favor of the United Kingdom, enabling data transfers from EU member states to the United Kingdom without additional safeguards. However, the United Kingdom adequacy decision will automatically expire in June 2025 unless the European Commission re-assesses and renews or extends that decision.

Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another or other legal obligations with which we must comply. Any failure or perceived failure by us or our employees, representatives, contractors, consultants, collaborators, or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation, and adversely affect our business and results of operations.

Recently enacted legislation, future legislation and healthcare reform measures may increase the difficulty and cost for us to obtain marketing approval for and commercialize our product candidates and may affect the prices we may set.

In the United States and some foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved drugs and affect our ability to profitably sell any product candidates for which we obtain marketing approval. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare.

For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the ACA, was enacted in the United States. Among the provisions of the ACA of importance to our potential product candidates, the ACA: established an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents; extended manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations; expanded eligibility criteria for Medicaid programs; expanded the entities eligible for discounts under the 340B drug pricing program; increased the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program; created a new Medicare Part D coverage gap discount program; established a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare and Medicaid Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how the healthcare reform measures of the Biden administration will impact our business.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. Most recently, in March 2021, Congress enacted the American Rescue Plan Act of 2021, which, among other things, eliminated the statutory cap on drug manufacturers' Medicaid Drug Rebate Program rebate liability, effective January 1, 2024. Under current law enacted as part of the ACA, drug manufacturers' Medicaid Drug Rebate Program rebate liability is capped at 100% of the average manufacturer price for a covered outpatient drug. On August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, resulted in reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and,

due to subsequent legislative amendments to the statute, will remain in effect into 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Further, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs. Such scrutiny has resulted in several recent congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. Although a number of these and other measures may require additional authorization to become effective, Congress and the current U.S. administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates, if approved, or put pressure on our product pricing, which could negatively affect our business, results of operations, financial condition and prospects.

We expect that the ACA, these new laws and other healthcare reform measures that may be adopted in the future may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates, if approved.

We and any of our third-party manufacturers or suppliers may use potent chemical agents and hazardous materials, and any claims relating to improper handling, storage or disposal of these materials could be time consuming or costly.

We and any of our third-party suppliers and potential future collaborators will use biological materials, potent chemical agents and may use hazardous materials, including chemicals and biological agents and compounds that could be dangerous to human health and safety of the environment. Our operations and the operations of our third-party manufacturers and suppliers also produce hazardous waste products. Federal, state and local laws and regulations govern the use, generation, manufacture, storage, handling and disposal of these materials and wastes. Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our product development efforts. In addition, we cannot eliminate the risk of accidental injury or contamination from these materials or wastes. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. In the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or marketing approvals could be suspended.

Although we maintain workers' compensation insurance for certain costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials or other work-related injuries, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for toxic tort claims that may be asserted against us in connection with our storage or disposal of biologic, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations, which have tended to become more stringent over time. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions or liabilities, which could materially adversely affect our business, financial condition, results of operations and prospects.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our products.

We face an inherent risk of product liability as a result of the clinical trials of our product candidates and will face an even greater risk if we commercialize our product candidates. For example, we may be sued if our product candidates allegedly cause injury or are found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product candidate, negligence, strict liability and a breach of warranties. Claims may be brought against us by clinical trial participants, patients or others using, administering or selling products that may be approved in the future. Claims could also be asserted under state consumer protection acts.

If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit or cease the commercialization of our products. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our products, if approved;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- a diversion of our management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- significant negative financial impact;
- the inability to commercialize our product candidates; and
- a decline in our stock price.

We currently do not hold product liability insurance coverage, but will need to obtain this insurance coverage prior to commencing clinical trials of our product candidates. We may need to increase our insurance coverage as we initiate additional clinical trials or if we commence commercialization of our product candidates, if ever. Insurance coverage is increasingly expensive. Our inability to obtain and retain sufficient product liability

insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of our product candidates. Although we expect to obtain and maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies will also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts.

Our insurance policies are expensive and only protect us from some business risks, which will leave us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter, including product liability insurance. Some of the policies we currently maintain include property, general liability, employment benefits liability, business automobile workers' compensation, directors' and officers', employment practices and fiduciary liability insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations.

We and any of our potential future collaborators will be required to report to regulatory authorities if any of our product candidates or approved products in clinical trials cause or contribute to certain adverse medical events, and any failure to do so would result in sanctions that would materially harm our business.

The FDA or comparable foreign regulatory authorities would require that we and potential future collaborators report certain information about adverse medical events relating to any product that is approved or product candidate in clinical trials. The timing of our obligation to report would be triggered by the date we become aware of the adverse event as well as the nature of the event. We and any of our potential future collaborators or CROs may fail to report adverse events within the prescribed timeframe. If we or any of our potential future collaborators or CROs fail to comply with such reporting obligations, the FDA or a comparable foreign regulatory authority could take action, including criminal prosecution, the imposition of civil monetary penalties, seizure of our products or delay in approval or clearance of future products.

Our information technology systems, or those of any of our CROs, other contractors or consultants or potential future collaborators, may fail or suffer security breaches, which could result in a material disruption of our product development programs, harm our reputation, significant fines, penalties and liability and loss of customers or sales.

In the ordinary course of business, we collect, store, transmit and otherwise process large amounts of data including, without limitation, proprietary business information and personal information. Despite the implementation of security measures, our information technology systems (including infrastructure) and those of our current and any future CROs and other contractors, consultants and collaborators are vulnerable to damage from computer viruses, cybersecurity threats (such as denial-of-service attacks, cyber-attacks or cyber-intrusions over the Internet, hacking, phishing and other social engineering attacks), unauthorized access or use, natural disasters, terrorism, war, such as the conflict between Russia and Ukraine, and telecommunication and electrical failures. Our systems are also subject to compromise from internal threats, such as theft, misuse, unauthorized access or other improper or accidental actions by employees, vendors and other third parties with otherwise legitimate access to our systems. Third parties may also attempt to fraudulently induce our employees and contractors into disclosing sensitive information such as usernames, passwords or other information, or otherwise compromise the security of our electronic systems, networks, and/ or physical facilities in order to gain access to our data.

Given the unpredictability of the timing, nature and scope of information technology disruptions, there can be no assurance that any security procedures and controls that we or our third-party partners and service providers have implemented will be sufficient to prevent cyber-attacks from occurring. The latency of a compromise is often measured in months, but could be years, and we may not be able to detect a compromise in a timely manner. New techniques may not be identified until they are launched against a target, and we may be unable to anticipate these techniques or detect an incident, assess its severity or impact, react or appropriately respond in a timely manner or implement adequate preventative measures, resulting in potential data loss or other damage to our information technology systems.

If a security breach were to occur and cause interruptions in our or our third party service provider's operations or result in the unauthorized disclosure of or access to personally identifiable information or individually identifiable health information (violating certain privacy laws such as GDPR), it could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other similar disruptions. Some of the federal, state and foreign government requirements include obligations of companies to notify individuals of security breaches involving particular personally identifiable information, which could result from breaches experienced by us or by our vendors, contractors, or organizations with which we have formed strategic relationships. Also, due to the COVID-19 pandemic, all of our employees are working remotely. As a result, we may have increased cyber security and data security risks, due to increased use of home wi-fi networks and virtual private networks, as well as increased disbursement of physical machines. While we implement IT controls to reduce the risk of a cyber security or data security breach, there is no guarantee that these measures will be adequate to safeguard all systems, especially with an increased number of employees working remotely.

Any security breach or other incident, whether real or perceived, could impact our reputation, impact the integrity of our data, cause us to incur significant costs, including legal expenses, harm customer confidence, hurt our expansion into new markets, cause us to incur remediation costs, or cause us to lose existing customers. For example, the loss of clinical trial data from clinical trials could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. We also rely on third parties to manufacture our product candidates, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any real or perceived disruption or security breach affects our systems (or those of our third-party collaborators, service providers, contractors or consultants) or were to result in a loss of or accidental, unlawful or unauthorized access to, use of, release of, or other processing of personal information, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, the further development and commercialization of our product candidates could be delayed, and we could be subject to significant fines, penalties or liabilities for any noncompliance to certain privacy and security laws.

Our business is subject to risks arising from COVID-19 and other epidemic diseases.

The COVID-19 worldwide pandemic has presented substantial public health and economic challenges and is affecting our employees, patients, physicians and other healthcare providers, communities and business operations, as well as the U.S. and global economies and financial markets. A pandemic, including COVID-19, or other public health epidemic, poses the risk that we or our employees, contractors, including our CROs, suppliers, collaborators and other partners may be prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. International and U.S. governmental authorities in impacted regions are taking actions in an effort to slow the spread of COVID-19, including issuing varying forms of "stay-at-home" orders, and restricting business functions outside of one's home. In response, we have closed our executive offices with our administrative employees continuing their work remotely and limited the number of staff in our research and development laboratories. To date we have not experienced material disruptions in our business operations. However, while it is not possible at this time to estimate the impact that COVID-19 could have on our business in

the future, particularly as we advance our product candidates to clinical development, the continued spread of COVID-19 and the measures taken by the governmental authorities, and any future epidemic disease outbreaks, could: disrupt the supply chain and the manufacture or shipment of drug substances and finished drug products for our product candidates for use in our research, preclinical studies and clinical trials, delay, limit or prevent our employees and CROs from continuing research and development activities; impede our clinical trial initiation and recruitment and the ability of patients to continue in clinical trials, including the risk that participants enrolled in our clinical trials will contract COVID-19 or other epidemic disease while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events; and impede testing, monitoring, data collection and analysis and other related activities, any of which could delay our preclinical studies and clinical trials and increase our development costs, and have a material adverse effect on our business, financial condition and results of operations. The COVID-19 pandemic and any future epidemic disease could also potentially affect the business of the FDA or comparable foreign regulatory authorities, which could result in delays in meetings related to planned clinical trials. The COVID-19 pandemic and mitigation measures have had and may continue to have, and any future epidemic disease outbreak may have, an adverse impact on global economic conditions which could have an adverse effect on our business and financial condition, including impairing our ability to raise capital when needed. The extent to which the COVID-19 pandemic impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

Our business could be affected by litigation, government investigations and enforcement actions.

We operate in a highly regulated industry and we could be subject to litigation, government investigation and enforcement actions on a variety of matters in the United States or foreign jurisdictions, including, without limitation, intellectual property, regulatory, product liability, environmental, whistleblower, false claims, privacy, anti-kickback, anti-bribery, securities, commercial, employment and other claims and legal proceedings which may arise from conducting our business. Any determination that our operations or activities are not in compliance with existing laws or regulations could result in the imposition of fines, civil and criminal penalties, product seizure, equitable remedies, including disgorgement, injunctive relief and/or other sanctions against us, and remediation of any such findings could have an adverse effect on our business operations.

Legal proceedings, government investigations and enforcement actions can be expensive and time consuming. An adverse outcome resulting from any such proceeding, investigations or enforcement actions could result in significant damages awards, fines, penalties, exclusion from the federal healthcare programs, healthcare or regulatory debarment, injunctive relief, product recalls, reputational damage and modifications of our business practices, which could have a material adverse effect on our business and results of operations.

Our employees and independent contractors, including principal investigators, CROs, consultants and vendors, may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees and independent contractors, including principal investigators, CROs, consultants and vendors may engage in misconduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate: (i) the laws and regulations of the FDA and other similar regulatory requirements, including those laws that require the recording and reporting of true, complete and accurate information to such authorities, (ii) manufacturing standards, including cGMP requirements, (iii) federal and state data privacy, security, fraud and abuse and other healthcare laws and regulations in the United States and abroad or (iv) laws that require the true, complete and accurate reporting of financial information or data. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, the creation of fraudulent data in our preclinical studies or clinical trials or illegal misappropriation of drug product, which could result in

regulatory consequences or sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgements, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, imprisonment, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.

From time to time, we may consider strategic transactions, such as acquisitions of companies, asset purchases and out-licensing or in-licensing of intellectual property, products or technologies. Additional potential transactions that we may consider in the future include a variety of business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments. Any future transactions could increase our near and long-term expenditures, result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of our management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition. Accordingly, although there can be no assurance that we will undertake or successfully complete any additional transactions of the nature described above, any additional transactions that we do complete could have a material adverse effect on our business, results of operations, financial condition and prospects.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.

The global credit and financial markets have recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict, including the conflict between Russia and Ukraine, terrorism or other geopolitical events. Sanctions imposed by the United States and other countries in response to such conflicts, including the one in Ukraine, may also adversely impact the financial markets and the global economy, and any economic countermeasures by affected countries and others could exacerbate market and economic instability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In

addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive an economic downturn, which could directly affect our ability to attain our operating goals on schedule and on budget.

Changes in U.S. tax law may materially adversely affect our financial condition, results of operations and cash flows.

On March 27, 2020, the CARES Act was signed into law to address the COVID-19 crisis. The CARES Act is an approximately $2 trillion emergency economic stimulus package that includes numerous U.S. federal income tax provisions, including the modification of: (i) net operating loss (NOL) rules (as discussed below), (ii) the alternative minimum tax refund and (iii) business interest deduction limitations under Section 163(j) of the Internal Revenue Code of 1986, as amended (the Code).

The Tax Cuts and Jobs Act of 2017 (the Tax Act) also significantly changed the U.S. federal income taxation of U.S. corporations. We continue to work with our tax advisors and auditors to determine the full impact the Tax Act and the CARES Act will have on us. We urge our investors to consult with their legal and tax advisors with respect to both the Tax Act and the CARES Act and the potential tax consequences of investing in our common stock.

Our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with our initial public offering or other ownership changes.

We have incurred substantial losses during our history, do not expect to become profitable in the near future and may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire (if at all). At December 31, 2021, we had federal and state NOL carryforwards of approximately $35.3 million and $35.3 million, respectively.

Under the Tax Act, federal NOL carryforwards generated in periods after December 31, 2017, may be carried forward indefinitely. Under the CARES Act, NOL carryforwards arising in tax years beginning after December 31, 2017 and before January 1, 2021 may be carried back to each of the five tax years preceding the tax year of such loss. Because we had no taxable income in our tax year ended December 31, 2020, which was our third corporate tax year, we do not anticipate that such provision of the CARES Act will be relevant to us. The ability to use federal NOL carryforwards to offset taxable income, particularly for tax years beginning after December 31, 2020, may be limited. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act.

In addition, our NOL carryforwards are subject to review and possible adjustment by the IRS, and state tax authorities. Under Section 382 of the Code, our federal NOL carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership of our company. An “ownership change” pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of a company’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Our ability to utilize our NOL carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes. Similar rules may apply under state tax laws. We have not yet determined the amount of the cumulative change in our ownership resulting from our initial public offering (IPO) or other transactions, or any resulting limitations on our ability to utilize our NOL carryforwards and other tax attributes. If we earn taxable income, such limitations could result in increased future income tax liability to us and our future cash flows could be adversely affected. We have recorded a full valuation allowance related to our NOL carryforwards and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent protection for our product candidates and other proprietary technologies we develop, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize our product candidates and other proprietary technologies we may develop may be adversely affected.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our product candidates and other proprietary technologies we may develop as well as our ability to operate without infringing upon the proprietary rights of others. We seek to protect our proprietary position, in part, by filing patent applications in the United States and abroad relating to our product candidates and other proprietary technologies we may develop. If we are unable to obtain or maintain patent protection with respect to our product candidates and other proprietary technologies we may develop, our business, financial condition, results of operations and prospects could be materially harmed.

Changes in either the patent laws or their interpretation in the United States and other countries may diminish our ability to protect our inventions, obtain, maintain and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our protection. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient protection against competitors or other third parties.

The patent prosecution process is expensive, time-consuming, and complex, and we may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, CROs, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our inventions and the prior art allow our inventions to be patentable over the prior art. Furthermore, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in any of our pending patent applications, or that we were the first to file for patent protection of such inventions.

The patent position of biopharmaceutical and biotechnology companies generally is highly uncertain, involves complex legal and factual questions and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our patent applications may not result in patents being issued which protect our product candidates and other proprietary technologies we may develop or which effectively prevent others from commercializing competitive technologies and products.

Moreover, the claim coverage in a patent application can be significantly reduced before the patent is granted. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage. Any patents issuing from our patent applications may be challenged, narrowed, circumvented or invalidated by third parties. Consequently, we do not know whether our product candidates and other proprietary technology will be protectable or remain protected by valid and enforceable patents. Even if a

patent is granted, our competitors or other third parties may be able to circumvent the patent by developing similar or alternative technologies or products in a non-infringing manner which could materially adversely affect our business, financial condition, results of operations and prospects. In addition, given the amount of time required for the development, testing and regulatory review of our product candidates, patents protecting the product candidates might expire before or shortly after such product candidates are commercialized. As a result, our intellectual property may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

The issuance of a patent is not conclusive as to its inventorship, scope, validity, or enforceability and our patents may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third-party pre-issuance submission of prior art to the United States Patent and Trademark Office (USPTO) or become involved in opposition, derivation, revocation, reexamination, post- grant and inter partes review, or other similar proceedings challenging our patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate or render unenforceable, our patent rights, allow third parties to commercialize our product candidates and other proprietary technologies we may develop and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us.

We do not own or license any issued patents and substantive examination has not begun on any of our pending patent applications, which makes it is difficult to forecast the extent of any future patent right.

We cannot be certain that the claims in our U.S. pending patent applications or corresponding international patent applications, or future patent applications in certain foreign territories, will be considered patentable by the USPTO. Patent claims are subject to revision during prosecution and pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, patents issue from such applications, which will likely be several years from now, and then only to the extent the issued claims cover the third party's technology. There can be no assurance that our patent applications will result in patents being issued or that issued patents will afford sufficient protection against competitors with similar technology. At present, we have only filed U.S. provisional patent applications and international patent applications under the PCT. None of our patent applications have entered substantive examination by a patent office, which makes it impossible at this time to gauge which art will be cited by examiners or the extent of any rejections we may receive. For example, examiners at a patent office may uncover prior art of which we were not previously aware, and if this cited prior art encompasses our claimed inventions, it may restrict patentability or prevent allowance of any pending patent claims. Furthermore, the patent prosecution process is expensive, time-consuming, and often a multi-year process. We and any future licensors may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions where protection may be commercially advantageous. Therefore, we cannot be certain that we will own any issued patents or develop a patent portfolio, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may not be able to protect our intellectual property and proprietary rights throughout the world.

Filing, prosecuting and defending patents on our product candidates and other proprietary technologies we may develop in all countries throughout the world would be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection

but enforcement is not as strong as that in the United States. These products may compete with our product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology and pharmaceutical products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. In India, unlike the United States, there is no link between regulatory approval for a drug and its patent status. In addition, some jurisdictions, such as Europe, Japan and China, may have a higher standard for patentability than in the United States, including, for example, the requirement of claims having literal support in the original patent filing and the limitation on using supporting data that is not in the original patent filing. Under those heightened patentability requirements, we may not be able to obtain sufficient patent protection in certain jurisdictions even though the same or similar patent protection can be secured in U.S. and other jurisdictions.

Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property and proprietary rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees, and various other government fees on patents and applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our patents and applications. The USPTO and various non-U.S. government agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. In some cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market with similar or identical products or technology, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Since March 2013, under the Leahy-Smith America Invents Act (the America Invents Act) enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates and other proprietary technologies we may develop or (ii) invent any of the inventions claimed in our patent applications.

The America Invents Act also includes a number of significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter partes review and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of patents issuing from those patent applications, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. For example, the scope of patentable subject matter under 35 U.S.C. 101 has evolved significantly over the past several years as the Court of Appeals for the Federal Circuit and the Supreme Court issued various opinions, and the USPTO modified its guidance for practitioners on multiple occasions. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our ability to protect and enforce our intellectual property in the future.

Issued patents relating to our product candidates and other proprietary technologies we may develop could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.

If we initiated legal proceedings against a third party to enforce a patent relating to our product candidates and other proprietary technologies we may develop, the defendant could counterclaim that such patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of

several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may raise claims challenging the validity or enforceability of a patent before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, inter partes review, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of or amendment to our patents in such a way that they no longer cover our product candidates and other proprietary technologies we may develop. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we or our licensing partners and the patent examiner were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates and other proprietary technologies we may develop. Such a loss of patent protection would have a material adverse impact on our business, financial condition, results of operations and prospects.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents relating to our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

If we do not obtain patent term extension for our product candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidate we may develop, one or more of patents issuing from our U.S. patent applications may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984 (the Hatch-Waxman Amendments). The Hatch-Waxman Amendments permit a patent extension term (PTE) of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. Similar patent term restoration provisions to compensate for commercialization delay caused by regulatory review are also available in certain foreign jurisdictions, such as in Europe under Supplemental Protection Certificate (SPC). If we encounter delays in our development efforts, including any clinical trials, the period of time during which we could market any future product candidates under patent protection would be reduced. Additionally, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents, or otherwise fail to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product will be shortened and our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced.

We may be subject to claims challenging the inventorship of our patents and other intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our patent rights, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates and other proprietary technologies we may develop. Litigation may be necessary to defend against these and other claims challenging inventorship or our patent rights, trade secrets or other intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our product candidates and other proprietary technologies we may develop. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patent protection for our product candidates and other proprietary technologies we may develop, we also rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology, and other proprietary information and to maintain our competitive position. With respect to our development programs, we consider trade secrets and know-how to be one of our important sources of intellectual property, including our extensive knowledge of crystallography structure-based drug design. Trade secrets and know-how can be difficult to protect. In particular, the trade secrets and know-how in connection with our development programs and other proprietary technology we may develop may over time be disseminated within the industry through independent development, the publication of journal articles describing the methodology and the movement of personnel with scientific positions in academic and industry.

We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, CROs, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

We may be subject to claims that third parties have an ownership interest in our trade secrets. For example, we may have disputes arise from conflicting obligations of our employees, consultants or others who are involved in developing our product candidate. Litigation may be necessary to defend against these and other claims challenging ownership of our trade secrets. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable trade secret rights, such as exclusive ownership of, or right to use, trade secrets that are important to our product candidates and other proprietary technologies we may develop. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management and other employees. We may need to share our proprietary information, including trade secrets, with our current and future business partners, collaborators, contractors and others located in countries at heightened risk

of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in obtaining necessary rights to any product candidate we may develop through acquisitions and in-licenses.

We currently solely own intellectual property rights covering our product candidates. Other pharmaceutical companies and academic institutions may also have filed or are planning to file patent applications potentially relevant to our business. In order to avoid infringing these third-party patents, we may find it necessary or prudent to obtain licenses to such patents from such third-party intellectual property holders. However, we may be unable to secure such licenses or otherwise acquire or in-license any compositions, methods of use, processes or other intellectual property rights from third parties that we identify as necessary for our product candidates and other proprietary technologies we may develop. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program or product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

Some of our employees, consultants and advisors are currently or were previously employed at universities or other biopharmaceutical or biotechnology companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to our management.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations and prospects.

Third-party claims of intellectual property infringement, misappropriation or other violations against us or our collaborators may prevent or delay the development and commercialization of our product candidates and other proprietary technologies we may develop.

Our commercial success depends in part on our ability to avoid infringing, misappropriating and otherwise violating the patents and other intellectual property rights of third parties. There is a substantial amount of complex litigation involving patents and other intellectual property rights in the biopharmaceutical and biotechnology industries, as well as administrative proceedings for challenging patents, including derivation and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. As discussed above, as a result of the America Invests Act, procedures including inter partes review and post-grant review have been implemented. The America Invents Act adds uncertainty to the possibility of challenge to our patents in the future

Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are commercializing or plan to commercialize our product candidates and in which we are developing other proprietary technologies. As the biopharmaceutical and biotechnology industries expand and more patents are issued, the risk increases that our product candidates and commercializing activities may give rise to claims of infringement of the patent rights of others. We cannot assure you that our product candidates and other proprietary technologies we may develop will not infringe existing or future patents owned by third parties. We may not be aware of patents that have already been issued and that a third party, for example, a competitor in the fields in which we are developing our product candidates, might assert as infringed by us. It is also possible that patents owned by third parties of which we are aware, but which we do not believe we infringe or that we believe we have valid defenses to any claims of patent infringement, could be found to be infringed by us. It is not unusual that corresponding patents issued in different countries have different scopes of coverage, such that in one country a third-party patent does not pose a material risk, but in another country, the corresponding third-party patent may pose a material risk to our planned products. As such, we monitor third-party patents in the relevant pharmaceutical markets. In addition, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, there may be currently pending patent applications that may later result in issued patents that we may infringe.

In the event that any third party claims that we infringe their patents or that we are otherwise employing their proprietary technology without authorization and initiates litigation against us, even if we believe such claims are without merit, a court of competent jurisdiction could hold that such patents are valid, enforceable and infringed by us. In this case, the holders of such patents may be able to block our ability to commercialize the infringing products or technologies unless we obtain a license under the applicable patents, or until such patents expire or are finally determined to be held invalid or unenforceable. Such a license may not be available on commercially reasonable terms or at all. Even if we are able to obtain a license, the license would likely obligate us to pay license fees or royalties or both, and the rights granted to us might be nonexclusive, which could result in our competitors gaining access to the same intellectual property. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, we may be unable to commercialize the infringing products or technologies or such commercialization efforts may be significantly delayed, which could in turn significantly harm our business.

If we collaborate with third parties in the development of technology in the future, our collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability. Further, collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability. In the future, we may agree to indemnify our commercial collaborators against certain intellectual property infringement claims brought by third parties.

Defense of infringement claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and other employee resources from our business, and may impact our reputation. In the event of a successful claim of infringement against us, we may be enjoined from further developing or commercializing the infringing products or technologies. In addition, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties and/or redesign our infringing products or technologies, which may be impossible or require substantial time and monetary expenditure. In that event, we would be unable to further develop and commercialize our product candidate or technologies, which could harm our business significantly. Further, we cannot predict whether any required license would be available at all or whether it would be available on commercially reasonable terms. In the event that we could not obtain a license, we may be unable to further develop our product candidate and commercialize our product, if approved, which could harm our business significantly. Even if we are able to obtain a license, the license would likely obligate us to pay license fees or royalties or both, and the rights granted to us might be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on acceptable terms.

Engaging in litigation defending against third parties alleging infringement of patent and other intellectual property rights is very expensive, particularly for a company of our size, and time-consuming. Some of our competitors may be able to sustain the costs of litigation or administrative proceedings more effectively than we can because of greater financial resources. Patent litigation and other proceedings may also absorb significant management time. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition or results of operations.

We may in the future pursue invalidity proceedings with respect to third-party patents. The outcome following legal assertions of invalidity is unpredictable. Even if resolved in our favor, these legal proceedings may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such proceedings adequately. Some of these third parties may be able to sustain the costs of such proceedings more effectively than we can because of their greater financial resources. If we do not prevail in the patent proceedings the third parties may assert a claim of patent infringement directed at our product candidates.

We may become involved in lawsuits to protect or enforce our patents and other intellectual property rights, which could be expensive, time consuming and unsuccessful.

Third parties, such as a competitor, may infringe, misappropriate, or otherwise violate our future issued patents and other intellectual property rights. In a patent infringement proceeding, a court may decide that a patent owned by us is invalid or unenforceable or may refuse to stop the other party from using the invention at issue on the grounds that the patent does not cover the technology in question or that the other party's use of our patented technology falls under the safe harbor to patent infringement under 35 U.S.C. §271(e)(1). In addition, our patent rights may become involved in inventorship, priority or validity disputes. To counter or defend against such claims can be expensive and time consuming. An adverse result in any litigation proceeding could put our patent rights at risk of being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

Our ability to enforce our patent rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

Because of the expense and uncertainty of litigation, we may not be in a position to enforce our intellectual property rights against third parties.

Because of the expense and uncertainty of litigation, we may conclude that even if a third party is infringing any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk-adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our stockholders. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue any clinical trials, continue our internal research programs, in-license needed technology or other product candidates, or enter into development partnerships that would help us bring our product candidates to market. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, which may not survive such proceedings. Moreover, any name we have proposed to use with our product candidates in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA or an equivalent administrative body in a foreign jurisdiction objects to any of our proposed proprietary product names, we may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark.

We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, domain name or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to our product candidate or utilize similar technology but that are not covered by the claims of the patents that we may license or may own;
- we might not have been the first to make the inventions covered by our current or future patent applications;
- we might not have been the first to file patent applications covering our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our current or future patent applications will not lead to issued patents;
- any patent issuing from our current or future patent applications may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;
- our competitors or other third parties might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file for patent protection in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent application covering such intellectual property.

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses.

The growth of our business may depend in part on our ability to acquire, in-license or use third-party proprietary component and process rights. For example, our product candidates may require specific formulations to work effectively and efficiently, we may develop product candidates containing our compounds and pre-existing pharmaceutical compounds, or we may be required by the FDA or comparable foreign regulatory authorities to

provide a companion diagnostic test or tests with our product candidates, any of which could require us to obtain rights to use intellectual property held by third parties. We plan to work with diagnostic companies to use liquid biopsy companion diagnostic tests to aid in identifying appropriate patients for the initial clinical trial. In addition, with respect to any patents we may co-own with third parties, we may require licenses to such co-owners interest to such patents. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary or important to our business operations. In addition, we may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. Were that to happen, we may need to cease use of the compositions or methods covered by those third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe on those intellectual property rights, which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license, it may be non-exclusive, which means that our competitors may also receive access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology.

Additionally, we might sometimes collaborate with academic institutions to accelerate our preclinical research or development under written agreements with these institutions. In certain cases, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Even if we hold such an option, we may be unable to negotiate a license from the institution within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to others, potentially blocking our ability to pursue our program.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and companies that may be more established or have greater resources than we do may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. There can be no assurance that we will be able to successfully complete these types of negotiations and ultimately acquire the rights to the intellectual property surrounding the additional product candidates that we may seek to develop or market. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of certain programs and our business financial condition, results of operations and prospects could suffer.

Risks Related to Our Common Stock

Prior to our IPO, there was no public market for our common stock and an active, liquid and orderly market for our common stock may not develop or be sustained.

Prior to our IPO, there was no public market for our common stock. Our common stock only recently began trading on the Nasdaq Global Select Market (Nasdaq) and we can provide no assurance that we will be able to develop an active trading market for our common stock. Even if an active market is developed, it may not be sustained. If an active market for our common stock is not sustained, it may be difficult for you to sell your shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other businesses or technologies using our shares as consideration, which, in turn, could materially adversely affect our business.

The trading price of the shares of our common stock could be highly volatile, and purchasers of our common stock could incur substantial losses.

Our stock price is likely to be volatile. The stock market in general and the market for stock of biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price at which they paid. The market price for our common stock may be influenced by those factors discussed in this "Risk Factors" section and many others, including:

- results of our preclinical studies and clinical trials, and the results of trials of our competitors or those of other companies in our market sector;
- our ability to enroll patients in our future clinical trials;
- marketing approval of our product candidates, or limitations to specific label indications or patient populations for its use, or changes or delays in the regulatory review process;
- regulatory developments in the United States and foreign countries;
- changes in the structure of healthcare payment systems;
- the success or failure of our efforts to develop, acquire or license additional product candidates;
- innovations, clinical trial results, product approvals and other developments regarding our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- manufacturing, supply or distribution delays or shortages;
- any changes to our relationship with any manufacturers, suppliers, collaborators or other strategic partners;
- achievement of expected product sales and profitability;
- variations in our financial results or those of companies that are perceived to be similar to us;
- market conditions in the biopharmaceutical sector and issuance of securities analysts' reports or recommendations;
- trading volume of our common stock;
- an inability to obtain additional funding;
- sales of our stock by insiders and stockholders;
- the impact of any natural disasters or public health emergencies, such as the COVID-19 pandemic;
- general economic, industry and market conditions other events or factors, many of which are beyond our control;
- expiration of market stand-off or lock-up agreements;
- additions or departures of key personnel; and

- intellectual property, product liability or other litigation against us.

In addition, in the past, stockholders have initiated class action lawsuits against biopharmaceutical companies following periods of volatility in the market prices of these companies' stock. Such litigation, if instituted against us, could cause us to incur substantial costs and divert our management's attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.

Our executive officers, directors and principal stockholders, if they choose to act together, have the ability to significantly control or influence all matters submitted to stockholders for approval.

Our executive officers, directors and greater than 5% stockholders, in the aggregate, own a majority of our outstanding common stock. Furthermore, many of our current directors were appointed by our principal stockholders. As a result, such persons or their appointees to our board of directors, acting together, have the ability to control or significantly influence all matters submitted to our board of directors or stockholders for approval, including the appointment of our management, the election and removal of directors and approval of any significant transaction, as well as our management and business affairs. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combination involving us, or discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders.

We do not currently intend to pay dividends on our common stock, and, consequently, your ability to achieve a return on your investment will depend on appreciation, if any, in the price of our common stock.

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

Sales of a substantial number of shares of our common stock by our existing stockholders in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could significantly reduce the market price of our common stock and impair our ability to raise adequate capital through the sale of additional equity securities.

In connection with our IPO, our directors and executive officers and holders of substantially all of our outstanding securities prior to the IPO entered into lock-up agreements with the underwriters pursuant to which they may not, with limited exceptions, for a period of 180 days from the date of the Prospectus for the IPO, offer, sell or otherwise transfer or dispose of any of our securities, without the prior written consent of BofA Securities, Inc., Jefferies LLC and Cowen and Company, LLC. The underwriters may permit our officers, directors and other securityholders who are subject to the lock-up agreements to sell shares prior to the expiration of the lock-up agreements at any time in their sole discretion. After the lock-up agreements expire, these shares of common stock will be eligible for sale in the public market, except that shares held by our directors, executive officers and other affiliates will be subject to volume limitations under Rule 144 under the Securities Act. In addition, as of December 31, 2021, 3,771,516 shares of common stock that are subject to outstanding options under our employee benefit plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act. Any sales of these shares of our common stock, or if it is perceived that they will be sold, in the public market, could cause the trading price of our common stock to decline.

The holders of 26,228,089 shares of our outstanding common stock, or approximately 63.3% of our total outstanding common stock based on shares outstanding as of December 31, 2021, will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to vesting and the 180-day lock-up agreements described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by affiliates, as defined in Rule 144 under the Securities Act. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock.

We are an emerging growth company and a smaller reporting company, and the reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies may make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and may remain an emerging growth company until the last day of the fiscal year following the fifth anniversary of the completion of our IPO. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenues exceed $1.07 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five- year period. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, unless the SEC determines the new rules are necessary for protecting the public;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be reduced or more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We are also a smaller reporting company as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than $250.0

million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year.

General Risk Factors

We incur significant costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Exchange Act, which requires, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of Sarbanes-Oxley, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted additional rules and regulations in these areas, such as mandatory "say on pay" voting requirements that will apply to us when we cease to be an emerging growth company. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We could face criminal liability and other serious consequences for violations, which could harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls and anti-corruption and anti-money laundering laws and regulations, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, CROs, contractors and other collaborators and partners from authorizing, promising, offering, providing, soliciting or receiving, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third parties for clinical trials outside of the United States, to sell our products abroad once we enter a commercialization phase, and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or

government-affiliated hospitals, universities and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, CROs, contractors and other collaborators and partners, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

Furthermore, U.S. export control laws and economic sanctions prohibit the provision of certain products and services to countries, governments, and persons targeted by U.S. sanctions. U.S. sanctions that have been or may be imposed as a result of military conflicts in other countries may impact our ability to continue activities at future clinical trial sites within regions covered by such sanctions. If we fail to comply with export and import regulations and such economic sanctions, penalties could be imposed, including fines and/or denial of certain export privileges. These export and import controls and economic sanctions could also adversely affect our supply chain.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or manmade disasters or business interruptions, for which we are predominantly self-insured. We rely on third-party manufacturers to produce our product candidates. Our ability to obtain clinical supplies of our product candidates could be disrupted if the operations of these suppliers were affected by a man-made or natural disaster or other business interruption. In addition, our corporate headquarters is located in Carlsbad, California near major earthquake faults and fire zones, and the ultimate impact on us of being located near major earthquake faults and fire zones and being consolidated in a certain geographical area is unknown. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

If securities or industry analysts do not publish research or reports or publish unfavorable research or reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If one or more of the analysts who covers us downgrades our stock, our stock price would likely decline. If one or more of these analysts ceases to cover us or fails to regularly publish reports on us, interest in our stock could decrease, which could cause our stock price or trading volume to decline.

If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Pursuant to Section 404 of the Sarbanes-Oxley Act, our management will be required to report upon the effectiveness of our internal control over financial reporting beginning with the annual report for our fiscal year ending December 31, 2022. When we lose our status as an “emerging growth company” and reach an accelerated filer threshold, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we may need to upgrade our information technology systems; implement additional financial and management controls, reporting systems and procedures; and hire additional accounting and finance staff. If we or, if required, our independent registered public accounting firm are unable to conclude that our internal control over financial

reporting is effective, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting once that firm begins its Section 404 reviews, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could significantly reduce the value of our shares to a potential acquiror or delay or prevent changes in control or changes in our management without the consent of our board of directors. The provisions in our charter documents include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors, unless the board of directors grants such right to the stockholders, to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the required approval of at least 66-2/3% of the shares entitled to vote to remove a director for cause, and the prohibition on removal of directors without cause;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- the required approval of at least 66-2/3% of the shares entitled to vote to adopt, amend or repeal our amended and restated bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- an exclusive forum provision providing that the Court of Chancery of the State of Delaware will be the exclusive forum for certain actions and proceedings;

- the requirement that a special meeting of stockholders may be called only by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and

- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders and that the federal district courts shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees or the underwriters or any offering giving rise to such claim.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine, our amended and restated certificate of incorporation also provides that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees and result in increased costs for investors to bring a claim. By agreeing to this provision, however, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provisions in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us, because biopharmaceutical and biotechnology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of our management's attention and resources, which could harm our business.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our corporate headquarters are located in Carlsbad, California, where we lease approximately 4,734 square feet of laboratory and office space (the Current Space). We will be expanding our headquarters with the leasing of approximately 7,377 additional square feet of space in an adjacent building (the Expansion Space). The lease for the Expansion Space will commence when the improvements are complete (estimated to be by April 2023), and will end 120 months thereafter (estimated to be March 2033), subject to certain renewal and early termination rights by us. The lease for the Current Space will end 120 months after the commencement date of the Expansion Space lease, subject to certain renewal options granted to us. In no event will the term of the Current Space lease end sooner than 60 months from its original commencement date which would be approximately July 2026. We believe that our existing and planned expansion facilities are adequate for our current needs and that suitable additional or alternative space will be available in the future on commercially reasonable terms, if required.

For additional information, see Note 10, Commitments and Contingencies, to the financial statements included in this Annual Report and Item 9B of Part II to this Annual Report.

Item 3. 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 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock has been publicly traded on the Nasdaq Global Select Market under the symbol "TYRA" since our initial public offering on September 14, 2021, which was completed at a price to the public of $16.00 per share. Prior to our initial public offering, there was no public market for our common stock.

Holders of Common Stock

As of March 1, 2022, there were approximately 89 holders of record of our common stock. This number was derived from our shareholder records and does not include beneficial owners of our common stock whose shares are held in the name of various dealers, clearing agencies, banks, brokers and other fiduciaries.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock. We intend to retain future earnings, if any, to finance the operation of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors the board of directors deems relevant, and subject to the restrictions contained in any future financing instruments.

Securities Authorized for Issuance Under Equity Compensation Plans

See Item 12 of Part III of this Annual Report for information about our equity compensation plans which is incorporated by reference herein.

Performance Graph

Not applicable.

Unregistered Sales of Equity Securities

(a) Issuances of Securities

1. In February 2021, we issued and sold an aggregate of 2,848,486 Series A preferred shares at a price per share of $8.25 for aggregate cash consideration of approximately $23.5 million.

2. In March 2021, we issued and sold an aggregate of 3,874,793 Series B preferred shares at a price per share of $27.4337 for aggregate cash consideration of approximately $106.3 million.

No underwriters were involved in the foregoing issuances of securities. These securities described in this section (a) were issued to investors in reliance upon the exemption from the registration requirements of the Securities Act, as set forth in Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder relative to transactions by an issuer not involving any public offering, to the extent an exemption from such registration was required. All holders of securities described above represented to us in connection with their purchase or issuance that they were accredited investors and were acquiring the securities for their own account for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The holders received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

(b) Grants of Stock Options

During 2021 we granted to certain of our directors, employees and consultants (in connection with services provided to us by such persons) options to purchase 2,088,932 shares of our common stock with a weighted average exercise price of $3.42 under the 2020 Plan.

The stock options and the common stock issuable upon the exercise of such options as described in this section (b) were issued pursuant to written compensatory plans or arrangements with our employees and directors, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 701 promulgated under the Securities Act or the exemption set forth in Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder relative to transactions by an issuer not involving any public offering. All recipients either received adequate information about us or had access, through employment or other relationships, to such information.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. All certificates representing the issued shares of capital stock described in this Item 5 included appropriate legends setting forth that the securities had not been registered and the applicable restrictions on transfer.

Use of Proceeds

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.

There has been no material change in the planned use of proceeds from our IPO from that described in the Prospectus.

Issuer Repurchases of Equity Securities

None.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties, including those described in the section entitled "Forward Looking Statements and Market Data." Our actual results and the timing of selected events could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those set forth under the section entitled "Risk Factors" or in other parts of this Annual Report.

Overview

We are a precision oncology company focused on developing purpose-built therapies to overcome tumor resistance and improve outcomes for patients with cancer. We are using our proprietary SNÅP platform, which is optimized to enable rapid and precise refinement of structural design through iterative molecular SNÅPshots, in order to generate next-generation product candidates that are specifically designed to address acquired drug resistance and provide alternative treatment options. We are initially focused on developing a pipeline of selective inhibitors of the Fibroblast Growth Factor Receptor (FGFR) family members, which are altered in approximately 7% of all cancers. We are advancing multiple product candidates toward the clinic including our lead product candidate TYRA-300, an FGFR3 inhibitor with an initial focus on patients with metastatic urothelial carcinoma of the bladder and urinary tract (mUC). Our second product candidate,TYRA-200, is an FGFR2 inhibitor with an initial focus on patients with intrahepatic cholangiocarcinoma (ICC), who have developed drug resistance mutations to existing FGFR inhibitors due to activating mutations and gene alterations in FGFR2. We anticipate submitting an Investigational New Drug application (IND) to the U.S. Food and Drug Administration (FDA) for TYRA-300 in mid-2022 and for TYRA-200 in the second half of 2022. In addition, we have pipeline development programs targeting FGFR3-related achondroplasia and other FGFR3-related skeletal dysplasias, REarranged during Transfection kinase (RET) and FGFR4-related cancers.

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 SNÅP 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 Agreement for Future Equity (SAFEs). Our net losses for the year ended December 31, 2021 and 2020 were $26.3 million and $9.3 million, respectively. As of December 31, 2021, we had an accumulated deficit of $40.4 million. As of December 31, 2021, we had cash and cash equivalents of $302.2 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 planned 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.

The global COVID-19 pandemic continues to evolve, and we will continue to monitor the COVID-19 situation closely. The extent of the impact of the COVID-19 pandemic on our business, operations and development timelines and plans remains uncertain, and will depend on certain developments, including the duration and spread of the pandemic and its impact on our development activities, contract research organizations (CROs), third-party manufacturers and other third parties with whom we do business, as well as its impact on regulatory authorities and our key scientific and management personnel.

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 SNÅP platform and our product candidates and development programs. Our research and development expenses primarily include:

- external costs, including:
  - 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, or CMC development, and other services; and
  - 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
- 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 the 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 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, particularly in light of the COVID-19 pandemic environment; 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 SEC requirements, director and officer insurance costs, and investor and public relations costs.

Results of Operations for the Years Ended December 31, 2021 and 2020

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

	Year Ended December 31,		
	2021	2020	Change
Operating expenses:			
Research and development	$ 20,636	$ 7,203	$ 13,433
General and administrative	5,652	2,094	3,558
Total operating expenses	26,288	9,297	16,991
Loss from operations	(26,288)	(9,297)	(16,991)
Other (expense) income:			
Interest income	13	(1)	14
Change in fair value of SAFE commitments	—	(15)	15
Other expense	(19)	(23)	4
Total other expense	(6)	(39)	33
Net loss and comprehensive loss	$ (26,294)	$ (9,336)	$ (16,958)

Research and Development Expenses

Research and development expenses were $20.6 million and $7.2 million for the years ended December 31, 2021 and 2020, respectively. The increase of $13.4 million was primarily due to additional spend to support the advancement of our TYRA-300, TYRA-200 and other development programs in 2021, including $9.2 million preclinical studies, chemistry, and clinical trials and $4.2 million of higher personnel-related costs, including $1.1 million of non-cash stock-based compensation costs.

The following table summarizes our research and development expenses by development program for the years ended December 31, 2021 and 2020 (in thousands):

	Year Ended December 31,	
	2021	2020
External research and development expense by program		
TYRA-300	$ 5,964	$ 4,189
TYRA-200	2,593	90
FGFR3 ACH	895	—
RET	2,882	—
FGFR4	1,509	364
Other development programs	54	—
Unallocated research and development expense		
Other research and development	1,391	642
Compensation and stock-based compensation	5,348	1,918
Total research and development expense	$ 20,636	$ 7,203

General and Administrative Expenses

General and administrative expenses were $5.7 million and $2.1 million for the years ended December 31, 2021 and 2020, respectively. The increase of $3.6 million was primarily due to increases of $1.8 million in personnel-related expenses, including $1.3 million in non-cash stock-based compensation costs, $0.9 million in professional services related to legal, accounting services, and other consulting fees and $0.9 million in other operating expenses.

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 aggregate gross proceeds of $157.2 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.

Cash Flows

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

	Year Ended December 31,	
	2021	2020
Net cash used in operating activities	$ (23,745)	$ (7,763)
Net cash used in investing activities	(645)	(312)
Net cash provided by financing activities	311,348	23,434
Net cash increase for the period	$ 286,958	$ 15,359

Operating Activities

Net cash used in operating activities for the year ended December 31, 2021 was $23.7 million, consisting primarily of our net loss of $26.3 million, adjusted for $3.0 million of non-cash charges primarily related

to stock-based compensation expense and partially offset by a $0.4 million for net decreases in operating assets and liabilities.

Net cash used in operating activities for the year ended December 31, 2020 was $7.8 million, consisting primarily of our net loss of $9.3 million, adjusted for $0.5 million of non-cash charges related to stock-based compensation expense and $1.0 million for net increases in operating assets and liabilities.

Investing Activities

Net cash used in investing activities for the years ended December 31, 2021 and 2020 was $0.6 million and $0.3 million, respectively, consisting of purchases of property and equipment.

Financing Activities

Net cash provided by financing activities was $311.3 million for the year ended December 31, 2021 and was primarily related to net proceeds of $181.2 million from our IPO, net of issuance costs, in addition to net proceeds of $23.5 million from the second closing of our Series A convertible preferred stock financing, $106.1 million in net proceeds from the issuance of our Series B convertible preferred stock, and $0.5 million from proceeds received from the exercise of stock options.

Net cash provided by financing activities was $23.4 million for the year ended December 31, 2020, primarily related to net proceeds of $23.3 million from the issuance of Series A convertible preferred stock, and $0.1 million from proceeds received from the exercise of stock options.

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 the risk of each of which may be exacerbated by the ongoing COVID-19 pandemic.

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

We lease our corporate office and laboratory space in Carlsbad, California. We have the option to renew the lease for two additional thirty-six-month periods.

The following table summarizes our contractual obligations and commitments as of December 31, 2021 (in thousands):

	Payments Due by Period				
	Total	2022	2023-2024	2025-2026	Thereafter
Operating Lease Obligations	$ 1,401	$ 288	$ 607	$ 506	$ —

For additional information regarding these lease agreements, including our payment obligations thereunder, see Note 10 to our financial statements.

In addition, we have entered into agreements in the normal course of business with certain vendors for the provision of goods and services, which includes manufacturing services with CMOs and development services with CROs. These agreements may include certain provisions for purchase obligations and termination obligations that could require payments for the cancellation of committed purchase obligations or for early termination of the agreements. The amount of the cancellation or termination payments vary and are based on the timing of the cancellation or termination and the specific terms of the agreement. These obligations and commitments are not separately presented.

Off-Balance Sheet Arrangements

During the periods presented we did not have, nor do we currently have, any off-balance sheet arrangements as defined under SEC rules.

Critical Accounting Policies, Significant Judgments, and Use of 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 GAAP. The preparation of these financial

statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience, known trends and events, and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our financial statements included elsewhere in this filing, we believe the following accounting policies and estimates to be most critical to the preparation of our financial statements.

Accrued Research and Development Expense

We are required to estimate our expenses resulting from obligations under contracts with vendors, and consultants, in connection with conducting research and development activities. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts. We reflect research and development expenses in our financial statements by matching those expenses with the period in which services and efforts are expended. We account for these expenses according to the progress of the preclinical study, as measured by the timing of various aspects of the study or related activities. We determine accrual estimates through review of the underlying contracts along with preparation of financial models taking into account discussions with research and other key personnel as to the progress of studies, or other services being conducted. During the course of a study, we adjust our rate of expense recognition if actual results differ from our estimates.

Although we do not expect our estimates to be materially different from amounts actually incurred, if our estimates of the status and timing of services performed differ from the actual status and timing of services performed, it could result in us reporting amounts that are too high or too low in any particular period. To date, there have been no material differences between our estimates of such expenses and the amounts actually incurred.

Stock-Based Compensation

Stock-based compensation expense represents the cost of the grant date fair value of employee, officer, director and non-employee stock option grants, estimated in accordance with the applicable accounting guidance, recognized on a straight-line basis over the vesting period. The vesting period generally approximates the expected service period of the awards. We recognize forfeitures as they occur.

The fair value of stock options is estimated using a Black-Scholes valuation model on the date of grant. The Black-Scholes option-pricing model requires inputs based on certain subjective assumptions. Changes to these assumptions can materially affect the fair value of stock options and ultimately the amount of stock-based compensation expense recognized in our financial statements. These assumptions include:

- *Fair Value of Common Stock*. Prior to our initial public offering, the estimated fair value of our common stock was determined by our board of directors as of the date of each option grant, with input from management, considering our most recently available third-party valuation of our common stock as well as our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent third-party valuation to the date of the grant. Since the completion of our initial public offering, the fair value of each share of common stock underlying stock option grants is based on the closing price of our common stock on the Nasdaq Global Select Market as reported on the date of grant.
- *Expected Term*. We have opted to use the "simplified method" for estimating the expected term of options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option, which is generally 10 years.

- *Expected Volatility*. Due to our limited operating history and a lack of company-specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of the stock-based awards. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available.
- *Risk-Free Interest Rate*. The risk-free interest rates used are based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. treasury notes with maturities approximately equal to the expected term of the stock options.
- *Expected Dividend*. To date, we have not issued any dividends and do not expect to issue dividends over the life of the options and therefore have estimated the dividend yield to be zero.

The assumptions underlying these valuations represent our board's and management's best estimates, which involve inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our stock-based compensation expense could be materially different.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our financial statements appearing elsewhere in this Annual Report on Form 10-K.

Emerging Growth Company and Smaller Reporting Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (JOBS Act). We will remain an emerging growth company until the earliest to occur of: (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (ii) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period; and (iv) December 31, 2026. As a result of this status, we have taken advantage of reduced reporting requirements in this Annual Report on Form 10-K and may elect to take advantage of other reduced reporting requirements in our future filings with the SEC. In particular, in this Annual Report on Form 10-K, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have elected to use the extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date on which we (i) are no longer an emerging growth company and (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We are also a "smaller reporting company" meaning that the market value of our stock held by non-affiliates is less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies,

smaller reporting companies have reduced disclosure obligations regarding executive compensation and other matters.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Our cash and cash equivalents consist of cash in readily available checking accounts and money market funds. As a result, the fair value of our portfolio is relatively insensitive to interest rate changes.

Foreign Currency Exchange Risk

Our expenses are generally denominated in U.S. dollars. However, we have entered into a limited number of contracts with vendors for research and development services that are denominated in foreign currencies. We are subject to foreign currency transaction gains or losses on our contracts denominated in foreign currencies. As of December 31, 2021, foreign currency transaction gains and losses have not been material to our financial statements, and we have not had a formal hedging program with respect to foreign currency. A hypothetical 10% increase or decrease in exchange rates during any of the periods presented would not have had a material impact on our financial results.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our financial results during the periods presented.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors
of Tyra Biosciences, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Tyra Biosciences, Inc. (the Company) as of December 31, 2021 and 2020, the related statements of operations and comprehensive loss, convertible preferred stock and stockholders' equity (deficit) and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

San Diego, California
March 3, 2022

Tyra Biosciences, Inc.
Balance Sheets
(in thousands, except share and par value data)

	December 31,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 302,182	$ 15,224
Prepaid and other current assets	1,875	57
Total current assets	304,057	15,281
Restricted cash	243	243
Property and equipment, net	1,027	297
Right-of-use asset	1,062	169
Other long-term assets	312	21
Total assets	$ 306,701	$ 16,011
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable (including related party amounts of $47 and $0, respectively)	$ 599	$ 664
Lease liabilities, current	202	142
Accrued and other current liabilities	2,815	1,052
Total current liabilities	3,616	1,858
Lease liabilities, noncurrent	981	—
Other long-term liabilities	367	140
Total liabilities	4,964	1,998
Commitments and contingencies (Note 2)		
Convertible preferred stock, $0.0001 par value; no shares and 6,223,046 shares authorized at December 31, 2021 and December 31, 2020, respectively; no shares and 3,374,560 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	—	27,651
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 50,000,000 shares and no shares authorized at December 31, 2021 and December 31, 2020, respectively; no shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	—	—
Common stock, $0.0001 par value; 500,000,000 and 50,000,000 shares authorized at December 31, 2021 and 2020, respectively; 42,536,183 and 3,050,781 shares issued at December 31, 2021 and December 31, 2020, respectively, and 41,441,135 and 1,829,377 shares outstanding at December 31, 2021 and December 31, 2020, respectively	4	—
Additional paid-in capital	342,104	439
Accumulated deficit	(40,371)	(14,077)
Total stockholders' equity (deficit)	301,737	(13,638)
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	$ 306,701	$ 16,011

See accompanying notes to financial statements.

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

	Year Ended December 31,	
	2021	**2020**
Operating expenses:		
Research and development	$ 20,636	$ 7,203
General and administrative (including related party amounts of $435 and $0, respectively)	5,652	2,094
Total operating expenses	26,288	9,297
Loss from operations	(26,288)	(9,297)
Other (expense) income:		
Interest income	13	(1)
Change in fair value of simple agreement for future equity	—	(15)
Other expense	(19)	(23)
Total other expense	(6)	(39)
Net loss and comprehensive loss	$ (26,294)	$ (9,336)
Net loss per share, basic and diluted	$ (1.91)	$ (6.05)
Weighted-average shares used to compute net loss per share, basic and diluted	13,780,546	1,542,174

See accompanying notes to financial statements.

Tyra Biosciences, Inc.
Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2019	—	$ —	—	$ —	2,705,779	$ —	$ —	$ (4,741)	$ (4,741)
Issuance of Series A convertible preferred stock upon conversion of simple agreement for future equity	526,074	4,340	—	—	—	—	—	—	—
Issuance of Series A convertible preferred stock, net of issuance costs	2,848,486	23,311	—	—	—	—	—	—	—
Incremental vesting conditions placed on previously issued common shares	—	—	—	—	(1,461,816)	—	—	—	—
Vesting of shares of common stock subject to repurchase	—	—	—	—	585,414	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	439	—	439
Net loss	—	—	—	—	—	—	—	(9,336)	(9,336)
Balance at December 31, 2020	3,374,560	$ 27,651	—	$ —	1,829,377	$ —	$ 439	$ (14,077)	$ (13,638)
Issuance of Series A convertible preferred stock, net of issuance costs	2,848,486	23,495	—	—	—	—	—	—	—
Issuance of Series B convertible preferred stock, net of issuance costs	—	—	3,874,793	106,128	—	—	—	—	—
Preferred stock converted into shares of common stock	(6,223,046)	(51,146)	(3,874,793)	(106,128)	26,228,089	3	157,271	—	157,274
Initial public offering of common shares, net of issuance costs	—	—	—	—	12,420,000	1	181,219	—	181,220
Issuance of common stock for stock option exercises	—	—	—	—	141,767	—	89	—	89
Vesting of shares of common stock subject to repurchase	—	—	—	—	821,902	—	199	—	199
Stock-based compensation	—	—	—	—	—	—	2,887	—	2,887
Net loss	—	—	—	—	—	—	—	(26,294)	(26,294)
Balance at December 31, 2021	—	$ —	—	$ —	41,441,135	$ 4	$ 342,104	$ (40,371)	$ 301,737

See accompanying notes to financial statements.

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

	Year Ended December 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	$ (26,294)	$ (9,336)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	140	47
Stock-based compensation	2,887	439
Change in fair value of SAFE commitments	—	15
Loss on disposal of property and equipment	3	2
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(2,108)	65
Accounts payable, accrued expenses and other liabilities	1,492	1,019
Right-of-use assets and lease liabilities, net	135	(14)
Net cash used in operating activities	(23,745)	(7,763)
Cash flows from investing activities:		
Purchases of property and equipment	(661)	(312)
Proceeds from sale of property and equipment	16	—
Net cash used in investing activities	(645)	(312)
Cash flows from financing activities:		
Proceeds from initial public offering, net of issuance costs	181,220	—
Proceeds from the issuance of Series A convertible preferred stock, net of issuance costs	23,495	23,311
Proceeds from the issuance of Series B convertible preferred stock, net of issuance costs	106,128	—
Proceeds from exercise of stock options	89	—
Proceeds from early exercise of stock options	450	140
Repayment of early exercise liability	(25)	—
Payments for financing lease	(9)	(17)
Net cash provided by financing activities	311,348	23,434
Net cash increase for the period	286,958	15,359
Cash, cash equivalents and restricted cash at beginning of the period	15,467	108
Cash, cash equivalents and restricted cash at end of the period	$ 302,425	$ 15,467
Reconciliation of cash, cash equivalents and restricted cash to the balance sheet		
Cash and cash equivalents	$ 302,182	$ 15,224
Restricted cash	243	243
Total cash, cash equivalents and restricted cash	$ 302,425	$ 15,467
Supplemental disclosure of cash flow information:		
Interest Paid	$ —	$ 1
Right-of-use asset obtained in exchange for lease liability	1,238	101
Non-cash investing and financing activities:		
Conversion of convertible preferred stock in connection with initial public offering	157,274	—
Purchases of equipment included in accounts payable	209	4
Issuance of convertible preferred stock in exchange for simple agreement for future equity	—	4,340

See accompanying notes to financial statements.

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 precision oncology company designing and developing purpose-built therapies specifically designed to overcome therapy resistance and improve the lives of cancer patients whose tumors have acquired resistance over the course of therapy to currently available treatments.

Since its inception, the Company has devoted substantially all of its resources to research and development activities, business planning, establishing and maintaining its intellectual property portfolio, hiring personnel, raising capital, and providing general and administrative support for these operations. It has incurred losses and negative cash flows from operations since commencement of its operations. The Company had an accumulated deficit of $40.4 million and cash and cash equivalents of $302.2 million as of December 31, 2021. From its inception through December 31, 2021, the Company has financed its operations primarily through the sale of common stock and private placements of its convertible preferred stock.

As the Company continues its expansion, it may seek additional financing and/or strategic investments, however, there can be no assurance that any additional financing or strategic investments will be available to the Company on acceptable terms, if at all. If events or circumstances occur such that the Company does not obtain additional funding, it will most likely be required to reduce its plans and/or certain discretionary spending, which could have a material adverse effect on the Company's ability to achieve its intended business objectives. Management believes that it has sufficient working capital on hand to fund operations through at least the next twelve months from the date of issuance of these financial statements.

On September 17, 2021, the Company completed its initial public offering (the IPO) and issued 12,420,000 shares of common stock for net proceeds of approximately $181.2 million. See Note 6 to these financial statements for additional details.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). 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).

Stock Split

On September 7, 2021, the Company effected a 2.5974-for-1 forward stock split of its common stock (the Forward Stock Split). The par value of the common stock was not adjusted as a result of the Forward Stock Split and the authorized shares were increased to 50,000,000 shares of common stock in connection with the Forward Stock Split. In conjunction with the Company's IPO, the authorized shares of common stock were increased to 500,000,000. The accompanying financial statements and notes to the financial statements give retroactive effect to the Forward Stock Split for all periods presented, unless otherwise indicated.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Accounting estimates and management judgments reflected in the financial statements include: normal recurring accruals, including the accrual of research and development expenses; fair value of simple agreements for future equity (SAFE), common stock (prior to the Company's IPO), convertible preferred stock (prior to the Company's IPO) and stock-based compensation. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may materially differ from these estimates and assumptions.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to significant concentration of credit risk consist of cash and cash equivalents. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts, and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Segment Reporting

The Company operates and manages its business as one operating segment. The Company's Chief Executive Officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for allocating resources and evaluating financial performance. All long-lived assets are maintained in the United States.

Fair Value of Financial Instruments

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.

The carrying amounts of all cash and cash equivalents, prepaid and other current assets, accounts payable, and accrued and other current liabilities are considered to be representative of their respective fair values because of the short-term nature of those instruments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents primarily represent funds invested in readily available money market accounts. As of December 31, 2021, the Company had cash and cash equivalents balances deposited at major financial institutions.

Restricted Cash

Restricted cash is comprised of cash that is restricted as to withdrawal or use under the terms of certain contractual agreements. Restricted cash as of December 31, 2021 and 2020 was $0.2 million, and consists of collateral for letters of credit related to the Company's operating leases and are considered a non-current asset on the balance sheets.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets (generally three to seven years, or the remaining term of the lease).

Impairment of Long-Lived Assets

The Company accounts for the impairment of long-lived assets by reviewing these assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted-cash-flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. The Company did not recognize impairment losses for the years December 31, 2021 and 2020.

Accrued Research and Development Expense

The Company is required to estimate its expenses resulting from its obligations under contracts with vendors and consultants, in connection with conducting research and development activities. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts. The Company reflects research and development expenses in its financial statements by matching those expenses with the period in which services and efforts are expended. The Company accounts for these expenses according to the progress of the preclinical study, as measured by the timing of various aspects of the study or related activities. The Company determines accrual estimates through review of the underlying contracts along with preparation of financial models taking into account discussions with research and other key personnel as to the progress of studies, or other services being conducted. To date, the Company has had no material differences between its estimates of such expenses and the amounts actually incurred. During the course of a study, the Company adjusts its rate of expense recognition if actual results differ from its estimate. Nonrefundable advance payments for goods and services, including fees for process development, are deferred and recognized as expense in the period that the related goods are consumed, or services are performed.

Research and Development

Research and development expenses consist primarily of external and internal costs related to the development of the Company's SNÅP discovery engine and its product candidates and development programs, including employee related salaries, benefits and stock-based compensation charges for those individuals involved in research and development efforts, costs to third-party contractors to perform research and development activities, and associated overhead expenses. Research and development costs are expensed as incurred.

Patent Costs

The Company expenses all costs as incurred in connection with patent applications (including direct application fees, and the legal and consulting expenses related to making such applications) and such costs are included in general and administrative expenses in the statements of operations and comprehensive loss.

Leases

The Company has operating and finance leases for office and lab space and equipment. At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If both criteria are met, the Company records the associated lease liability and corresponding right-of-use asset (ROU) upon commencement of the lease using the implicit rate or a discount rate based on a credit-adjusted secured borrowing rate commensurate with the term of the lease. The Company additionally evaluates leases at their inception to determine if they are to be accounted for as an operating

lease or a finance lease. A lease is accounted for as a finance lease if it meets one of the following five criteria: the lease has a purchase option that is reasonably certain of being exercised, the present value of the future cash flows is substantially all of the fair market value of the underlying asset, the lease term is for a significant portion of the remaining economic life of the underlying asset, the title to the underlying asset transfers at the end of the lease term, or if the underlying asset is of such a specialized nature that it is expected to have no alternative uses to the lessor at the end of the term. Leases that do not meet the finance lease criteria are accounted for as an operating lease. Operating lease assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease liabilities with a term greater than one year and their corresponding ROUs are recognized on the balance sheet at the commencement date of the lease based on the present value of lease payments over the expected lease term. Certain adjustments to the ROU may be required for items such as initial direct costs paid or incentives received. As the Company's leases do not typically provide an implicit rate, the Company utilizes the appropriate incremental borrowing rate, determined as the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and in a similar economic environment. Lease cost is recognized on a straight-line basis over the lease term and variable lease payments are recognized as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes, insurance, and other operating costs that are passed on from the lessor in proportion to the space leased by the Company.

Operating and finance ROU assets are reflected in ROU assets. Operating lease liabilities and finance lease liabilities are reflected in leases liabilities, current and noncurrent in the accompanying balance sheets.

Stock-Based Compensation

Stock-based compensation expense represents the cost of the grant date fair value of employee, officer, director and non-employee stock option grants, estimated in accordance with the applicable accounting guidance, recognized on a straight-line basis over the vesting period. The vesting period generally approximates the expected service period of the awards. The Company recognizes forfeitures as they occur.

The fair value of stock options is estimated using a Black-Scholes valuation model on the date of grant. This method requires certain assumptions be used as inputs, such as the fair value of the underlying common stock, expected term of the option before exercise, expected volatility of the Company's common stock, risk-free interest rate and expected dividend. Options granted have a maximum contractual term of ten years. The Company has limited historical stock option activity and therefore estimates the expected term of stock options granted using the simplified method, which represents the arithmetic average of the original contractual term of the stock option and its weighted-average vesting term. The expected volatility of stock options is based upon the historical volatility of a number of publicly traded companies in similar stages of clinical development. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available. The risk-free interest rates used are based on the U.S. Treasury yield in effect at the time of grant for zero-coupon U.S. treasury notes with maturities approximately equal to the expected term of the stock options. The Company has historically not declared or paid any dividends and does not currently expect to do so in the foreseeable future, and therefore has estimated the dividend yield to be zero.

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. The Company has not recorded any such liabilities as of December 31, 2021 and 2020.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If management determines that the Company would be able to realize its deferred tax assets in the future in excess of their recorded amount, management would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

As of December 31, 2021 and 2020, the Company maintained valuation allowances against its deferred tax assets as the Company concluded it had not met the “more likely than not” to be realized threshold. Changes in the valuation allowance when they are recognized in the provision for income taxes may result in a change in the estimated annual effective tax rate.

The Company records uncertain tax positions on the basis of a two-step process whereby (1) management determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, management recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits within income tax expense. Any accrued interest and penalties are included within the related tax liability. As of December 31, 2021, the Company had no accrued interest or penalties.

Comprehensive Loss

Comprehensive loss is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources. The Company’s comprehensive loss was the same as its reported net loss for all periods presented.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common stock outstanding for the period. Diluted net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock and common stock equivalents outstanding for the period. Common stock equivalents are only included when their effect is dilutive. The Company’s potentially dilutive securities include convertible preferred stock, unvested common stock issued to founders, unvested common stock upon early exercise of stock options and outstanding stock options under the Company’s equity incentive plan and have been excluded from the computation of diluted net loss per share as they would be anti-dilutive to the net loss per share. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company’s net loss position.

Related Parties

Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. Financial Accounting Standards Board (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;
- 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. From the date of her employment agreement to December 31, 2021, van den Boom & Associates rendered contracted services totaling approximately $0.5 million.

Recently Adopted Accounting Principles

In December 2019, the FASB issued ASU *Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes*. The Board issued this Update as part of its Simplification Initiative to improve areas of GAAP and reduce cost and complexity while maintaining usefulness. The main provisions remove certain exceptions including the exception to the general methodology for calculating income taxes in an interim period when a year-to-date loss exceeds the anticipated loss for the year. In addition, the amendments simplify income tax accounting in the areas such as income based franchise taxes, eliminating the requirements to allocate consolidated current and deferred tax expense in certain instances and a requirement that an entity reflects the effect of enacted changes in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date. For public companies, the standard is effective for fiscal years beginning after December 15, 2019 and interim periods therein. The Company adopted this ASU on the effective date of January 1, 2020, which did not have a material impact on the results of operations, cash flows, financial condition or related disclosures.

Recently Issued Accounting Principles

There were no other significant updates not already disclosed in the Company’s audited financial statements for the years ended December 31, 2021 and 2020. Although there are 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.

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, accounts payable, and accrued liabilities, approximate fair value due to their short maturities. Included in cash and cash equivalents at December 31, 2021 and 2020 are money market funds with a carrying value and fair value of $291.7 million and $4.7 million, respectively, based upon a Level 1 fair value assessment.

None of the Company's non-financial assets or liabilities are recorded at fair value on a non-recurring basis. No transfers between levels have occurred during the periods presented.

4. Property and Equipment

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

	December 31,	
	2021	2020
Equipment	$ 870	$ 293
Computers and software	109	33
Leasehold improvements	141	—
Furniture and fixtures	76	14
	1,196	340
Less: accumulated depreciation	(169)	(43)
Total property and equipment, net	$ 1,027	$ 297

The Company recognized $140,000 and $47,000 in depreciation expense for the years ended December 31, 2021 and 2020, respectively.

5. Accrued and Other Current Liabilities

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

	December 31,	
	2021	2020
Accrued payroll and other employee benefits	$ 1,278	$ 774
Accrued research and development	1,257	163
Accrued legal and professional fees	61	67
Accrued other general and administrative fees	219	48
Total accrued and other current liabilities	$ 2,815	$ 1,052

6. Convertible Preferred Stock

In January 2020 and February 2021, the Company issued, at each date, 2,848,486 shares of Series A convertible preferred stock at a price of $8.25 per share resulting in gross proceeds of $23.5 million and incurred issuance costs of $0.2 million and $5,000, respectively.

In March 2021, the Company under which it issued 3,874,793 shares of Series B convertible preferred stock, at a price of $27.4337 per share, resulting in net proceeds of $106.1 million excluding issuance costs of $0.2 million.

In September 2021, upon completion of the IPO, all of the Company’s shares of convertible preferred stock converted into 26,228,089 shares of common stock.

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. 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 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 lessor 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.

The options granted under the 2020 Plan and the 2021 Plan are exercisable at various dates as determined upon grant and will expire no more than ten years from their date of grant. The exercise price of each option shall be determined by the Company’s Board of Directors based on the fair market value of the Company’s stock on the date of the option grant. The exercise price shall not be less than 100% of the fair market value of the Company’s common stock at the time the option is granted. Most option grants generally vest 25% on the first anniversary of the original vesting commencement date, with the balance vesting monthly over the remaining three years and early exercise is permitted. The vesting period generally occurs over four years unless there is a specific performance vesting trigger at which time those shares will vest when the performance trigger is probable to occur.

A summary of the Company's stock option activity for the year ended December 31, 2021 is as follows:

	Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2020	1,374,714	$ 0.61	9.4	$ —
Granted	3,287,241	$ 10.45		
Exercised	(877,855)	$ 0.62		$ 285
Forfeited	(12,584)	$ 1.50		$ 158
Outstanding at December 31, 2021	3,771,516	$ 9.18	9.3	$ 28,901
Exercisable at December 31, 2021	561,556	$ 1.60	8.4	$ 7,184
Vested and expected to vest as of December 31, 2021	3,771,516	$ 9.18	9.3	$ 28,901

As of December 31, 2021, 184,875 performance-based stock options were both outstanding and unvested, with total unrecognized stock-based compensation expense of $2.4 million. The achievement of the performance conditions for these options was deemed probable to occur as of December 31, 2021, therefore the Company recognized $0.6 million in expense over the requisite service period related to these awards for the year ended December 31, 2021.

Stock-Based Compensation

The Company estimated the fair value of stock options using the Black-Scholes valuation model. The Company accounts for any 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:

	Year Ended December 31,	
	2021	2020
Stock Options:		
Stock price	$0.99 - 24.15	$0.61
Risk-free rate of interest	0.8 - 1.4%	0.3 - 1.5%
Expected term (years)	5.0 - 6.1	5.6 - 6.1
Expected stock price volatility	88.2 - 99.9%	92.9 - 97.7%
Dividend yield	—	—

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

	Year Ended December 31,	
	2021	2020
Research and development expense	$ 1,341	$ 167
General and administrative expense	1,546	272
Total	$ 2,887	$ 439

The weighted-average grant date fair value of employee option grants for the years ended December 31, 2021 and 2020 was $7.74 and $0.48 per share, respectively.

As of December 31, 2021, the unrecognized compensation cost related to outstanding employee and nonemployee options was $20.2 million, and is expected to be recognized as expense over a weighted-average period of approximately 2.9 years.

Employee Stock Purchase Plan

In September 2021, the Company's board of directors approved and adopted the 2021 Employee Stock Purchase Plan (the ESPP). The ESPP became effective on the business day immediately prior to the effective date of the Company's first registration statement. 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 six months, with new offering periods commencing every six months on or about the dates of March 15 and September 15 of each year. A total of 380,000 shares of common stock were initially reserved.

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 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, for accounting purposes, to be outstanding until those shares vest. Unvested outstanding Founders Stock as of December 31, 2021 and 2020 were 495,170 and 991,178 shares, respectively. The amount recorded as liabilities associated with shares issued with repurchase rights were immaterial as of December 31, 2021 and 2020.

Liability for Early Exercise of Stock Options

Certain individuals were granted the ability to early exercise their stock options. 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 December 31, 2021 and 2020, 599,878 and 230,222 unvested shares issued under early exercise provisions were subject to repurchase by the Company, respectively. As of December 31, 2021 and 2020, the Company recorded $0.4 million and $0.1 million, respectively, associated with shares issued with repurchase rights in other long-term liabilities.

Common stock reserved for future issuance consisted of the following:

	December 31, 2021
Common stock options granted and outstanding	3,771,516
Shares available for future issuance under the 2021 Incentive Award Plan	4,384,274
Shares available for future issuance under the 2021 Employee Stock Purchase Plan	380,000
Total common stock reserved for future issuance	8,535,790

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):

	Year Ended December 31,	
	2021	2020
Numerator:		
Net loss	$ (26,294)	$ (9,336)
Denominator:		
Weighted average shares used to compute net loss per common share, basic and diluted	13,780,546	1,542,174
Net loss per share, basic and diluted	$ (1.91)	$ (6.05)

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

	As of December 31,
	2021
Unvested restricted common stock subject to repurchase	495,170
Unvested common stock upon early exercise of stock options	599,878
Options to purchase common stock	3,771,516
	4,866,564

9. Income Taxes

The following is a reconciliation between the provision for income taxes and income taxes computed using the U.S. federal statutory corporate tax rate for the years ended December 31, 2021 and 2020 is as follows (in thousands):

	Year Ended December 31,	
	2021	2020
Expected tax benefit at statutory rate	$ (5,392)	$ (1,960)
State income tax, net of federal benefit	(1,661)	(12)
Permanent items and other	114	102
Research credits	(680)	(70)
Change in valuation allowance	7,620	1,941
	$ 1	$ 1

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2021 and 2020 are as follows (in thousands):

	As of December 31,	
	2021	2020
Deferred tax assets:		
Net operating loss carryforwards	$ 9,297	$ 2,711
Tax credits	874	144
Other, net	709	186
Total deferred tax assets	10,880	3,041
Valuation allowance	(10,618)	(2,998)
Deferred tax assets, net of valuation allowance	262	43
Deferred tax liabilities:		
Depreciation	(37)	(7)
Right of use assets	(225)	(36)
Total deferred tax liabilities	(262)	(43)
Net deferred tax assets / (liabilities)	$ —	$ —

The Company has established a valuation allowance against its net deferred tax assets due to the uncertainty surrounding the realization of such assets. The Company periodically evaluates the recoverability of the deferred tax assets. At such time as it is determined that it is more likely than not that deferred assets are realizable, the valuation allowance will be reduced. The Company has recorded a full valuation allowance of $10.6 million as of December 31, 2021 as management cannot conclude that it is more likely than not that certain deferred tax assets will be realized primarily due to the history of losses from inception. The Company increased its valuation allowance by approximately $7.6 million during the year ended December 31, 2021.

At December 31, 2021, the Company had federal and state tax loss carry forwards of approximately $35.3 million and $35.3 million, respectively. As a result of the Tax Cuts and Jobs Act of 2017, for U.S. income tax purposes, net operating losses generated after December 31, 2017 can be carried forward indefinitely, but are limited to 80% utilization against future taxable income after January 1, 2021. Of the amount of federal net operating loss carryforwards, $35.3 million can be carried forward indefinitely. Unless previously utilized, the state net operating losses will begin to expire in 2038.

At December 31, 2021, the Company has federal and California research and development tax credits of $0.8 million and $0.6 million, respectively. The federal research and development tax credits begin to expire in 2038 unless previously utilized. The California research and development tax credits carry forward indefinitely.

Pursuant to the Internal Revenue Code (IRC) Sections 382 and 383, annual use of the Company’s NOL and research and development credit carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a three-year period. The Company has not completed an ownership change analysis pursuant to IRC Section 382. If ownership changes have occurred or occurs in the future, the amount of remaining tax attribute carryforwards available to offset taxable income and income tax expense in future years may be restricted or eliminated. If eliminated, the related asset would be removed from deferred tax assets with a corresponding reduction in the valuation allowance.

Uncertain tax positions are evaluated based upon the facts and circumstances that exist at each reporting period. Subsequent changes in judgement based upon new information may lead to changes in recognition, derecognition, and measurement. Adjustment may result, for example, upon resolution of an issue with the taxing authorities or expiration of a statute of limitations barring an assessment for an issue.

The Company recognizes a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination by tax authorities.

The following table summarizes the changes to the Company's gross unrecognized tax benefits for the years ended December 31, 2021 and 2020, respectively (in thousands):

	Year Ended December 31,	
	2021	2020
Beginning balance at January 1	$ 91	$ —
Additions related to current year positions	312	91
Additions related to prior year positions	739	—
Ending balance at December 31	$ 1,142	$ 91

Due to the existence of the valuation allowance, future recognition of previously unrecognized tax benefits will not impact the Company's effective tax rate. The Company is subject to taxation in the United States and various state jurisdictions. All of the Company's tax years from inception are subject to examination by federal and state tax authorities. The Company's practice is to recognize interest and penalties related to income tax matters in income tax expense.

The Company had no accrued interest or penalties related to income tax matters in the Company's balance sheet as of December 31, 2021 and has not recognized interest or penalties in the Company's statements of operations and comprehensive loss for the years ended December 31, 2021 and 2020. Further, the Company is not currently under examination by any federal, state or local tax authority.

The CARES Act provides sweeping tax changes in response to the COVID-19 pandemic. Some of the more significant provisions are removal of certain limitations on utilization of net operating losses, increasing the loss carryback period for certain losses to five years, and increasing the ability to deduct interest expense, as well as amending certain provisions of the previously enacted Tax Cuts and Jobs Act. As of December 31, 2021, the Company has not recorded any material adjustments to its income tax provision related to the provisions within the CARES Act. The Company will continue to analyze the impact that the CARES Act will have, if any, on its financial position, results of operations or cash flows.

10. Commitments and Contingencies

Operating Leases

The Company leases its office and laboratory facilities under an operating lease with a term that expires in 2026 (the Original Lease). We have two options to extend the term of the operating lease for a period of three years each. However, as we were not reasonably certain to exercise either of those options at lease commencement, neither option was recognized as part of the associated operating lease ROU, asset or liability. As part of the terms of the lease agreement, the Company was required to maintain a letter of credit of $0.2 million which must remain in place until 2023 at the earliest and was considered a non-current asset as of December 31, 2021.

On March 2, 2022, the Company entered into the First Amendment to the Original Lease under which it leases approximately 4,734 square feet of laboratory and office space for the Company's corporate headquarters. Pursuant to the First Lease Amendment, the expiration date of the Original Lease was extended to 120 months after the commencement date of the Expansion Lease (as defined below). In no event will the term of the Original Lease end sooner than 60 months from its original commencement date, which would be approximately July 2026. The Company has two options to extend the term of the operating lease for a period of three years each. The Original Lease will be coterminous with the Expansion Lease.

On March 2, 2022, the Company entered into an agreement (the Expansion Lease), for an additional approximate 7,377 square feet of space. The expected lease commencement date is April 2023 and will terminate in March 2033, with the option to extend for two additional 36 month periods.

The Company's operating lease cost was $0.3 million for 2021 and $0.2 million for 2020. Cash paid for amounts included in the measurement of lease liabilities was $0.2 million for 2021 and 2020.

The components of lease expense include operating and finance lease costs. Amortization is recorded in research and development expenses and interest expense is recorded in other expenses in the statements of operations and comprehensive loss. Components of lease cost for the years ended December 31, 2021 and 2020 were as follows (in thousands):

	Year Ended December 31,	
	2021	2020
Operating lease cost	$ 331	$ 158
Finance lease cost		
Amortization of ROU assets	5	9
Interest on lease liabilities	—	1

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

	As of December 31,
Year ending December 31,	
2022	$ 288
2023	299
2024	308
2025	318
Thereafter	188
Total minimum lease payments	1,401
Less: amount representing interest	(218)
Present value of lease liabilities	1,183
Less: current portion of lease liabilities	(202)
Lease liabilities, noncurrent	$ 981

	December 31,	
	2021	2020
Weighted-average remaining lease term (years) - operating leases	4.6	0.8
Weighted-average remaining lease term (years) - finance leases	0.0	0.6
Weighted-average incremental borrowing rate - operating leases	7.50%	7.50%
Weighted-average incremental borrowing rate - finance leases	7.50%	7.50%

11. Employee Benefits

The Company offers a 401(k) plan (401(k) Plan) for all employees who have met certain eligibility requirements. Under the 401(k) Plan, employees may elect to contribute a portion of their eligible compensation, subject to certain limitations. The Company did not make any matching employer contributions to the 401(k) Plan for the years ended December 31, 2021 and 2020.

12. Subsequent Events

Except as described in Note 10, the Company has concluded that no subsequent event has occurred that requires disclosure.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. 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. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer and our principal financial officer, have evaluated our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Annual Report. Based on such evaluation, our principal executive officer and our principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

This Annual Report does not include a report of management's assessment regarding internal control over financial reporting due to a transition period established by the rules of the SEC for newly public companies.

Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our registered public accounting firm due to an exemption provided by the JOBS Act for "emerging growth companies," and our status as a non-accelerated filer under the Exchange Act.

Changes in Internal Control Over Financial Reporting

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

Item 9B. Other Information.

On March 2, 2022, we entered into a First Amendment to Lease with Fabric 2656 State, LLC, a California limited liability company (the First Lease Amendment), which amended that certain Lease, dated as of August 5, 2020 (the Original Lease) under which we lease approximately 4,734 square feet of laboratory and office space for our corporate headquarters. Pursuant to the First Lease Amendment, the expiration date of the Original Lease was extended to 120 months after the Commencement Date (as defined in the Expansion Lease) of the Expansion Lease (as defined below) (such expiration date estimated to be March 2033). In no event will the term of the Original Lease end sooner than 60 months from its original commencement date, which would be on or around

July 2026. If the Commencement Date under the Expansion Lease (as defined below) occurs, the base rent under the Original Lease will be $24,616.80 per month and will increase annually at an approximate rate of three percent (3%) per year. The Original Lease will be coterminous with the Expansion Lease. We will have the option to extend the Original Lease for two 36-month periods.

On March 2, 2022, we also entered into a Lease with Fabric 2676 State Street, LLC, a California limited liability company (the Expansion Lease), for approximately 7,377 square feet of additional space in a building adjacent to the property that is the subject of the Original Lease. The Expansion Lease will commence when the improvements to such space are complete (estimated to be by April 2023) and will end 120 months thereafter (estimated to be March 2033). The base rent under the Expansion Lease will be $39,466.95 per month (unless the square footage is increased) and will increase annually at an approximate rate of three percent (3%) per year. We are also required to pay our share of operating expenses initially set at $3,688.50 per month (based on the present square footage of the facilities). We will have the option to extend the Expansion Lease for two 36-month periods. We will also have the option to terminate the Expansion Lease early upon six months' notice, but not earlier than 60 months following the Commencement Date, and by paying a termination fee equal to 24 months of base rent and operating expenses. If the lessor terminates the Expansion Lease due to our breach within the first 60 months after the Commencement Date, we would owe the lessor an amortized portion of the $750,000 inducement lessor is required to provide to us in the form of tenant improvements. The inducement amount that is subject to recapture by the lessor is reduced by $6,250 per month each month after the Commencement Date. We will be required to provide a letter of credit in favor of the lessor upon execution of the Expansion Lease.

The foregoing descriptions of the terms of the First Amendment to the Original Lease and the Expansion Lease do not purport to be complete, and are qualified in their entirety by reference to the complete copy of such documents filed as exhibits to this Annual Report.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information required by this item will be contained in our definitive proxy statement to be filed with the SEC in connection with our 2022 Annual Meeting of Stockholders (the Definitive Proxy Statement), which is expected to be filed not later than 120 days after the end of our fiscal year ended December 31, 2021, under the headings "Election of Directors," "Corporate Governance," "Executive Officers," and "Section 16(a) Beneficial Ownership Reporting Compliance," and is incorporated herein by reference.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our officers, directors and employees, which is available on our website at www.tyra.bio. The Code of Business Conduct and Ethics contains general guidelines for conducting the business of our company consistent with the highest standards of business ethics and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K. In addition, we intend to promptly disclose (1) the nature of any amendment to our Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and (2) the nature of any waiver, including an implicit waiver, from a provision of our code of ethics that is granted to one of these specified officers, the name of such person who is granted the waiver and the date of the waiver on our website in the future.

Item 11. Executive Compensation.

Information required by this item will be contained in our Definitive Proxy Statement under the heading "Executive Compensation and Other Information," and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information required by this item will be contained in our Definitive Proxy Statement under the heading "Security Ownership of Certain Beneficial Owners and Management," and is incorporated herein by reference.

Information required by Item 201(d) of Regulation S-K will be contained in our Definitive Proxy Statement under the heading "Executive Compensation" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information required by this item will be contained in our Definitive Proxy Statement under the headings "Certain Relationships and Related Person Transactions," "Board Independence" and "Committees of the Board of Directors" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Information required by this item will be contained in our Definitive Proxy Statement under the heading "Independent Registered Public Accountants' Fees," and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

1. Financial Statements.

The financial statements of Tyra Biosciences, Inc., together with the report thereon of Ernst & Young LLP, an independent registered public accounting firm (PCAOB ID No. 42), are included in this Annual Report contained in Part II, Item 8. Financial Statements and Supplementary Data.

2. Finance Statement Schedules.

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits.

A list of exhibits is set forth on the Exhibit Index immediately preceding the signature page of this Annual Report and is incorporated herein by reference.

Item 16. Form 10-K Summary.

None.

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Amended and Restated Certificate of Incorporation	8-K	9/17/21	3.1	
3.2	Amended and Restated Bylaws	8-K	9/17/21	3.2	
4.1	Specimen stock certificate evidencing the shares of common stock	S-1	8/20/21	4.1	
4.2	Amended and Restated Investors' Rights Agreement, dated March 5, 2021, by and among the Registrant and certain of its stockholders	S-1/A	9/9/21	4.2	
4.3	Description of Registered Securities				X
10.1#	Tyra Biosciences, Inc. 2020 Equity Incentive Plan and form of stock option agreement thereunder	S-1	8/20/21	10.1	
10.2#	Tyra Biosciences, Inc. 2021 Incentive Award Plan and form of stock option grant notice and stock option agreement thereunder	S-1/A	9/9/21	10.2	
10.3#	Tyra Biosciences, Inc. 2021 Employee Stock Purchase Plan	S-1/A	9/9/21	10.3	
10.4#	Non-Employee Director Compensation Program	S-1/A	9/9/21	10.4	
10.5#	Second Amended and Restated Employment Letter Agreement, dated August 18, 2021, by and between Todd Harris and the Registrant	S-1	8/20/21	10.12	
10.6#	Second Amended and Restated Employment Letter Agreement, dated August 18, 2021, by and between Daniel Bensen and the Registrant	S-1	8/20/21	10.13	
10.7#	Amended and Restated Employment Letter Agreement, dated August 18, 2021, by and between Esther van den Boom and the Registrant	S-1	8/20/21	10.14	
10.8#	Amended and Restated Employment Letter Agreement, dated August 18, 2021, by and between Ronald Swanson and the Registrant	S-1	8/20/21	10.15	
10.9#	Amended and Restated Employment Letter Agreement, dated August 18, 2021, by and between Hiroomi Tada and the Registrant	S-1	8/20/21	10.16	
10.10#	Amended and Restated Employment Agreement, dated August 18, 2021, by and between Robert Hudkins and the Registrant	S-1	8/20/21	10.17	
10.11#	Amended and Restated Employment Letter Agreement, dated August 18, 2021, by and between Piyush Patel and the Registrant	S-1	8/20/21	10.18	
10.12#	Employment Letter Agreement, dated August 19, 2021, by and between John Healy and the Registrant				X
10.13	Office Lease, between the Registrant and Fabric 2656 State, LLC, a California limited liability company, dated August 5, 2020	S-1	8/20/21	10.19	
10.14	First Amendment to Lease, between the Registrant and Fabric 2656 State, LLC, a California limited liability company, dated March 2, 2022				X
10.15	Office Lease, between the Registrant and Fabric 2676 State Street, LLC, a California limited liability company, dated March 2, 2022				X
10.16#	Form of Indemnification Agreement for Directors and Officers	S-1	8/20/21	10.20	

23.1	Consent of independent registered public accounting firm	X
31.1	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	X
31.2	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	X
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
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	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 Extension Label Linkbase Document	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document)	X

# Indicates management contract or compensatory plan.
* 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 Section 13 or 15(d) 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.

/s/ Todd Harris, Ph.D.
Todd Harris, Ph.D.
President, Chief Executive Officer, and Director

Date: March 3, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Todd Harris, Ph.D. **Todd Harris, Ph.D.**	President, Chief Executive Officer and Director (principal executive officer)	March 3, 2022
/s/ Esther van den Boom **Esther van den Boom**	Chief Financial Officer (principal financial and accounting officer)	March 3, 2022
/s/ Isan Chen, M.D. **Isan Chen, M.D.**	Director	March 3, 2022
/s/ Gilla Kaplan, Ph.D. **Gilla Kaplan, Ph.D.**	Director	March 3, 2022
/s/ Nina Kjellson **Nina Kjellson**	Director	March 3, 2022
/s/ Melissa McCracken, Ph.D. **Melissa McCracken, Ph.D.**	Director	March 3, 2022
/s/ Robert More **Robert More**	Director	March 3, 2022
/s/ Jake Simson, Ph.D. **Jake Simson, Ph.D.**	Director	March 3, 2022
/s/ Siddarth Subramony, Ph.D. **Siddarth Subramony, Ph.D.**	Director	March 3, 2022
/s/ Rehan Verjee **Rehan Verjee**	Director	March 3, 2022

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of December 31, 2021, Tyra Biosciences, Inc. ("we," "us" and "our") had one class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock.

Description of Common Stock

General

The following description summarizes some of the terms of our common stock. Because it is only a summary, it does not contain all the information that may be important to you and is subject to and qualified in its entirety by reference to our amended and restated certificate of incorporation (the "certificate of incorporation") and amended and restated bylaws (the "bylaws"), copies of which are filed as exhibits to our most recent Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our certificate of incorporation and our bylaws for additional information.

As of December 31, 2021, our authorized capital stock consisted of 500,000,000 shares of common stock, par value $0.0001 per share, and 50,000,000 shares of preferred stock, par value $0.0001 per share.

Voting Rights

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Subject to the supermajority votes for some matters, other matters shall be decided by the affirmative vote of our stockholders having a majority in voting power of the votes cast by the stockholders present or represented and voting on such matter. Our certificate of incorporation and bylaws also provide that our directors may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon. In addition, the affirmative vote of the holders of at least two-thirds in voting power of the outstanding shares of capital stock entitled to vote thereon is required to amend or repeal, or to adopt any provision inconsistent with, several of the provisions of our certificate of incorporation.

Dividend Rights

Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

Liquidation Rights

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, subscription, redemption, sinking fund or conversion rights. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Fully Paid and Nonassessable

The outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

The Nasdaq Global Select Market Listing

Our common stock is listed and traded on the Nasdaq Global Select Market under the symbol "TYRA."

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our certificate of incorporation and our bylaws could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock

The ability of our board of directors, without action by the stockholders, to issue up to 50,000,000 shares of undesignated preferred stock with voting or other rights or preferences as designated by our board of directors could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Stockholder Meetings

Our certificate of incorporation provides that a special meeting of stockholders may be called only by our chairperson of the board, chief executive officer or president or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our certificate of incorporation and bylaws eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board of Directors

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors

Our certificate of incorporation and bylaws provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of the holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting

Our certificate of incorporation does not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the General Corporation Law of the State of Delaware, which prohibits persons deemed to be “interested stockholders” from engaging in a “business combination” with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty by any of our directors, officers or stockholders to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine. For instance, the provision would not apply to actions arising under federal securities laws, including suits brought to enforce any liability or duty created by the Securities Act of 1933, as amended (the "Securities Act"), the Exchange Act, or the rules and regulations thereunder. Our certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant to such compliant. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. In any case, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. Our certificate of incorporation also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. It is possible that a court of law could rule that the choice of forum provision contained in our amended and restated certificate of incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

Amendment of Charter and Bylaw Provisions

The amendment of any of the above provisions, except for the provision prohibiting cumulative voting, would require approval by holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote thereon.

The provisions of Delaware law, our certificate of incorporation and our bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

TYRA BIOSCIENCES, INC.

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of August 19, 2021, by and between Tyra Biosciences, Inc., a Delaware corporation (the "Company") and John Healy ("Executive" and, together with the Company, the "Parties"). This Agreement will be effective upon the consummation of the Company's initial public offering (the "IPO") of its common stock (the "Effective Date"). In the event the IPO does not occur, this Agreement shall be of no force or effect. Capitalized terms used herein and not otherwise defined shall have those meanings set forth in Appendix I hereto.

WHEREAS, the Company desires to retain the services of Executive by engaging Executive to perform services as an employee of the Company under the terms hereof; and

WHEREAS, Executive desires to provide services to the Company on the terms hereof.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) General. The Company shall employ Executive upon the terms and conditions provided herein effective as of the Effective Date.

(b) Position and Duties. Effective on the Effective Date, Executive shall serve as the General Counsel, with responsibilities, duties, and authority usual and customary for such position subject to direction by the Chief Executive Officer (the "CEO"). During Executive's employment with the Company, Executive shall report directly to the CEO and agrees promptly and faithfully to comply with all present and future policies, requirements, rules and regulations, and reasonable directions and requests, of the Company in connection with the Company's business. Executive will at all times perform all of the duties and obligations required by Executive under this Agreement in a loyal and conscientious manner and to the best of Executive's ability and experience.

(c) Performance of Executive's Duties. During Executive's employment with the Company, and except for periods of illness, vacation, Disability, or excused leaves of absence, Executive shall devote Executive's full time and attention to the business and affairs of the Company pursuant to the general direction of the CEO; provided that nothing herein shall preclude Executive from, subject to prior consent of the CEO: (i) engaging in additional activities in connection with personal investments and community affairs including service on non-profit boards of directors; (ii) serving as a member of the board of directors for for-profit organizations that are not competitors of the Company; and (iii) serving as an advisor, or as a member of an advisory board of organizations that are not competitors of the Company; provided such activities

do not individually or in the aggregate interfere with the performance of Executive's duties under this Agreement, violate the Company's standards of conduct then in effect or raise a conflict under the Company's conflict of interest policies.

2. **Term**. The period of Executive's employment under this Agreement shall commence on the Effective Date and shall continue until Executive's employment with the Company is terminated. The phrase "Term of Employment" as used in this Agreement shall refer to the entire period of employment of Executive by the Company.

3. **Compensation and Related Matters**.

(a) Annual Base Salary. Executive shall receive a base salary at the rate of $410,000 per annum (as may be increased from time to time, the "Annual Base Salary"), subject to withholdings and deductions and as adjusted for part time status, which shall be paid to Executive in accordance with the customary payroll practices and procedures of the Company. Such Annual Base Salary shall be reviewed by the CEO, and as applicable, the Board of Directors of the Company (the "Board"), not less than annually, and may be increased, but not decreased, in connection with any such review.

(b) Annual Bonus. Executive shall be eligible to receive a discretionary annual bonus (the "Annual Bonus") based on Executive's achievement of performance objectives in accordance with the terms set forth by the Board. Executive's target Annual Bonus shall be equal to 40% of Executive's Annual Base Salary (the "Target Bonus"). Except as set forth in Section 6, Executive must be employed by the Company on the date of payment of any Annual Bonus to remain eligible to receive such Annual Bonus. Any Annual Bonus earned will be paid at the same time annual bonuses are paid to other executives of the Company generally, subject to any limitations on payment as set forth in Section 6.

(c) Benefits. Executive shall be entitled to participate in such employee and executive benefit plans and programs as the Company may offer from time to time to provide to its executives, subject to the terms and conditions of such plans. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan, or benefits.

(d) Business Expenses. The Company shall reimburse Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures as are in effect from time to time. The Company will also cover the expense of travel, room and board when working from Company headquarters in Carlsbad, CA.

(e) Vacation; Paid Time Off. Executive will be entitled to vacation or paid time off in accordance with the Company's policy.

(f) Equity Awards. Executive shall be eligible to receive grants of equity

awards in the Company's sole discretion.

(g) Indemnification Agreement; Insurance. As an officer of the Company, Executive shall be entitled to enter into the Company's standard indemnification agreement. Executive will also be covered under a directors and officers liability insurance policy paid for by the Company for so long as Executive serves as an officer of the Company.

4. Acceleration of Equity Awards Upon a Change in Control. Notwithstanding anything herein to the contrary, in the event of a Change in Control, the vesting of Executive's then outstanding options, restricted stock and other equity awards covering shares of the Company's common stock (collectively, "Equity Awards") shall accelerate as of immediately prior to such Change in Control with respect to fifty percent (50%) of the unvested shares of Company common stock subject to such Equity Awards. The remaining fifty percent (50%) of the unvested shares of Company common stock subject to Executive's Equity Awards shall continue to vest at the same rate as immediately prior to the Change in Control, subject to Executive's continued employment with the Company or its successor through the applicable vesting date. Any portion of Executive's Equity Awards that remains unvested as of the first anniversary of the Change in Control shall thereupon vest in full, subject to Executive's continued employment with the Company or its successor through such first anniversary. Notwithstanding the foregoing and for the avoidance of doubt, any shares subject to Equity Awards that do not accelerate immediately prior to the Change in Control in accordance with the foregoing shall be subject to accelerated vesting in accordance with Section 6(d)(iii) below.

5. Termination.

(a) At-Will Employment. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law. This means that it is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, and for any or no particular reason or cause. It also means that Executive's job duties, title, and responsibility and reporting level, work schedule, compensation, and benefits, as well as the Company's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of the Company (subject to any ramification such changes may have under Section 6 of this Agreement). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and the CEO. If Executive's employment terminates for any lawful reason, Executive shall not be entitled to any payments, benefits, Equity Awards or other compensation other than as provided in this Agreement.

(b) Notice of Termination. During the Term of Employment, any termination of Executive's employment by the Company or by Executive (other than by reason of death) shall be communicated by written notice (a "Notice of Termination") from one Party hereto to the other Party hereto (i) indicating the specific termination provision in this Agreement relied upon, if any, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) specifying the date of the termination of Executive's employment with the Company (the "Date of Termination").

The failure by the Company to set forth in the Notice of Termination all of the facts and circumstances which contribute to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing its rights hereunder. The failure by Executive to set forth in the Notice of Termination all of the facts and circumstances which contribute to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing Executive's rights hereunder.

(c) Deemed Resignation. Upon termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all offices and board memberships, if any, then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

6. Consequences of Termination.

(a) Release. In the event Executive's employment with the Company terminates pursuant to Section 5, then Executive shall be entitled to the applicable payments and benefits set forth below subject to, in the case of a termination described in Section 6(c) or 6(d), Executive delivering to the Company a waiver and release of claims agreement in standard reasonable form approved by the Company that becomes effective and irrevocable in accordance with Section 7 hereof (a "Release").

(b) Payments upon Termination by the Company for Cause or by Executive Without Good Reason. Upon a termination of Executive's employment with the Company at any time for Cause or by Executive without Good Reason, Executive (or Executive's estate or legal representative, as applicable) shall be entitled to receive, within thirty (30) days of the effective date of termination of employment with the Company (whether such termination of employment is effected by the Company or Executive) (or such earlier date as may be required by applicable law): (i) any portion of Executive's Annual Base Salary earned through Executive's Date of Termination not theretofore paid; (ii) any reimbursement of expenses owed to Executive under Section 3(e) above; and (iii) any accrued but unused vacation or paid time-off owed to Executive ((i)-(iii) defined as the "Accrued Obligations"). In the event Executive is terminated by the Company for Cause, Executive shall forfeit, effective as of the date Executive engages in such conduct giving rise to his termination for Cause, all unexercised, unearned and/or unpaid Equity Awards, including without limitation, Equity Awards earned but not yet paid, all unpaid dividends and dividend equivalents and all interest, if any, accrued on the foregoing.

(c) Severance Payments upon Involuntary Termination Outside a Change in Control Period. If, outside a Change in Control Period, Executive's employment is terminated due to an Involuntary Termination, the Company shall provide the following payments and benefits:

(i) the Accrued Obligations;

(ii) an amount in cash equal to (A) twelve months of Executive's Annual Base

Salary plus (B) Executive's Target Bonus for the calendar year in which such Involuntary Termination occurs, pro-rated based on the total number of days elapsed in the calendar year as of Executive's Date of Termination;

(iii) fifty percent (50%) of the unvested Equity Awards held by the Executive as of the Date of Termination will become fully vested and, if applicable, exercisable, and all restrictions and rights of repurchase thereon shall lapse with respect to all of the shares of the Company's common stock subject thereto; and

(iv) during the period commencing on the Date of Termination and ending on the twelve-month anniversary thereof or, if earlier, the date on which Executive becomes eligible for comparable replacement coverage under a subsequent employer's group health plan, subject to Executive's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder ("COBRA"), the Company shall, in its sole discretion, either (A) continue to provide to Executive and Executive's dependents, at the Company's sole expense, or (B) reimburse Executive and Executive's dependents for the cost of, in either case, coverage under its group health plan (if any) at the same coverage levels in effect on the Date of Termination ("Benefits Coverage"); *provided*, *however*, that if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover Executive or Executive's dependents under its group health plans or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, the cash amount necessary to maintain the Benefits Coverage shall thereafter be paid to Executive in substantially equal taxable monthly installments over the COBRA continuation period (or remaining portion thereof).

(d) Severance Payments upon Involuntary Termination During a Change in Control Period. If, during a Change in Control Period, Executive's employment is terminated due to an Involuntary Termination, the Company shall provide the following payments and benefits:

(i) the Accrued Obligations;

(ii) an amount in cash equal to (A) eighteen months of Executive's Annual Base Salary plus (B) one hundred percent (100%) of Executive's Target Bonus for the calendar year in which such Involuntary Termination occurs (for the avoidance of doubt, if (x) Executive incurred an Involuntary Termination prior to a Change in Control that qualifies Executive for severance payments under Section 6(c)(ii); and (y) a Change in Control occurs within the three (3)-month period following Executive's Involuntary Termination that qualifies Executive for the increased benefits under this Section 6(d)(ii), then Executive shall be entitled to a lump-sum payment of the amount calculated under this Section 6(d)(ii), less any amount already paid under Section 6(c)(ii));

(iii) one hundred percent (100%) of all unvested Equity Awards held by

Executive as of the Date of Termination, will become fully vested and, if applicable, exercisable, and all restrictions and rights of repurchase thereon shall lapse with respect to all of the shares of the Company's common stock subject thereto effective on the later of (x) the Date of Termination or (y) the date of the Change in Control (for the avoidance of doubt, if Executive's Involuntary Termination occurs prior to a Change in Control, then any unvested portion of Executive's outstanding Equity Awards will remain outstanding for three (3) months or the occurrence of a Change in Control (whichever is earlier) so that any vesting acceleration benefits provided under this clause (iii) can be provided if a Change in Control occurs within three (3) months following such termination (provided that in no event will the Equity Awards remain outstanding beyond the Equity Award's maximum term or expiration date. In such case, if no Change in Control occurs within three (3) months following Executive's termination, any unvested portion of Executive's Equity Awards automatically will be forfeited without having vested; and

(iv) during the period commencing on the Date of Termination and ending on the first anniversary thereof or, if earlier, the date on which Executive becomes eligible for comparable replacement coverage under a subsequent employer's group health plan, subject to Executive's valid election to continue healthcare coverage under COBRA, the Company shall, in its sole discretion, either (A) continue to provide to Executive and Executive's dependents, at the Company's sole expense, or (B) reimburse Executive and Executive's dependents for the cost of, in either case, the Benefits Coverage; *provided*, *however*, that if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover Executive or Executive's dependents under its group health plans or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, the cash amount necessary to maintain the Benefits Coverage shall thereafter be paid to Executive in substantially equal taxable monthly installments over the COBRA continuation period (or remaining portion thereof).

(e) No Other Severance. The provisions of this Section 6 shall supersede in their entirety any severance payment provisions in any severance plan, policy, program, or other arrangement maintained by the Company except for such additional benefits otherwise approved by the Board or Compensation Committee of the Board after the date hereof.

(f) No Requirement to Mitigate; Survival. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner. Notwithstanding anything to the contrary in this Agreement, the termination of Executive's employment shall not impair the rights or obligations of any Party.

7. Release and Payment Timing.

(a) Release. Notwithstanding anything to the contrary in this Agreement, any payments or other benefits due under this Agreement under Sections 6(c) and 6(d) as a result of Executive's termination of employment (other than the Accrued Obligations) are subject to Executive's execution and delivery of a Release, as follows: (i) the Company shall deliver the Release to Executive within five (5) days following Executive's Date of Termination, and the

Company's failure to deliver a Release prior to the expiration of such five (5) day period shall constitute a waiver of any requirement to execute a Release, (ii) if Executive fails to execute the Release on or prior to the Release Expiration Date (as defined below) or timely revokes Executive's acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release, and (iii) if the Release does not become effective and irrevocable no later than sixty (60) days following the Date of Termination (such deadline, the "Release Deadline"), Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release. For purposes of this Section 7, "Release Expiration Date" shall mean the date that is twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive, or, in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is

defined in the Age Discrimination in Employment Act of 1967), the date that is forty-five (45) days following such delivery date.

(b) Payment Timing. The payments due under Sections 6(c)(ii) and 6(d)(ii) of this Agreement as a result of Executive's termination of employment shall be paid in a lump sum on the date that is sixty (60) days following the Date of Termination; provided, however, that, in the event of Executive's Involuntary Termination during the Change in Control Period but prior to a Change in Control, any additional amount payable to Executive under Section 6(d)(ii) in excess of the amounts payable to such Executive under Section 6(c)(ii) shall be paid in a lump sum on the date that is sixty (60) days following the later of (x) the Date of Termination, or (y) the date of the Change in Control.

8. Non-Solicitation of Employees. For a period of one (1) year following Executive's Date of Termination, Executive shall not, either directly or indirectly (a) solicit for employment through any individual, corporation, firm, or other business, any employees, consultants, independent contractors, or other service providers of the Company or any of its affiliates, or (b) solicit any employee, consultant or other service provider of the Company or any of its affiliates to leave the employment or consulting of or cease providing services to the Company or any of its affiliates; *provided*, *however*, that the foregoing clauses (a) and (b) shall not apply to inbound inquiries or any general advertisement or solicitation (or any hiring pursuant to such advertisement or solicitation) that is not specifically targeted to such employees, consultants or other service providers.

9. Golden Parachute Excise Tax.

(a) Best Pay. Any provision of this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company pursuant to this Agreement or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment will be equal to the Reduced Amount (as defined below). The "Reduced Amount" will be either (A) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (B) the entire Payment, whichever amount after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest

applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive' s receipt, on an after- tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (A) of the preceding sentence, the reduction shall occur in the manner (the "Reduction Method") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "Pro Rata Reduction Method"). Notwithstanding the foregoing, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A (as defined below) that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (1) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (2) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (3) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(b) Accounting Firm. All determinations regarding the application of this Section 9 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "280G Firm"). The Company will bear all expenses with respect to the determinations by the 280G Firm required to be made hereunder. The 280G Firm engaged to make the determinations hereunder will provide its calculations, together with detailed supporting documentation, to the Company within thirty (30) days before the consummation of a Change in Control (if requested at that time by the Company) or such other time as requested by the Company. If the 280G Firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it will furnish the Company with documentation reasonably acceptable to the Company that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the 280G Firm made hereunder will be final, binding and conclusive upon the Company and Executive.

10. Section 409A.

(a) General. The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date, ("Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies the Company that Executive has received advice of tax counsel of a national reputation with expertise in Section 409A that any

provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A (with specificity as to the reason therefor) or the Company independently makes such determination, the Company and Executive shall take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A, *provided* that any such modifications shall not increase the cost or liability to the Company. To the extent that any provision hereof is modified in order to comply with or be exempt from Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Section 409A.

(b) Separation from Service. Notwithstanding any provision to the contrary in this Agreement: (i) no amount that constitutes "deferred compensation" under Section 409A shall be payable pursuant to Section 6(c) or Section 6(d) above unless the termination of Executive's employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations ("Separation from Service"); (ii) for purposes of Section 409A, Executive's right to receive installment payments shall be treated as a right to receive a series of separate and distinct payments; and (iii) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" under Section 409A, such reimbursement or benefit shall be provided no later than December 31st of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year.

(c) Specified Employee. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

11. Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local, or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

12. Miscellaneous Provisions.

(a) Prior Employment. Executive represents and warrants that Executive's acceptance of employment with the Company has not breached, and the performance of

Executive's duties hereunder will not breach, any duty owed by Executive to any prior employer or other person. Executive further represents and warrants to the Company that: (a) the performance of Executive's obligations hereunder will not violate any agreement between Executive and any other person, firm, organization, or other entity; (b) Executive is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by Executive entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement; and (c) Executive's performance of Executive's duties under this Agreement will not require Executive to, and Executive shall not, rely on in the performance of Executive's duties or disclose to the Company or any other person or entity or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

(b) Assignment and Successors. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company, Executive, and their respective successors, assigns, personnel, and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will, operation of law, or as otherwise provided herein.

(c) Governing Law. This Agreement shall be governed, construed, interpreted, and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of California, without giving effect to any principles of conflicts of law, whether of the State of California or any other jurisdiction, and where applicable, the laws of the United States, that would result in the application of the laws of any other jurisdiction.

(d) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(e) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing signed by Executive and a duly authorized representative of the Company. By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company, as applicable, may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(f) Dispute Resolution. Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action, in law or equity, arising from or relating to this Agreement or its enforcement, performance, breach, or interpretation shall be resolved solely and exclusively by final and binding arbitration held in San Diego, California, before a single, mutually-agreed

neutral arbitrator, through Judicial Arbitration & Mediation Services ("JAMS") under the then existing JAMS arbitration rules. The rules may be found online at www.jamsadr.com or upon written request to the Company. This Section 12(f) is intended to be the exclusive method for resolving any and all claims by the Parties against each other relating to Executive's employment; provided that Executive will retain the right to file administrative charges with or seek relief through any government agency of competent jurisdiction, and to participate in any government investigation, including but not limited to (i) claims for workers' compensation, state disability insurance or unemployment insurance; (ii) claims for unpaid wages or waiting time penalties brought before the California Division of Labor Standards Enforcement (provided that any appeal from an award or from denial of an award of wages and/or waiting time penalties shall be arbitrated pursuant to the terms of this paragraph); and (iii) claims for administrative relief from the United States Equal Employment Opportunity Commission and/or the California Department of Fair Employment and Housing (or any similar agency in any applicable jurisdiction other than California); provided, further, that, except as otherwise provided by law, Executive will not be entitled to obtain any monetary relief through such agencies other than workers' compensation benefits or unemployment insurance benefits. Further, nothing in this Section 12(f) is intended to prevent either Party from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration, including without limitation injunctive relief, in any court of competent jurisdiction pursuant to California Code of Civil Procedure §1281.8 or any similar statute of an applicable jurisdiction. Seeking any such relief shall not be deemed to be a waiver of such Party's right to compel arbitration. In resolving any matter submitted to arbitration, the arbitrator will strictly follow the substantive law applicable to the dispute, claim or controversy and the arbitrator's authority and jurisdiction will be limited to determining the dispute in conformity with applicable law as to liability, damages and remedies, to the same extent as if the dispute was determined by a court without a jury. The arbitrator will issue a written decision that contains the essential findings of fact and conclusions of law on which the decision is based, which may be entered as a judgment in any court of competent jurisdiction. The Company shall pay all costs of arbitration, including without limitation, arbitration administrative fees, arbitrator compensation and expenses, and costs of any witnesses called by the arbitrator. Unless otherwise ordered by the arbitrator under applicable law, the Company and Executive shall each bear its or his own expenses, such as attorneys' fees, costs and disbursements. The prevailing party in any arbitration or other dispute between the parties will be entitled to an award of attorneys' fees and costs, in addition to any other relief. Each Party warrants that it has had the opportunity to be represented by counsel in the negotiation and execution of this Agreement, including the attorneys' fees provision herein. Both Executive and the Company expressly waive his and its right to a jury trial. Executive furthers waives his right to pursue claims against the Company on a class basis; provided, however, that Executive does not waive his right, to the extent preserved by law, to pursue representative claims against the Company under the California Private Attorney General Act.

(g) Enforcement. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such

illegal, invalid, or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

(h) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the employment of Executive by the Company and supersede all prior understandings and agreements, whether written or oral, regarding Executive's employment with the Company. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(i) Executive Acknowledgement. Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date and year first above written.

TYRA BIOSCIENCES, INC.

By: /s/ Todd Harris

Name: Todd Harris, Ph.D.

Title: Chief Executive Officer

EXECUTIVE

By: /s/ John Healy

Name: John Healy

[*Signature Page to Employment Agreement*]

APPENDIX I DEFINITIONS

All defined terms used in this Appendix I that are not otherwise defined in this Appendix I shall have the meaning ascribed to such terms in the Employment Agreement to which this Appendix I relates.

"**Cause**" shall mean the occurrence of any one or more of the following events or conditions:

(i) any material failure on the part of Executive (other than by reason of Disability of Executive) to faithfully and professionally carry out Executive's duties which failure continues for ten (10) days after written notice detailing such failure is delivered to Executive by the Company;

(ii) Executive's dishonesty or other misconduct, if such dishonesty or other misconduct is intended to or likely to materially injure the business or reputation of the Company;

(iii) Executive's conviction or no contest plea to any misdemeanor involving dishonesty, theft, fraud or moral turpitude, or any felony.

(iv) Executive's insobriety or illegal use of drugs, chemicals or controlled substances either (A) in the course of performing Executive's duties and responsibilities under this Agreement or (B) otherwise materially affecting the ability of Executive to perform the same;

(v) Executive's material breach of any written agreement with the Company or any of its affiliates or material violation of the Company's Code of Conduct or any other material written policy of the Company; or

(vi) Any wanton or willful dereliction of duties by Executive.

"**Change in Control**" shall have the meaning given to such term in the Company's 2021 Incentive Award Plan. Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any amount hereunder that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event shall only constitute a Change in Control for purposes of the payment timing of such amount if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

"**Change in Control Period**" shall mean the period commencing three (3) months prior to a Change in Control and ending on the eighteen (18)-month anniversary of the Change in Control.

"**Disability**" shall mean permanent and total disability within the meaning of Section 22(e) of the Code.

"**Good Reason**" shall mean any one of the following: (i) the material reduction of Executive's Annual Base Salary (other than as part of a reduction in the base salaries of all or substantially all

other similarly situated employees of the Company that is in the same proportion as the reduction in Executive's Annual Base Salary); (ii) a material reduction of Executive's duties and responsibilities from those in effect on the Effective Date; (iii) the Company's material breach of this Agreement (other than a reduction of Executive's Annual Base Salary as part of a reduction in the base salaries of all or substantially all other similarly situated employees of the Company that is in the same proportion as the reduction in Executive's Annual Base Salary); or (iv) the permanent, non-voluntary relocation of Executive's principal place of employment that increases Executive's one-way commute by more than thirty-five (35) miles, provided, that, in each case, Executive will not be deemed to have Good Reason unless (A)Executive first provides the Board with written notice of the condition giving rise to Good Reason within thirty (30)days of its initial occurrence, (B)the Company or the successor company fails to cure such condition within ten (10)days after receiving such written notice (the "Cure Period"), and (C)Executive's resignation based on such Good Reason is effective within thirty (30)days after the expiration of the Cure Period.

"**Involuntary Termination**" shall mean Executive's termination (A) by the Company without Cause, (B) by Executive for Good Reason, (C) due to death or (D) due to Disability.

"**Person**" shall mean any individual, corporation, limited liability corporation, partnership, or other business entity.

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (this "**Amendment**") is made and entered into as of March 2, 2022, by and between Fabric 2656 State, LLC, a California limited liability company ("**Lessor**"), and TYRA Biosciences, Inc., a Delaware corporation ("**Lessee**").

RECITALS

A. Lessor and Lessee are parties to that certain AIR Standard Industrial/Commercial Multi-Lessee Lease - Net dated as of August 5, 2020 (the "**Original Lease**"), whereby Lessee leases from Lessor certain commercial premises consisting of approximately 4,734 square feet and commonly known as 2656 State Street, Carlsbad, California 92008 (the "**Premises**") in that certain Building (the "**Building**"), as more particularly described in the Original Lease.

B. The Commencement Date of the Original Lease was August 1, 2021.

B. Lessor and Lessee desire to amend the Original Lease on the terms and conditions set forth in this Amendment. All capitalized terms used herein but not specifically defined in this Amendment shall have the meanings ascribed to such terms in the Original Lease. The Original Lease, as amended by this Amendment, shall herein be referred to as the "**Lease**." All references in the Lease to the "Lease" shall refer to the Original Lease, as amended by this Amendment.

AGREEMENT

NOW, THEREFORE, incorporating the foregoing recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lease Term. The Original Term specified in Paragraph 1.3 of the Lease shall be extended one hundred twenty (120) months additional from the "*Commencement Date"* under the 2676 State Street Lease (as defined below in Section 2 of this Amendment) which is estimated to occur on or before *April 1, 2023*, and ending on the last day of the one hundred twentieth (120th) full calendar month after the "*Commencement Date"* of the 2676 State Street Lease *(i.e. estimated to be March 30, 2033)* all subject to the actual *"Commencement Date"* under the 2676 State Street Lease. [For example, if the Commencement Date of the 2676 State Street lease is February 1, 2023, then the Expiration Date of Original Term of the Lease shall expire on January 30, 2033]. However, in the event of any failure of the "*Commencement Date*" under the 2676 State Street Lease to occur, in no event shall the Original Term of the Lease be less than sixty (60) months from the Commencement Date of the Original Lease. Either party shall, at the other party's request, execute and deliver a mutually agreeable memorandum of agreement, setting forth the actual Commencement Date, Expiration Date or, if necessary, a revised rent schedule.

2. Lease Co-Terminus with 2676 State Street Lease. Notwithstanding anything to the contrary in the Original Lease, the term of the Lease shall hereby be coterminous with the Term of the lease between Lessee and Fabric 2676 State Street, LLC for the premises at 2676 State Street, Carlsbad, CA 92008 **(**the **"2676 State Street Lease")** which was executed concurrently with this Amendment. Any renewal options exercised by Lessee pursuant to the Lease will apply to the 2676 State Street Lease. Conversely, any renewal options exercised by Lessee pursuant to the 2676 State Street Lease, will apply to the Lease. However, in no event shall any *"Termination Notice"* pursuant to the 2676 State Street Lease terminate the Lease prior to sixty (60) months from the Commencement Date of the Lease and without at least six (6) months' written notice of an early termination.

2. Base Rent. Notwithstanding anything to the contrary contained in the Original Lease, including but not limited to Paragraphs 1.5 and 87, Lessee's Monthly Rental Obligation (as defined below) for the remainder of the Term of the Lease shall be as follows:

August 1, 2022 – July 30, 2023: $24,616.80 per month.

August 1, 2023 – July 30, 2024: $25,374.24 per month.

August 1, 2024 – July 30, 2025: $26,131.68 per month.

August 1, 2025 – July 30, 2026: $26,889.12 per month.

August 1, 2026 – July 30, 2027: $27,695.79 per month

August 1, 2027 – July 30, 2028: $28,526.67 per month

August 1, 2028 – July 30, 2029: $29,382.47 per month

August 1, 2029 – July 30, 2030: $30,263.94 per month

August 1, 2030 – July 30, 2031: $31,171.86 per month

August 1, 2031 – July 30, 2032: $32,107.02 per month

August 1, 2032 – March 30, 2033: $33,070.23 per month*

(*Base Rent schedule is subject to the actual "*Commencement Date*" under the 2676 State Street Lease as further set forth in Section 1 above, with any additional term beyond those listed above subject to the same formula used to calculate the above adjustments to Base Rent, i.e., fixed three percent (3%) increases over the previous year's Base Rent shall continue annually.)

3. Parking. Lessor satisfies the parking requirement under Paragraph 58 of the Original Lease with five (5) parking spaces located at 2676 State Street. Notwithstanding anything to the contrary in the Original Lease, the parking spaces provided under Paragraph 59 of the 2676 State Street Lease shall satisfy Lessor's requirement under Paragraph 58 of the Original Lease. During the course of construction for 2676 State Street pursuant to the 2676 State Street Lease, the reserved parking spaces provided to Lessee thereon may not be available to Lessee. Lessor will attempt to preserve the parking spaces during construction, but may be forced to identify new off-site parking spaces for Lessee to satisfy its obligation under the Original Lease.

4. Letter of Credit. Notwithstanding Paragraph 84 of the Original Lease, provided Lessee is not then in active Default or Breach of the Lease or the 2676 State Street Lease and has not been in Breach on more than one (1) prior instance under the Lease or the 2676 State Street Lease, on March 1,2027 , the Letter of Credit Amount shall be reduced to $127,818.

5. Estoppel. Lessee warrants, represents, and certifies to Lessor that (a) Lessor is not in breach or default under the Lease, and no event has occurred which, with the giving of notice or the passage of time, would constitute a breach or default by Lessor, and (b) Lessee does not have any defenses or offsets to payment of rent or other amounts or performance of its obligations under the Lease as and when same becomes due.

6. Authority. Lessee, and the individual executing this Amendment on behalf of Lessee, represent and warrant to Lessor that Lessee has full power and authority to enter into this Amendment and the person signing on behalf of Lessee has been fully authorized to do so by all necessary action on the part of Lessee.

7. Counterparts; Signatures. This Amendment may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement. Facsimile signatures or PDF format signatures on this Amendment shall have the same force and effect as original ink signatures.

8. Original Lease in Full Force. Except for those provisions which are inconsistent with this Amendment and those terms, covenants, and conditions for which performance has heretofore been completed, all other terms, covenants, and conditions of the Original Lease shall remain in full force and effect, and Lessor and Lessee hereby ratify the Original Lease as amended hereby.

9. Brokers. Lessee represents and warrants to Lessor that it has not dealt with any broker, agent or representative with respect to this Amendment. If Lessee has dealt with any broker, agent, representative or other person, Lessee shall be solely responsible for the payment of any fees due said person or firm and Lessee shall protect, indemnify, hold harmless and defend Lessor from any liability in respect thereto. The provisions of this Section 9 shall survive any expiration or termination of the Lease.

10. Confidentiality. Lessee shall not disclose any part of this Amendment to anyone other than its attorneys, agents, managers, lenders, investors, affiliates, accountants or employees who are required to know the contents of this Amendment in order to perform their specific duties, provided that Lessee shall instruct such parties to keep this Amendment (and the terms and conditions of this Amendment) confidential, and Lessee shall be responsible for any disclosure by such parties. The provisions of this Section 8 shall survive any expiration or termination of the Lease.

11. Severability; Entire Agreement. Any provision of this Amendment which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect. This Amendment constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and, other than the Original Lease, no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment is executed as of the date first written above.

LESSOR:

FABRIC 2656 STATE, LLC,
a California limited liability company

By: /s/ Brendan Foote
Name: Brendan Foote
Title: Managing Member

LESSEE:

TYRA BIOSCIENCES, INC.,
a Delaware corporation

By: /s/ Todd Harris
Name: Todd Harris
Title: CEO

AIRCRE

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease **("Lease"),** dated for reference purposes only March 2, 2022, is made by and between Fabric 2676 State Street, LLC, a California limited liability company **("Lessor")** and TYRA Biosciences, Inc., a Delaware corporation **("Lessee"),** (collectively the **"Parties",** or individually a **"Party").**

1.2(a) **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, unit/suite, city, state): 2676 State Street, Carlsbad, California 92008 **("Premises").** The Premises are located in the County of San Diego, and are generally described as (describe briefly the nature of the Premises and the "Project"): approximately 7,377 square foot single story commercial building area consisting of 3,280 square feet of existing remodeled building and 4,097 square feet of ground up two story office building (subject to increase based on feasibility and final space plan as mutually agreed to by Lessor and Lessee). In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises **("Building")** and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the **"Project."** (See also Paragraph 2)

1.2(b) **Parking:** 9 reserved parking spaces on-site, along with powered lifts to access 9 additional parking spaces accessed by an automatic gate at the entry (the above 9 shall satisfy the parking requirements for the 2656 State Street Lease (See Addendum) ~~unreserved vehicle parking spaces.~~ (See also Paragraph 2.6)

1.3 **Term:** ~~years and~~ 120 months **("Original Term")** commencing See Addendum **("Commencement Date")** and ending 120 months thereafter (See Addendum) **("Expiration Date").** (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing See Addendum **("Early Possession Date").** (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** $39,466.95 (based on 7,377 square feet at $5.35 per square foot. If the square footage of the Premises is increased as set forth in Section 1.2(a), the initial Base Rent and Common Area Operating Expenses figure shall be increased accordingly.) per month **("Base Rent"),** payable on the 1st day of each month commencing See Addendum. (See also Paragraph 4)

☑ If this box is checked, there are provisions in this Lease for the Base Rentto be adjusted. See Paragraph Rent Adjustments (89).

1.6 **Lessee's Share of Common Area Operating Expenses:** eighty-eight and 83/l00th's percent (88.83 %) (**"Lessee's Share"**) which initially totals $0.50 per square foot for a total of $3,688.50 per month~~.~~ In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** $39,466.95 for the period 1st month's Base Rent.

(b) ~~**Common Area Operating Expenses:** for the period.~~

(c) **Security Deposit:** $50,000.00 **("Security Deposit").** (See also Paragraph 5)

(d) ~~**Other:** for~~.

(e) **Total Due Upon Execution of this Lease:** $89.466.95.

1.8 **Agreed Use:** office with an accessory research lab consistent with 2656 State Street Lease (See Addendum). (See also Paragraph 6)

1.9 **Insuring Party.** Lessor is the **"Insuring Party"**. (See also Paragraph 8)

1.10 **Real Estate Brokers.** None. (See Addendum) ~~(See also Paragraph 15 and 25)~~

~~(a) **Representa on:** The following real estate brokers (the "Brokers") and brokerage rela onships exist in this transac on (check applicable boxes):~~

☐ ~~represents Lessor exclusively ("**Lessor's Broker**");~~

☐ ~~represents Lessee exclusively ("**Lessee's Broker**"); or~~

☐ ~~represents both Lessor and Lessee ("**Dual Agency**").~~

~~(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of or % of the total Base Rent) for the brokerage services rendered by the Brokers.~~

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by Letter of Credit due upon Execution (See Addendum) **("Guarantor").** (See also Paragraph 37)

1.12 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☑ an Addendum consisting of Paragraphs 50 through 88;

☑ a site plan depicting the Premises; See Addendum

☑ site plan depicting the Project; See Addendum

☐ a current set of the Rules and Regulations for the Project;

☐ a current set of the Rules and Regulations adopted by the owners' association;

☑ Work Letter; See Addendum

☑ other (specify): Rent Adjustments (89) Option to Extend (90) and Letter of Credit

2. Premises.

2.1 **Letting**. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. ~~While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different.~~ **~~NOTE: Lessee is advised to verify the actual size prior to executing this Lease.~~**

2.2 **Condition.** Lessor shall deliver that portion of the Premises contained within the Building ("**Unit**") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and, so long as the required service contracts described in Paragraph 7.l(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls-see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance**. Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building **("Capital Expenditure"),** Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstandingthe above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements**. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant**. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

INITIALS INITIALS

2.6 **Vehicle Parking**. Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "**Permitted Size Vehicles**." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas- Definition**. The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas- Lessee's Rights**. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas- Rules and Regulations**. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("**Rules and Regulations**") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas-Changes**. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 **Term**. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession**. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession**. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by

Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance**. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1. **Rent Defined**. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Common Area Operating Expenses**. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "**Common Area Operating Expenses**" are defined, for purposes of this Lease, as all costs relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, and if necessary the replacement, of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owners' association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(v) Real Property Taxes (as defined in Paragraph 10).

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month. Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project orto theoperation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building orto any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount ofthe deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 **Payment**. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security

Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 **Use**. Lessee shall use and occupy the Premises only for the Agreed Use, ~~or any other legal use which is reasonably comparable thereto,~~ and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. ~~Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.~~

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6.2 **Hazardous Substances.**

(a) **Reportable Uses Require Consent**. The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstandingthe foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor**. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation**. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification**. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification**. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations**. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option**. If a Hazardous Substance Condition (see Paragraph 9.l(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as ofthe date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements**. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of

any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance**. Lessor and Lessor's "**Lender**" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a

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governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets **(MSDS)** to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 **Lessee's Obligations.**

(a) **In General**. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation)~~,~~ Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.l(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts**. Lessor shall, subject to reimbursement pursuant to Paragraph 4.2, ~~Lessee shall, at Lessee's sole expense,~~ procure and maintain contracts, ~~with copies to Lessor~~, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. ~~However,~~ Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

~~(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.~~

~~(d) **Replacement**. Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any me.~~

7.2 **Lessor's Obligations**. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions**. The term "**Utility Installations**" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "**Trade Fixtures**" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "**Lessee Owned Alterations and/or Utility Installations**" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent**. Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion

bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds**. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership**. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal**. By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration**. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Payment of Premiums**. The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 **Liability Insurance.**

(a) **Carried by Lessee**. Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $2,000,000 ~~$1,000,000~~ per occurrence with an annual aggregate of not less than $5,000,000 ~~$2,000,000~~**.** Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "**insured contract**" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor**. Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements**. Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence.

(b) **Rental Value**. Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises**. Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements**. Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage**. Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption**. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance**. Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage**. Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies**. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation**. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity**. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability**. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance**. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 **Definitions.**

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss**. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable

and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss**. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction**. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term**. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement**. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies**. If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments**. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 **Definition**. As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes**. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements**. Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment**. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes**. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall

cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services. Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. (See Addendum). Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may , increase Lessee's

Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. Assignment and Subletting.

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent. Lessor's written consent is not required for any sublease to an affiliated entity of Lessee under common ownership and/or control with Lessse and if sublessee cannot procure an equal guaranty or letter of credit as Lessee, the Letter of Credit of Lessee shall remain in full force and effect.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.l(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

~~(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor inconnection with the installation of a vending machine or payphone shall not constitute a subleting.~~

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $1,500~~$500~~ as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting**. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such

excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

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13. Default; Breach; Remedies.

13.1 **Default; Breach**. A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.l(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "**debtor**" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies**. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture**. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease

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and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges**. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest**. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest **("Interest")** charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach**. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor**. In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Reserved.~~**Brokerage Fees.**~~

~~15.1 **Additional Commission**. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the me the Lease was executed.~~

~~15.2 **Assumption of Obligations**. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Brokermay send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.~~

~~15.3 **Representations and Indemnities of Broker Relationships**. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.~~

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form

published BY AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the

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Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 **Notice Requirements**. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice**. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Reserved. ~~**Disclosures Regarding The Nature of a Real Estate Agency Relationship.**~~

~~(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:~~

(i) *Lessor's Agent*. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: *To the Lessor*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. *To the Lessee and the Lessor*: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Lessee's Agent*. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. *To the Lessee*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. *To the Lessee and the Lessor*: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth

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~~above.~~

~~(iii) *Agent Representing Both Lessor and Lessee*. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the Agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.~~

~~(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.~~

~~(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.~~

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 **Subordination**. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, **"Security Device"),** now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as **"Lender")** shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment**. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance**. With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing**. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The

attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such

INITIALS INITIALS

alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 **Execution**. The Guarantors, if any, shall each execute a guaranty in the form most recently published BY AIR CRE.

37.2 **Default**. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof. Lessee acknowledges that the the area adjacent to and surrounding the Project is undergoing revitalization which may result in loud construction noise and that such noise or disturbance shall not constitute and Breach or Default of this Lease by the Lessor.

39. **Options**. If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 **Definition**. "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee**. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options**. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such

easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

INITIALS INITIALS

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☑ is not attached to this Lease.

49. Accessibility; Americans with Disabilities Act.

(a) The Premises:

☑ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

INITIALS

INITIALS

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: Carlsbad, California
On: March 2, 2022

By LESSOR:
Fabric 2676 State Street, LLC, a California limited liability company

By: Brendan Foote
Name Printed: Brendan Foote
Title: For the Manager CUBRE, LLC
Phone:
Fax:
Email:

By
Name Printed:
Title:
Phone:
Fax:
Email:
Address: 2659 State Street, Suite 100, Carlsbad, CA 92008
Federal ID No.:

~~**BROKER**~~

~~Attn:~~
~~Title:~~

~~Address:~~
~~Phone:~~
~~Fax:~~
~~Email:~~
~~Federal ID No.:~~
~~Broker/Agent BRE License #:~~

Executed at: Carlsbad, California
On: March 2, 2022

By LESSEE:
TYRA Biosciences Inc., a Delaware corporation

By: Todd Harris
Name Printed: Todd Harris
Title: CEO
Phone:
Fax:
Email:

By:
Name Printed:
Title:
Phone:
Fax:
Email:
Address: 2656 State Street Carlsbad, CA 92008
Federal ID No.:

~~**BROKER**~~

~~Attn:~~
~~Title:~~

~~Address:~~
~~Phone:~~
~~Fax:~~
~~Email:~~
~~Federal ID No.:~~
~~Broker/Agent BRE License #:~~

INITIALS INITIALS

RENT ADJUSTMENT(S)
STANDARD LEASE ADDENDUM

Dated: March 2, 2022
By and Between
Lessor: Fabric 2676 State Street, LLC, a California limited liability company
Lessee: TYRA Biosciences, Inc., a Delaware corporation
Property Address: 2676 State Street, Carlsbad, California 92008
(street address, city, state, zip)

Paragraph: 89

A. RENT ADJUSTMENTS:

The monthly rent for each month of the adjustment period(s) specified below shall be increased using the method(s) indicated below: (Check Method(s) to be Used and Fill in Appropriately)

☐ **~~I. Cost of Living Adjustment(s) (COLA)~~**

~~a. On (Fill in COLA Dates): the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPIW (UrbanWage Earners and Clerical Workers) or ☐ CPI U (All Urban C~~Consumers), for (Fill in Urban Area): ____, All Items (1982-1984 = 100), herein referred to as "CPI".

~~b. The monthly Base Rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the ☐first month of the term of this Lease as set forth in paragraph 1.3 ("BaseMonth") or ☐(Fill in Other "BaseMonth"): . The sum so calculated shall constitute the newmonthly Base Rent hereunder, but in no event, shall any such new monthly Base Rent be less than the Base Rent payable for themonth immediately preceding the Base Rent adjustment.~~

~~c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used tomake such calculation. In the event that the Parties cannot agree on such alternative index, then thematter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.~~

☐ **~~II. Market Rental Value Adjustment(s) (MRV)~~**

~~a. On (Fill inMRV Adjustment Date(s): the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:~~

~~1) Four months prior to eachMarket Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached within thirty days, then:~~

~~(a) Lessor and Lessee shall immediately appoint amutually acceptable appraiser or broker to establish the new MRV within the next 30 days.Any associated costs will be split equally between the Parties, or~~

~~(b) Both Lessor and Lessee shall each immediately make a reasonable determination of theMRV and submit such determination, in writing, to arbitration in accordance with the following provisions:~~

~~(i) Within 15 days thereafter, Lessor and Lessee shall each select an independent third party ☐appraiser or☐ broker ("Consultant" check one) of their choice to act as an arbitrator (Note: the parties may not select either of the Brokers that was involved in nego a ng the Lease). The twoarbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.~~

~~(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submittedMRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.~~

~~(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator mely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.~~

~~(iv) The entire cost of such arbitration shall be paid by the party whose submittedMRV is not selected, i.e., the one that is NOT the closest to the actual MRV.~~

~~2) When determining MRV, the Lessor, Lessee and Consultants shall consider the terms of comparable market transac ons which shall include, but no limited to, rent, rental adjustments, abated rent, lease term and financial condition of tenants.~~

~~3) Notwithstanding the foregoing, the new Base Rent shall not be less than the rent payable for themonth immediately preceding the rent adjustment.~~

~~b. Upon the establishment of each New Market Rental Value:~~

~~1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and~~

~~2) the first month of each Market Rental Value term shall become the new 'Base Month' for the purpose of calculating any further Adjustments.~~

☑ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below: [fixed three percent (3%) annual increases over the previous year's Base Rent. Base Rent figures below, based on 7,377 square feet and Base Rent of $5.35 per square for lease month 1-12. If the square footage of the Premises is increased as provided in the Lease, the Base Rent's figures below shall be increased accordingly.]

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:
Month 13-24	$40,650.95
Month 25-36	$41,870.49
Month 37-48	$43,126.60
Month 49-60	$44,420.40
Month 61-72	$45,753.01
Month 73-84	$47,125.60
Month 85-96	$48,539.37
Month 97-108	$49,995.55
Month 109-120	$51,495.42

INITIALS INITIALS

OPTION(S) TO EXTEND
STANDARD LEASE ADDENDUM

Dated: March 2, 2022
By and Between
Lessor: Fabric 2676 State Street, LLC, a California limited liability company
Lessee: TYRA Biosciences, Inc., a Delaware corporation
Property Address: 2676 State Street, Carlsbad, California 92008
(street address, city, state, zip)

Paragraph: 90

A. OPTION(S) TO EXTEND:

Lessor hereby grants to Lessee the option to extend the term of this Lease for two (2) additional thirty six (36) month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least 180 days but not more than 240 days months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below:

(Check Method(s) to be Used and Fill in Appropriately)

☐ ~~**I. Cost of Living Adjustment(s) (COLA)**~~

~~a. On (Fill in COLA Dates): the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one):☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area): . All Items (19821984 = 100), herein referred to as "CPI".~~

~~b. The monthly Base Rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s)specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): ☐ the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"): . The sum so calculated shall constitute the new monthly Base Rent hereunder, but in no event, shall any such new monthly Base Rent be less than the Base Rent payable for the month immediately preceding the rent adjustment.~~

~~c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.~~

☐**~~II. MarketRental Value Adjustment(s) (MRV)~~**

~~a. On (Fill in MRV Adjustment Date(s)) the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:~~

~~1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:~~

~~(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or~~

~~(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:~~

_____ _____
INITIALS INITIALS

(i) Within 15 days thereafter, Lessor and Lessee shall each select an independent third party ☐ appraiser or ☐ broker ("Consultant" - check one) of their choice to act as an arbitrator (Note: the parties may not select either of the Brokers that was involved in negotiating the Lease). The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, ie. the one that is NOT the closest to the actual MRV.

2) When determining MRV, the Lessor, Lessee and Consultants shall consider the terms of comparable market transactions which shall include, but not limited to, rent, rental adjustments, abated rent, lease term and financial condition of tenants.

3) Notwithstanding the foregoing, the new Base Rent shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

☐ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:
____	____
____	____
____	____
____	____
____	____
____	____
____	____
____	____
____	____
____	____

☑ **IV. Initial Term Adjustments**

The formula used to calculate adjustments to the Base Rate during the original Term of the Lease shall continue to be used during the extended term. i.e. fixed three percent (3%) annual increases over the previous year's Base Rent shall continue annually.

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

_____ _____
INITIALS INITIALS

ADDENDUM

THIS ADDENDUM IS TO THE STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE NET DATED FOR REFERENCE PURPOSES ONLY AS OF MARCH 2, 2022 (THE "**LEASE**") BY AND BETWEEN FABRIC 2676 STATE STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS LANDLORD/LESSOR, AND TYRA BIOSCIENCES, INC., A DELAWARE CORPORATION, AS TENANT/LESSEE, FOR THE PREMISES KNOWN AS 2676 STATE STREET, CARLSBAD, CALIFORNIA. IN THE EVENT OF ANY CONFLICT BETWEEN THE PROVISIONS OF THIS ADDENDUM AND THOSE OF THE LEASE, THE PROVISIONS OF THIS ADDENDUM SHALL PREVAIL.

50. EFFECTIVE DATE: The Lease shall be effective on the date of the full execution and delivery of the Lease by Lessor and Lessee ("**Effective Date**").

51. COMMENCEMENT DATE: The "**Commencement Date**" shall be the date Lessor delivers to Lessee actual possession of the Premises with the Lessee Improvements Substantially Completed in accordance with the terms and conditions of the Lease and the Work Letter and a certificate of occupancy or temporary certificate of occupancy, as applicable, is issued for the Premises.

If a Lessee Delay (as defined in Section 3 of the Work Letter) results in the failure to cause the Commencement Date for the Premises to occur on or before June 30, 2023 (the "**Anticipated Delivery Date**"), then the Commencement Date shall be June 30, 2023 and the Term of the Lease shall be extended for the number of days commencing on the day after the Anticipated Delivery Date and continuing until the Premises are delivered to Lessee's with the Lessee's Improvements Substantially Completed in accordance with the terms and conditions of the Lease and the Work Letter and a certificate of occupancy or temporary certificate of occupancy, as applicable, is issued for the Premises. If a Lessee Delay results in the delay of delivery of actual possession of the Premises to Lessee by the date that is one hundred (180) days after the Anticipated Delivery Date, Lessor may terminate this Lease by written notice to Lessee, whereupon this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination.

If a Lessor Delay (as defined in Section 3 of the Work Letter) results in the failure to cause the Commencement Date for the Premises to occur on or before the Anticipated Delivery Date,

then Lessee shall be entitled to an abatement of Base Rent first coming due for one (1) day for each day that occurs after the Anticipated Delivery Date and before the Commencement Date, which such abatement shall be automatically applied to the next payment(s) of Base Rent due following the Commencement Date. If Lessor has not delivered actual possession of the Premises to Lessee by the date that is one hundred (180) days after the Anticipated Delivery Date, Lessee may terminate this Lease by written notice to Lessor, whereupon this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination.

52. LEASE TERM: The Original Term specified in Paragraph 1.3 of the Lease shall be approximately one hundred twenty (120) months, beginning on the Commencement Date and ending on the last day of the one hundred twentieth (120th) full calendar month after the Commencement Date, subject to Paragraph 51. Either party shall, at the other party's request, execute and deliver a mutually agreeable memorandum agreement, setting forth the actual Commencement Date, Expiration Date or, if necessary, a revised rent schedule.

53. EARLY TERMINATION RIGHT: Notwithstanding anything to the contrary in this Lease, provided that Lessee has not received written notice of a monetary default under this Lease that then remains uncured as of the date of Lessee's delivery of the Termination Notice (as that term is defined below), Lessee shall have the right in its sole and absolute discretion to terminate this Lease during the Original Term only (the "**Early Termination Date**") by giving at least six (6) months' prior written notice to Lessor not earlier than sixty (60) months following the Commencement Date (the "**Termination Notice**"). If Lessee elects to give Lessor such a Termination Notice, the Lease shall terminate on the Early Termination Date with the same effect as if the Term of the Lease had expired on the Early Termination Date, and Lessee agrees to observe all the terms of the Lease regarding vacation and condition of the Premises upon expiration of the Term in any such case. In consideration of the termination right granted to Lessee hereunder, Lessee agrees to pay to Lessor on the date Lessee delivers its Termination Notice a termination fee equal to twenty-four (24) month's Base Rent and Common Area Operating Expenses ("**Termination Fee**"). Lessee's payment of the Termination Fee when and as required under this Paragraph is an express condition precedent to Lessee's effective exercise

of its termination option hereunder; and if Lessee fails to exercise its termination option when and as provided hereunder, including timely payment of the Termination Fee, Lessee's exercise of such termination option shall be void and of no effect, and the Lease shall remain in effect as if Lessee had not attempted the exercise of its termination option. Time is of the essence of this Paragraph.

54. LEASE CO-TERMINOUS WITH 2656 STATE STREET LEASE: The term of the lease between Lessee and Fabric 2656 State, LLC for the premises at 2656 State Street, Carlsbad, Ca 92008 ("**2656 State Street Lease**") shall hereby be coterminous with the Term of the Lease and concurrent with execution of the Lease, Lessee and Lessor shall execute an extension and amendment of the 2656 State Street Lease documenting the extension of the term of the 2656 State Street Lease and an early termination right with respect to the 2656 State Street Lease ("**2656 State Street Amendment**"). Any renewal options exercised by Lessee pursuant to the Lease will apply to the 2656 State Street Lease and will be documented in the 2656 State Street Amendment. Conversely, any renewal options exercised by Lessee pursuant to the 2656 State Street Lease, will apply to the Lease. However, in no event shall any Termination Notice pursuant to this Paragraph terminate the 2656 State Street Lease prior to sixty (60) months from the Commencement Date and without at least six (6) months' written notice of an early termination.

55. COMMON AREA OPERATING EXPENSES: Notwithstanding anything to the contrary contained in the Lease, including Paragraph 4.2(a) thereof, Common Area Operating Expenses shall exclude all items set forth on **Exhibit "C"** attached hereto and made a part hereof. An estimated budget for calendar year 2023 Common Area Operating Expenses is attached hereto as **Exhibit "D"** and made a part hereof.

56. LESSEE IMPROVEMENTS: Lessor and Lessee's obligations with respect to the initial improvements in the Premises is set forth in the Lease Work Letter attached hereto as **Exhibit "B"** and made a part hereof.

57. CONDITION OF PREMISES: Paragraph 2.2 of the Lease is hereby deleted and restated in its entirety as follows:

"2.2 **Condition**. As a material consideration of the Lease, and for the Lessor to lease the Premises to Lessee, Lessee agrees that except as otherwise set forth in this Lease or the exhibits hereto, no representations respecting the condition of the Premises, or

promises to decorate, alter, repair or improve the Premises, either before or after the execution hereof, have been made by Lessor to Lessee. Lessor, at Lessor's cost, shall cause all mechanical, electrical, plumbing, and heating, ventilating and air-conditioning equipment and systems serving the Premises to be in good working order and repair as of the Commencement Date. Lessor warrants the Premise's mechanical, electrical, plumbing, heating and air conditioning will be brand new and in good working order prior to the Commencement Date and for a period of twenty-four (24) months thereafter. Notwithstanding anything to the contrary set forth in the Lease or the exhibits thereto, Lessor represents to its actual knowledge without a duty to investigate, as of the Commencement Date, there are no damages or defects with respect to the Premises that would not be discoverable during a visual inspection."

58. COMPLIANCE: Paragraphs 2.3, 2.3(a), (b), and (c), inclusive, are hereby deleted and replaced in their entirety with the following:

"2.3 **Compliance**. Lessor warrants that to the best of its knowledge the improvements on the Premises as of the Commencement Date comply with the building codes, applicable laws (including without limitation, the Americans with Disabilities Act of 1990 and Title 24 of the California Code of Regulations (or its successor) and any other similar laws), covenants or restrictions of record, regulations, and ordinances (collectively, the "**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed and Lessee shall have no obligation to remedy any violation of Applicable Requirements which arose on or prior to the Commencement Date. Lessor and Lessee shall each comply with all Applicable Requirements relating to the Premises."

59. PARKING: Throughout the Term of this Lease, Lessor shall provide Lessee with nine (9) onsite reserved parking space. Lessor shall also provide powered lifts to access nine (9) additional parking spaces, which shall fulfill the off-site parking requirement under the 2656 State Street Lease. Lessor assumes no liability for Lessee's operating of the powered lift systems unless arising from the gross negligence or willful misconduct of Lessor.

60. SIGNAGE: During the Lease Term, Lessee shall have the right, in compliance with all Applicable Requirements, to signage available on or about the Premises including the Building, but excluding Fabric Offices, and may install additional signage in Lessee's discretion, subject to Lessor's design approval

consistent with the Project's aesthetic which will not be unreasonably conditioned, withheld or delayed. Lessor represents and warrants to Lessee that there is no declaration of covenants, conditions and restrictions, reciprocal easement agreement, party wall agreement or similar instruments governing or affecting signage use at the Project. Lessee shall maintain its signage in good condition and repair at all times. Lessee shall be responsible for the cost of permitting, installing, maintaining, repairing and removing Lessee's signs, and for removing all of its signs or sign panels, as the case may be, at the expiration or earlier termination of this Lease, and for repairing any damage to the Building caused by such removal unless otherwise stated in writing by Lessor. The signage granted to Lessee shall be personal to the original Lessee named in the Lease ("**Original Lessee**") and any Permitted Transferee. Upon expiration or termination of the Lease or in the event Lessee violates any of the terms and conditions of this Paragraph, Lessee shall cause such sign to be removed at Lessee's cost and Lessee shall repair and restore the exterior of the Building to its substantially same condition prior to installation of Lessee's sign(s).

61. LESSEE REPAIR, MAINTENANCE, AND REPLACEMENT OBLIGATIONS:

Paragraph 7.1(a) of the Lease is hereby deleted and restated in its entirety as follows:

"7.1 **Lessee's Obligations**.

(a) **In General**. Lessee shall at all times during the Term at Lessee's expense maintain the interior portions of the Premises and all portions of the Lessee Owned Alterations and/or Utility Installations contained therein which do not constitute Lessor Repair Items in a good, clean and secure condition, excepting reasonable wear and tear, damage caused by casualty or condemnation or by the negligence or willful misconduct of Lessor. Lessee shall, at its expense, promptly repair any damage to the Premises or the Building or Project resulting from or caused by any negligence or misconduct of Lessee or, at Lessee's election, such repair shall be completed by Lessor, at Lessee's sole cost and expense."

62. LESSOR REPAIR, MAINTENANCE, AND REPLACEMENT OBLIGATIONS:

Paragraph 7.2 of the Lease is hereby deleted and restated in its entirety as follows:

"7.2 **Lessor's Obligations**.

(a) **Lessor Repair Items**. Lessor, shall, at Lessor's expense, repair, maintain and replace, in a manner consistent with that maintained by landlords of comparable buildings, the roof (including roof membrane), foundations, exterior walls, structural elements of the Building, interior bearing walls, curtain wall, exterior glass (excluding maintenance or repair which is the obligation of Lessee under Paragraph 7.1(a) above) and mullions, columns, beams, Building mechanical, electrical and telephone, the base Building mechanical, electrical, life safety, plumbing, sprinkler and HVAC systems, fire sprinkler system (only to the extent required by the City of Carlsbad) and parking lift systems, and the Common Areas of the Project, walkways, parkways, driveways, landscaping, fences, landlord's nameplate sign, utility systems serving the Common Areas and all parts thereof, and any other capital expenditures of any kind of nature (collectively, "**Lessor Repair Items**"). Except for matters covered by the waiver of subrogation contained in Paragraph 8.6 of the Lease, any damage caused by or repairs necessitated by any negligence or act of Lessee may be repaired by Lessor at Lessor's option and Lessee's expense. Lessee shall give Lessor prompt written notice (and will endeavor to give such notice within 5 business days) of discovery of the damage, of any defect or need of repairs in such components of the Building for which Lessor is responsible, after which Lessor shall have a reasonable opportunity and the right to enter the Premises at all reasonable times to repair same.

(b) **Capital Expenditure**. Without limiting Lessor Repair Items, at all times during the Lease Term, Lessor shall, at its sole cost and expense, perform all repairs, improvements and replacements that are solely "capital in nature" (each a "**Capital Expenditure**"), except to the extent such Capital Expenditure arises due to Lessee's breach of its repair and maintenance obligations (in which case such Capital Repair shall, at Lessee's election, be completed by Lessee or Lessor, and, in any event, at Lessee's sole cost and expense). As used herein, the term "**capital in nature**" shall mean any expenditure that would normally be "capitalized," as opposed to "expensed," under US generally accepted accounting principles ("**GAAP**"); provided, however, that if GAAP does not address the specific expenditure, then the parties agree to apply sound real estate accounting and management principles to make such determination.

In the event that Landlord must replace any of the Capital Lab Improvements, then the cost of such replaced Capital Lab Improvement shall be amortized on a straight basis based on a 120 month useful life and Lessee shall pay its pro-rata share of such amortized costs for the remainder of the Option Term. As used herein, the "**Capital Lab Improvements**" individually and collectively refer to the lab improvements set forth on **Exhibit "E"** attached hereto and made a apart hereof.

(c) **Abatement Event**. In the event that Lessee is prevented from using, and does not use, the Premises or any portion thereof, as a result of any repair, maintenance or alteration activities performed by Lessor, under circumstances where such activities substantially interferes with Lessee's use of the Premises, expressly excluding any damage caused by or repairs necessitated by any negligence or act of Lessee (any such set of circumstances to be known as an "**Abatement Event**"), then Lessee shall give Lessor notice of such Abatement Event, and if such Abatement Event continues for ten (10) business days after Lessor's receipt of any such notice (the "**Eligibility Period**"), then the Base Rent and Lessee's Share of Common Area Operating Expenses shall be abated or reduced, as the case may be, from the commencement of the Eligibility Period for such time that Lessee continues to be so prevented from using, and does not use, the Premises, or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Lessee is prevented from using, and does not use ("**Unusable Area**"), bears to the total rentable area of the Premises; provided, however, in the event that Lessee is prevented from using, and does not use, the Unusable Area for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Lessee to effectively conduct its business therein, and if Lessee does not conduct its business from such remaining portion, then for such time from the commencement of the Eligibility Period during which Lessee is so prevented from effectively conducting its business therein, the Base Rent and Lessee's Share of Common Area Operating Expenses for the entire Premises shall be abated for such time as Lessee continues to be so prevented from using, and does not use, the Premises. If, however, Lessee reoccupies any portion of the Premises during such period, the Rent allocable to such reoccupies portion, based on the proportion that the rentable area of such reoccupies ortion of the Premises bears to the total rentable area of the Premises, shall be payable by Lessee from the date Lessee reoccupies such portion of the Premises."

63. JANITORIAL SERVICE: Lessor will be responsible for janitorial services for the Common Areas. Lessee shall be solely responsible for performing all janitorial services and other cleaning of the Premises appropriate to maintain the Premises in a manner and consistent with comparable buildings.

64. REFUSE/TRASH: The Building's trash removal contract shall be held by Lessee. Collection will occur as reasonably required for the Building and will include, without limitation, all ordinary office refuse and rubbish, bio/medical waste, "wet trash" and construction debris, and cleaning with respect thereto.

65. HAZARDOUS SUBSTANCES: Notwithstanding anything to the contrary contained in the Lease, including Paragraph 6.2 thereof, Lessee shall not be responsible for any of the cost of removing, investigating, sampling, testing, and/or remediating any Hazardous Substances (including without limitation asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls and all other substances hazardous to human health) from the Premises or the Building and appurtenant land, except to the extent that such Hazardous Substances were introduced through fault of Lessee or its employees. Furthermore, notwithstanding anything to the contrary contained in the Lease, Lessor agrees that Lessee may use, store and properly dispose of certain bio-waste and other laboratory chemicals and waste used in connection with Lessee's lab operations (collectively, the "**Permitted Bio-Hazards**"). Lessor and Lessee acknowledge that any or all of the Permitted Bio-Hazards may constitute Hazardous Substances. Lessee may use, store and dispose of same, and Lessee shall fully comply with all Applicable Requirements and the Permitted Use.

The following is hereby added as a new Paragraph 6.2(h) of the Lease:

"Without limitation of any other rights and remedies available to Lessee at law or in equity, Lessee shall have the option to terminate the Lease by written notice to Lessor if as a result of any Hazardous Substances which are present on or under the Premises or Building, including as a result of any Hazardous Substances which may migrate onto or under the Premises and the Building from other properties, except to the extent that such Hazardous Substances were introduced through fault of Lessee

or its employees (i) Lessee's use is materially impaired as to ten percent (10%) or more of the Building, (ii) the Building is rendered physically unusable for the ordinary conduct of Lessee's business for a period of ninety (90) consecutive days or more, or (iii) any governmental or quasi-governmental agency issues an order to Lessor or Lessee which requires Lessee to vacate ten percent (10%) or more of the Building for ninety (90) consecutive days or more. To exercise the foregoing termination option, Lessee must provide Lessor with written notice of such termination by the earlier of (a) the cessation of the interfering event, or (b) upon Lessee's determination that the interfering event will last longer than ninety (90) days. No Termination Fee shall apply with respect to any termination under this Section 65."

66. LESSOR'S INDEMNIFICATION REGARDING HAZARDOUS SUBSTANCES:

Paragraph 6.2(e) of the Lease is hereby deleted and replaced in its entirety with the following:

"(e) **Lessor Indemnification**. Lessor shall, at Lessor's sole cost (without reimbursement as an Common Area Operating Expense or otherwise), comply with all applicable Legal Requirements pertaining to, and shall indemnify, defend and hold Lessee harmless from, any claims, liabilities, costs or expenses incurred or suffered by Lessee arising from: (i) the existence of Hazardous Substances in, on, around or under the Premises and Building (other than and to the extent of Hazardous Substances brought thereon by Lessee), (ii) Hazardous Substances which may migrate into, onto or under the Premises and Building from other properties after the Commencement Date, and (iii) the bringing, using, permitting, generating, emitting or disposing of Hazardous Substances in violation of applicable Legal Requirements by Lessor or any of Lessor's agents, employees, contractors, suppliers or invitees on, in or under the Premises and Building or through the soils of or under the Premises and Building during the Term. Lessor's indemnification and hold harmless obligations include, without limitation, the following: (i) claims, liability, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other action, legal or equitable, brought by any private or public person under common law or under applicable Law, (ii) claims, liabilities, costs or expenses pertaining to the identification, monitoring, cleanup, containment, or removal of Hazardous Substances from soils, riverbeds or aquifers including the provision of an alternative public drinking water source, and (iii) all costs of defending

such claims. The foregoing obligations of Lessor shall survive the expiration or earlier termination of this Lease."

67. DAMAGE OR DESTRUCTION:

Paragraphs 9.1 through and including 9.7, inclusive, of the Lease are hereby deleted and replaced in its entirety with the following:

"9. **Damage or Destruction**.

(a) Lessor covenants and agrees that in case of damage or destruction of the Premises, Building or any other improvements on or after the Commencement Date by fire, casualty or otherwise, Lessor shall promptly restore, repair, replace and rebuild the Premises and/or Building as nearly as possible to the condition that the same were in immediately prior to such damage or destruction. Such restoration, repairs, replacements, rebuilding, changes and alterations, including the cost of temporary repairs for the protection of the Building, or any portion thereof, pending completion thereof are sometimes hereinafter referred to as the "**Restoration**." All insurance monies payable on account of such property damage or destruction (but excluding any insurance proceeds arising from claims not directly related to property damage) shall be applied to the payment of the costs of the Restoration. Notwithstanding anything to the contrary herein contained, if (i) the Restoration is not, in any event, completed within one hundred eighty (180) days after the date of damage, destruction or other casualty or (ii) the Completion Estimate (as defined below) indicates that the Restoration cannot be completed within one hundred eighty (180) days after the date of casualty, Lessee shall have the right to terminate this Lease, in the case of subsection (i), upon thirty (30) days prior written notice delivered to Lessor prior to the date the Restoration is completed and, in the case of subsection (ii), by written notice delivered to Lessor within thirty (30) days following Lessee's receipt of the Completion Estimate. Upon completion of the Restoration, Lessor shall be entitled to any insurance monies then remaining.

(b) From and after any destruction of or damage to the Building or any portion thereof, by fire, casualty or otherwise, which results in the inability of Lessee to conduct its business, in whole or in material part, at the Premises, all Rent and all other charges payable by Lessee hereunder shall abate from the date of such suspension of business until the earlier of (a) the date such business is resumed, or (b) the completion of Restoration; and in connection therewith, if the Building is damaged in part but

Lessee elects to continue to conduct its business therein, the Rent shall abate and be diminished in proportion to that part of the Premises which is rendered unusable.

(c) If all or any portion of the Premises is damaged as a result of fire, casualty or otherwise, Lessor shall, with reasonable promptness, cause an architect or general contractor selected by Lessor to provide Lessor and Lessee with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises, using standard working methods ("**Completion Estimate**"). If the Completion Estimate indicates that the Premises cannot be made tenantable within six (6) months from the date of damage, then either Party shall have the right to terminate this Lease by giving written notice to the other of such election within thirty (30) days after receipt of the Completion Estimate. Lessee, however, shall not have the right to terminate this Lease if the fire or casualty was caused by the negligence or conduct of Lessee or its employees."

68. LESSEE DEFAULT: Paragraph 13.1 of the Lease is hereby deleted and replaced in its entirety with the following:

"13.1 **Default; Breach**. A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period: (i) any failure by Lessee to pay rent or to make any other payment required to be made by Lessee hereunder, where such failure continues for five (5) days after Lessee's receipt of written notice of such delinquency from Lessor; (ii) a failure by Lessee to observe and perform any other provision of this Lease to be observed or performed by Lessee, where such failure continues for thirty (30) days after Lessee's receipt of written notice thereof from Lessor; provided, that if the nature of the default is such that it cannot reasonably be cured within such 30-day period, Lessee shall not be deemed to be in default if Lessee commences within such period to cure the default and thereafter diligently prosecutes the cure to completion; (iii) the making by Lessee of any general assignment for the benefit of creditors or the filing by or against Lessee of a petition to have Lessee adjudged bankrupt or of a petition for reorganization or arrangement under any Laws relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within thirty

(30) days after the filing); (iv) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; (v) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty(30) days; or (vi) Abandonment (as defined in California Civil Code Paragraph 1951.3) of the Premises by Lessee coupled with a failure to pay rent. The notice requirements set forth herein are in lieu of and not in addition to the notices required by applicable Laws, provided that such notices are given in the manner required by such statute."

69. LESSOR REMEDIES: Paragraph 13.2 of the Lease is hereby deleted and replaced in its entirety with the following:

"13.2 **Remedies**. Upon Breach of this Lease by Lessee, Lessor shall have the option to pursue any one or more of the following remedies:

(a) Terminate this Lease, in which event Lessee shall immediately surrender the Premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Lessee and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Lessor may recover from Lessee the following:

(i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; plus

(iii) Subject to California Civil Code Paragraph 1951.2(c), the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Lessor for all the detriment caused by Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The term "rent" as used in this Paragraph 13.2 shall be deemed to be and to mean all sums of every nature required to be paid by Lessee pursuant to the terms of this Lease to Lessor. As used in Paragraphs 13.2(a)(i) and 13.2(a)(ii), above, the "worth at the time of award" shall be eight percent (8%) per year (the "**Interest Rate**"), compounded annually, but in no case greater than the maximum amount of such interest permitted by law.

(b) Lessor shall have the remedy described in California Civil Code Paragraph 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Lessor does not elect to terminate this Lease on account of any default by Lessee, Lessor may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due."

70. INDUCEMENT RECAPTURE:

Paragraph 13.3 of the Lease is hereby deleted and replaced in its entirety with the following:

"13.3 **Inducement Recapture**. As used herein, the "**Inducements**" mean Lessor's agreement to provide Lessee with tenant improvements for Lessee paid for or performed by Lessor, up to a maximum of $750,000. The Inducements have been provided to Lessee are conditioned upon Lessee's performance of all of the terms, and conditions and covenants hereunder collectively, "**Inducement Provisions**"). Upon the occurrence of a Breach resulting in a termination of this Lease within the first sixty (60) months after the Commencement Date under this Lease by Lessee, the remaining unamortized portion of amount of the Inducements given or paid by Lessor under the Inducement Provisions shall be immediately due and payable by Lessee; provided, that the Inducement Provisions shall be automatically deleted from this Lease and be of no further force and effect on the sixtieth (60th) month after the Commencement Date. As of the Commencement Date, the total amount of Inducements subject to this Section 70 shall be deemed to equal $750,000, and such Inducement amount shall automatically be reduced each month by $6,250.00 during the Term."

71. LATE CHARGES: Paragraph 13.4 of the Lease is hereby deleted and replaced in its entirety with the following:

"13.4 **Late Charges**. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor by the due date, the, without any requirement of notice to Lessee, Lessee shall promptly pay to Lessor a one-time late charge equal to eight percent (8%) of each such overdue amount or $100, whichever is greater; provided, however, with regard to the first such failure during any consecutive twelve (12) calendar month period, Lessor will waive such late charge to the extent Lessee cures such failure within three (3) business days following Lessee's receipt of written notice from Lessor that the same was not received when due. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder."

72. INTEREST: Paragraph 13.5 of the Lease is hereby deleted and replaced in its entirety with the following:

"13.5 **Interest**. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the due date. The interest ("**Interest**") charged shall be eight percent (8%); provided, however, with regard to the first such failure during any consecutive twelve (12) calendar month period, Lessor will waive such interest to the extent Lessee cures such failure within three (3) business days following Lessee's receipt of written notice from Lessor that the same was not received when due. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4."

73. LESSOR'S DEFAULT: Paragraph 13.6 of the Lease is hereby deleted and replaced in its entirety with the following:

"13.6 **Breach by Lessor**. If Lessor fails to perform any of its obligations, covenants or agreements under this Lease, Lessee shall give Lessor written notice of such failure and shall give Lessor a reasonable time (as defined below) to cure such failure prior to any claim for breach or resultant damages. For purposes of this paragraph, a "**reasonable time**" shall mean the earlier of (a) fifteen (15) days after Lessor's receipt of written notice from Lessee stating Lessor's failure, if the failure to immediately cure such default is not likely to result in imminent damage to property, harm or injury to persons, or a material interference with Lessee's ability to use the Premises for the Permitted Use; provided, however, that if such default cannot reasonably be cured within such fifteen (15) day period, then Lessor shall not be deemed in default if it commences within such period to cure and thereafter diligently prosecutes the same to completion, (b) five (5) days after Lessor's receipt of written notice from Lessee stating Lessor's failure has resulted in material interference with Lessee's ability to use the Premises for the Permitted Use; provided, however, that if such failure cannot reasonably be cured within such five (5) day period, then Lessor shall not be deemed in default if it commences within such period to cure and thereafter diligently prosecutes the same to completion, and (c) as soon as reasonably possible if the failure to immediately cure such default is likely to result in imminent damage to property or harm or injury to persons. If Lessor fails to cure any Lessor's default within the applicable notice and cure periods, then, in addition to its other rights and remedies, Lessee shall have the right to cure Lessor's default and to recover from Lessor the cost of the cure together with interest thereon at the Interest Rate from the date of such payment was due from Lessor until the date of the repayment. If Lessor fails to reimburse Lessee for all such amounts within thirty (30) days after Lessee's request for the same, Lessee shall have the right to offset all such undisputed amounts against Rent."

74. ADDITIONAL PERMITTED TRANSFERS: Notwithstanding anything to the contrary contained in the Lease, including Paragraph 12 thereof, Lessee may, without Lessor's prior consent, transfer or assign this Lease to (each of the following of which shall be referred to in this Lease as a "**Permitted Transfer**"): (i) a subsidiary, parent, affiliate, division or corporation controlled by or under common control with Lessee (each, a "**Lessee Affiliate**"); (ii) an entity succeeding Lessee by merger, consolidation, non-bankruptcy

reorganization, or government action; or (iii) a purchaser of all or substantially all of Lessee's business or assets (each, a "**Permitted Transferee**"); provided however, that if such Permitted Transferee cannot procure an equal letter of credit as Lessee prior to such transfer or assignment, the Letter of Credit of Lessee must and shall remain in full force and effect for the entire Term of the Lease or until the Permitted Transferee is able to procure an equal Letter of Credit. For the purposes of the Lease, the following shall not be deemed an assignment or sublease of the Premises and thus may occur without the prior consent of Lessor: (1) any public or private offering of Lessee's capital stock or the sale of Lessee's capital stock through any public exchange, (2) Lessee's use at the Premises of independent contractors or (3) the use or occupancy of the Premises or any portion thereof by any subsidiary, parent, contractor or Lessee Affiliate. Notwithstanding the foregoing, prior to an attempted Permitted Transfer, Lessee must notify Lessor of any such assignment or transfer prior to the effective date thereof and promptly provide Lessor with any documents or information reasonably requested by Lessor regarding such assignment or sublease to such Lessee Affiliate or Permitted Transferee.

75. CONDEMNATION: The first two sentences of Paragraph 14 of the Lease are hereby deleted and replaced in their entirety with the following:

"If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If (a) more than 10% of the floor area of the Premises is taken by Condemnation, or (b) the remaining space unaffected by the taking or condemnation is not reasonably suitable for Lessee's use or the conduct of Lessee's business, as determined in Lessee's reasonable discretion, Lessee may, at Lessee's option, to be exercised in writing within 30 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 30 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession."

76. ESTOPPEL CERTIFICATES:

Paragraph 16 of the Lease is hereby deleted and replaced in its entirety with the following:

"16. **Estoppel Certificates**. Each Party shall at any time during the Term, upon not less than ten (10) business days' prior written notice from the other Party, execute and deliver a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification); (ii) the date to which any rent and other charges have been paid in advance; (iii) that there are not, to the Party's knowledge, any uncured defaults on the part of the other Party hereunder or specifying such defaults if they are claimed; and (iv) such other matters as may be reasonably required by the requesting Party. Any such estoppel certificate and any additional certifications requested shall otherwise be in a form reasonably acceptable to the Party executing the same."

77. LIMITATION ON LIABILITY:

The following is hereby added immediately after the end of Paragraph 20 of the Lease:

"**NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE LEASE, IN NO EVENT SHALL EITHER LESSOR (AND LESSOR PARTIES) OR LESSEE (AND LESSEE PARTIES) HAVE ANY LIABILITY TO THE OTHER FOR ANY CLAIMS BASED ON INTERRUPTION TO, OR LOSS OF, BUSINESS, OR FOR ANY INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES OR FOR ANY OTHER SPECIAL DAMAGES WHATSOEVER, AND EACH PARTY WAIVES THE RIGHT TO THE SAME TO THE FULLEST EXTENT PERMITTED BY LAW.**"

78. WAIVERS.

Paragraph 24 of the Lease is hereby deleted and replaced in its entirety with the following:

"24. **Waivers**. The waiver by Lessor or Lessee of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of any sum by a Party (or the payment thereof by the other Party) shall not be deemed to be a waiver by the accepting Party of any preceding breach of this Lease by the other Party of any term, covenant or condition of this Lease, other than the failure of such Party to pay the particular sum accepted, regardless of the

accepting Party's knowledge of such preceding breach at the time of acceptance of such sum. No payment by Lessee or receipt by Lessor of a lesser amount than any installment of rent due shall be deemed as other than payment on account of the amount due. No delay or omission in the exercise of any right or remedy by either Party shall impair such right or remedy or be construed as a waiver thereof by such Party. A Party's consent to or approval of any act by the other Party which requires the first (1st) Party's consent or approval shall not be deemed to waive or render unnecessary the first (1st) Party's consent to or approval of any subsequent act by the other Party."

79. OPTIONS: Paragraph 39.2 of the Lease is hereby deleted in its entirety.

80. NO OUTSIDE WORK/STORAGE: No work by Lessee shall be permitted on the Common Areas, including patios, sidewalks, roofs, streets, driveways, or landscaped areas without Lessor permission. This prohibition includes, but it not limited to, construction, mechanical work, painting, drying, layout, cleaning, or repair of goods or materials. No storage will be allowed outside the Building, on any of the Common Areas, including patios, sidewalks, roofs, streets, driveways, or landscaped areas without Lessor permission. This includes, but it not limited to supplies, materials, goods, pallets dunnage and equipment. Lessor shall have no responsibility whatsoever for theft or vandalism of materials located inside or outside the Premises.

81. USE OF PREMISES Lessor and Lessee agrees the agreed upon use for the Premise is office with an accessory biology research laboratory and, in each case, uses ancillary thereto. The biology research laboratory shall at all times be an accessory use only and shall not exceed 2,100 square feet of the Premises square footage to qualify for office as the primary use designation (Lessee acknowledging that Lessor has received conditional approval from the City of Carlsbad to build a lab in the Project under the condition that the lab does not exceed 2,100 square feet). Furthermore, Lessee shall not, without Lessor's prior written consent, modify the research lab to such a point in which the lab safety level designation is increased beyond its current biosafety level designation of BSL-2+. Lessor represents and warrants to Lessee that the City of Carlsbad Head of Planning, Don Neu, has authorized the use of the Premises as an office with an accessory biology research laboratory through written correspondence with Lessor and Lessor's consultants.

82. DELIVERIES: Lessee shall complete, or cause to be complete, all deliveries, loading, unloading and services to the Premises during regular business hours of 7:00 A.M. to 6:00 P.M. Monday through Saturday.

83. SURRENDER OF PREMISES: Upon the expiration or earlier termination of this Lease, Lessee shall (i) surrender the Premises to Lessor in the condition set forth in Section 7.4(c) of the Lease and (ii) at Lessee's sole cost and expense, remove any and all alterations made by Lessee which are designated by Lessor in writing to be removed at the end of the Term at the time which notice shall be made at the time such alteration was made in accordance with Section 7.3 of the Lease. If the Premises are damaged as a result of the removal of Lessee's personal property or its merchandise, or otherwise resulting from Lessee's vacation of the Premises, Lessee shall promptly pay to Lessor the actual cost of repair. Lessee shall complete such removal by the time provided in the first sentence of this Paragraph, or Lessor may, at Lessor's option, retain any or all of Lessee's personal property and title thereto shall thereupon vest in Lessor without the execution of documents of sale by Lessee, subject to applicable governmental requirements. Thereafter, Lessor may remove any or all items of Lessee's property from the Premises and dispose of them in any manner Lessor sees fit, subject to applicable governmental requirements. In that event, Lessee shall promptly pay to Lessor the actual expenses of removal and disposition. Section 7.4(b) and (c) of the Lease are hereby deleted.

84. BROKERS: Each party hereby warrants and represents to the other party that there are no real estate commissions due any broker, agent or other party in connection with the negotiation or execution of this Lease acting for or on behalf of such party and each party hereby agrees to indemnify, protect, defend and hold harmless the other party from and against any and all costs, expenses, liabilities, causes of action, claims or suits in connection with compensation, commissions, fees or other sums claimed to be due and owing to any party with respect to the negotiations or execution of this Lease.

85. LETTER OF CREDIT: Within fifteen (15) days following the Effective Date, Lessee shall deliver to Lessor a clean, irrevocable letter of credit (the "**Letter of Credit**") established in Lessor's (and its successors' and assigns') favor in the Letter of Credit Amount (as defined below), issued by a federally insured banking or lending

institution (i.e., insured by the FDIC) with a retail banking branch located within San Diego County reasonably acceptable to Lessor and in other form and substance reasonably acceptable to Lessor. The Letter of Credit shall specifically provide for partial draws, shall be self-renewing annually as an "Evergreen" letter of credit, without amendment, for additional one-year periods, shall have a term that is self-renewing until sixty (60) days after the expiration of the Term of the Lease and shall by its terms be transferable by the beneficiary thereunder with any transfer fee payable by Lessee. If Lessee Breaches this Agreement, beyond any applicable notice and cure period, Lessor, at Lessor's option, may make a demand for payment under the Letter of Credit in an amount equal to the amounts then due and owing to Lessor under the Lease. In the event that Lessor draws upon the Letter of Credit, Lessee shall present to Lessor a replacement Letter of Credit in the full Letter of Credit Amount satisfying all of the terms and conditions of this Paragraph within twenty (20) days after receipt of notice from Lessor of such draw. In the event that the Letter of Credit is terminated by the issuer thereof prior to the date that is sixty (60) days after the expiration date of this Lease, as set forth above, and Lessee has not presented to Lessor a replacement Letter of Credit which complies with the terms and conditions of the Lease on or before thirty (30) days prior to the expiration date of any such Letter of Credit then held by Lessor, then Lessee shall be deemed in default hereunder and Lessor, in addition to all other rights and remedies provided for hereunder, shall have the right to draw upon the Letter of Credit then held by Lessor. If Lessor liquidates the Letter of Credit, Lessor shall hold the funds received from the Letter of Credit as security for Lessee's performance under this Lease, this Paragraph shall be deemed a security agreement for such purposes and for purposes of Division 9 of the California Uniform Commercial Code, Lessor shall be deemed to hold a perfected, first priority security interest in such funds, and Lessee does hereby authorize Lessor to file such financing statements or other instruments as Lessor shall deem advisable to further evidence and/or perfect such security interest. Lessor shall be required to segregate such security deposit from its other funds and no interest shall accrue or be payable to Lessee with respect thereto.

The initial Letter of Credit Amount shall be $756,667. Provided Lessee is not then in active Default or Breach of the Lease or the 2656 State Street Lease and has not been in Breach with respect to a monetary obligation or a material non-monetary obligation on more than one (1) prior instance under the Lease or the 2656 State Street Lease, upon the 60th month of the

Original Term of the Lease, the Letter of Credit Amount shall be reduced to $372,182.

The Letter of Credit shall provide that Lessor, its successors and assigns, may, at any time and without notice to Lessee and without first obtaining Lessee's consent thereto, transfer (one or more times) all or any portion of its interest in and to the Letter of Credit to another party, person or entity, including, without limitation, Lessor's lender or a subsequent owner of the Building. In the event of a transfer of Lessor's interest in the Building, Lessor shall transfer the Letter of Credit, in whole or in part, to the transferee and thereupon Lessor shall, without any further agreement between the parties, be released by Lessee from all liability therefor arising after such transfer, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole or any portion of said Letter of Credit to a new Lessor. In connection with any such transfer of the Letter of Credit by Lessor, Lessee shall, at Lessee's sole cost and expense, execute and submit to the bank such applications, documents and instruments as may be necessary to effectuate such transfer, and Lessee shall be responsible for paying the bank's transfer and processing fees in connection therewith.

86. WAIVER OF JURY TRIAL:

Paragraph 47 of the Lease is hereby deleted and replaced in its entirety with the following:

"47. **Waiver of Jury Trial**. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE. IF THE JURY WAIVER PROVISIONS OF THIS PARAGRAPH 47 ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THEN PARAGRAPH 47(a) SHALL APPLY.

47(a). **Judicial Reference**. It is the desire and intention of the Parties to agree upon a mechanism and procedure under which controversies and disputes arising out of this Lease or related to the Premises will be resolved in a prompt and expeditious manner. Accordingly, any action, proceeding or counterclaim brought by either Party hereto against the other (and/or against its officers, directors, employees, agents or subsidiaries or affiliated entities) on any matters whatsoever arising out of or in any way connected with this Lease, Lessee's use or occupancy of the Premises and/or any claim of injury or damage, whether sounding in contract, tort, or otherwise, shall

be heard and resolved by a referee under the provisions of the California Code of Civil Procedure, Paragraphs 638-645.1, inclusive (as same may be amended, or any successor statute(s) thereto) (the "**Referee Paragraphs**"). Any fee to initiate the judicial reference proceedings and all fees charged and costs incurred by the referee shall be paid by the Party initiating such procedure (except that if a reporter is requested by either Party, then a reporter shall be present at all proceedings where requested and the fees of such reporter – except for copies ordered by the other Parties – shall be borne by the Party requesting the reporter); provided, that the allocation of the costs and fees, including any initiation fee, of such proceeding shall be ultimately determined in accordance with Paragraph 31. The venue of the proceedings shall be as set forth in Paragraph 29. Within ten (10) days of receipt by any Party of a written request to resolve any dispute or controversy pursuant to this Paragraph, the Parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues as required by the Referee Paragraphs. If the Parties are unable to agree upon a referee within such ten (10) day period, then any Party may thereafter file a lawsuit in the county in which the Premises are located for the purpose of appointment of a referee under the Referee Paragraphs. If the referee is appointed by the court, the referee shall be a neutral and impartial retired judge with substantial experience in the relevant matters to be determined, from Jams/Endispute, Inc., the American Arbitration Association or similar mediation/arbitration entity. The proposed referee may be challenged by any Party for any of the grounds listed in the Referee Paragraphs. The referee shall have the power to decide all issues of fact and law and report his or her decision on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the referee, including an award of attorneys' fees and costs in accordance with this Lease. The referee shall not, however, have the power to award punitive damages, nor any other damages which are not permitted by the express provisions of this Lease, and the Parties hereby waive any right to recover any such damages. The Parties shall be entitled to conduct all discovery as provided in the California Code of Civil Procedure, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge, with rights to regulate discovery and to issue and enforce subpoenas, protective orders and other limitations on discovery available under California law. The reference proceeding shall be conducted in accordance with California law (including the rules of evidence), and in all

regards, the referee shall follow California law applicable at the time of the reference proceeding. The Parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this Paragraph. In this regard, the Parties agree that the Parties and the referee shall use best efforts to ensure that (i) discovery be conducted for a period no longer than six (6) months from the date the referee is appointed, excluding motions regarding discovery, and (ii) a trial date be set within nine (9) months of the date the referee is appointed. In accordance with Paragraph 644 of the California Code of Civil Procedure, the decision of the referee upon the whole issue must stand as the decision of the court, and upon the filing of the statement of decision with the clerk of the court, or with the judge if there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. Any decision of the referee and/or judgment or other order entered thereon shall be appealable to the same extent and in the same manner that such decision, judgment, or order would be appealable if rendered by a judge of the superior court in which venue is proper hereunder. The referee shall in his/her statement of decision set forth his/her findings of fact and conclusions of law. The Parties intend this general reference agreement to be specifically enforceable in accordance with the Code of Civil Procedure. Nothing in this Paragraph shall prejudice the right of any Party to obtain provisional relief or other equitable remedies from a court of competent jurisdiction as shall otherwise be available under the Code of Civil Procedure and/or applicable court rules."

87. SUBORDINATION AND ATTORNMENT:

Section 30 of the Lease is hereby deleted and replaced with the following: "This Lease shall be subject and subordinated at all times to the terms of each and every ground or underlying lease which now exists or may hereafter be executed affecting the fee interest in the Premises under which Lessor shall claim, and to the liens of each and every mortgage and deed of trust in any amount or amounts whatsoever now or hereafter existing encumbering the Premises, Building or the Project, and to all modifications, renewals and replacements thereto without the necessity of having further instruments executed by Lessee to effect such subordination. Lessee, upon demand, shall further evidence its subordination by executing a subordination and attornment agreement in form and substance mutually acceptable to Lessee and Lessor and its mortgagee or ground lessor, which subordination and attornment agreement must

provide that so long as no default or event which with the passing of time or giving of notice would constitute a default exists under this Lease, the peaceable possession of Lessee in and to the Premises, and continued Permitted Use thereof, for the Term shall not be disturbed in the event of the foreclosure of the subject mortgage or termination of the subject ground or underlying lease affecting the Premises. If Lessor's interest in the Premises, Building or Project is acquired by any ground lessor, mortgagee, or purchaser at a foreclosure sale or transfer in lieu thereof, Lessee shall attorn to the transferee of or successor to Lessor's interest in the Lease, Premises, Building or Project and recognize such transferee or successor as Lessor under this Lease."

88. CONSENT Whenever this Lease requires the consent of Lessor, such consent shall not be unreasonably withheld, conditioned or delayed.

89. LANDLORD INDEMNITY. Landlord shall indemnify, defend and hold Lessee harmless from and against any and all Claims arising from the gross negligence or willful misconduct of Lessor or any Lessor's Indemnitees. In no event shall Lessee have any indemnity obligation to Lessor or any Lessor Indemnitees to the extent any Claims arise from the gross negligence or willful misconduct of Lessor or any Lessor Indemnitee.

90. ASSIGNMENT. The reference in Section 12.1(b) to "25%" shall hereby be deleted and shall instead mean and refer to "50%". Nothing in this Lease shall preclude Lessee from selling or exchanging shares on a nationally recognized exchange.

91. ALTERATIONS. Notwithstanding anything in this Lease to the contrary, Lessee may make non-structural alterations in the Premises without the consent of Lessor so long as such alterations do not exceed $50,000 in any instance. Lessee shall deliver written notice to Lessor at least 15 days prior to the commencement of any Alterations to the Premises.

92. ACCESS. Notwithstanding anything in this Lease to the contrary, except in the event of an emergency, Lessor shall not enter the Premises unless Lessor provides Lessee with at least 24 hours' prior notice and enters only during Lessee's normal business hours. During any such access. Lessor shall use commercially reasonable efforts to minimize interference with Lessee's business and, if requested by Lessee, shall be accompanied by a representative of Lessee.

93. COUNTERPARTS: This Addendum may be executed in multiple counterparts, each of which is to be deemed original for all purposes, but all of which together will constitute one and the same instrument.

INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the Effective Date.

LESSOR:

FABRIC 2676 STATE STREET, LLC,
a California limited liability company

By: /s/ Brendan Foote
Name: Brendan Foote
Title: Managing Member

LESSEE:

TYRA BIOSCIENCES, INC.,
a Delaware corporation

By: /s/ Todd Harris
Name: Todd Harris
Title: CEO

EXHIBIT "A"

SITE PLAN DEPICTING PREMISES

The parties shall attach the final Site Plan depicting the Premises upon completion of the Lessee Improvements in accordance with the terms and conditions of the Lease. The proposed Space Plan of the interior of the Premises is attached as Schedule 1 to the Work Letter attached hereto as Exhibit B.

EXHIBIT "B"

LEASE WORK LETTER

This Lease Work Letter shall set forth the terms and conditions relating to the construction of the Premises. This Lessee Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Lessee Work Letter to "the Lease" shall mean the relevant portions of the Lease to which this Lessee Work Letter is attached as Addendum Exhibit "B".

1. **General Requirements**.

(a) **Lessee's Authorized Representative**. Lessee designates Daniel Benson, Esther van den Boom and/or Todd Harris (either such individual acting alone, "**Lessee's Representative**") as the only persons authorized to act for Lessee pursuant to this Work Letter. Lessor shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Lessee in connection with this Work Letter unless such Communication is in writing from Lessee's Representative. Lessee may change either Lessee's Representative at any time upon not less than 5 business days advance written notice to Lessor. Neither Lessee nor Lessee's Representative shall be authorized to direct Lessor's contractors in the performance of Lessor's Work (as hereinafter defined).

(b) **Lessor's Authorized Representative**. Lessor designates Brendan Foote and Curtis Clave (either such individual acting alone, "**Lessor's Representative**") as the only persons authorized to act for Lessor pursuant to this Work Letter. Lessee shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Lessor in connection with this Work Letter unless such Communication is in writing from Lessor's Representative. Lessor may change either Lessor's Representative at any time upon not less than 5 business days advance written notice to Lessee. Lessor's Representative shall be the sole persons authorized to direct Lessor's contractors in the performance of Lessor's Work.

I **Architects, Consultants and Contractors**. Lessor and Lessee hereby acknowledge and agree that the general contractor, architects, consultants and any subcontractors for the Lessee Improvements shall be selected by Lessor, subject to Lessee's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

2. Lessee Improvements.

(a) **Lessee Improvements Defined**. As used herein, "**Lessee Improvements**" shall mean all improvements to the Premises of a fixed and permanent nature as shown on the TI Construction Drawings, as defined in Paragraph 2(c) below.

(b) **Space Plan, Budget and Schedule**. Lessor and Lessee acknowledge and agree that the current space plan for a commercial office building and accessory biology research laboratory consistent with the lease premises at 2656 State Street has been mutually approved while still subject to minor revisions solely with respect to the biology research laboratory, for which Lessee shall have design input, and which in no event shall the biology research laboratory exceed 2,100 square feet or otherwise materially impact the Project as a whole. Lessor has completed a Schematic Drawing and Schedule, attached hereto as Exhibit 1 and shall establish a budget. Upon completion, of the Budget, such Budget shall become further attached hereto in **Schedule 1** (the "**Space Plan, Budget and Schedule**"). Lessor and Lessee acknowledge and agree to work in good faith to refine, update and/or modify the Space Plan and Budget solely with respect to the biology research laboratory.

(c) **Working Drawings**. Lessor shall cause the TI Architect to prepare and deliver to Lessee for review and comment construction plans, specifications and drawings for the Lessee Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared substantially in accordance with the Space Plan, Budget and Schedule. Lessee shall be solely responsible for ensuring that the TI Construction Drawings reflect Lessee's requirements with respect to the biology research laboratory for the Lessee Improvements. Lessee shall deliver its written comments with respect to the biology research laboratory on the TI Construction Drawings to Lessor not later than 5 business days after Lessee's receipt of the same; provided, however, that Lessee may not disapprove any matter that is consistent with the Space Plan, Budget

and Schedule without submitting a Change Request. Lessor and the TI Architect shall consider all such comments in good faith and shall, within 5 business days after receipt, notify Lessee how Lessor proposes to respond to such comments, but Lessee's review rights pursuant to the foregoing sentence shall not delay the design or construction schedule for the Lessee Improvements. Any disputes in connection with such comments shall be resolved in accordance with Paragraph 2(d) hereof. Provided that the design reflected in the TI Construction Drawings with respect to the biology research laboratory is consistent with the Space Plan, Budget and Schedule, Lessee shall approve the TI Construction Drawings submitted by Lessor, unless Lessee submits a Change Request. Once approved by Lessee, subject to the provisions of Paragraph 4 below, Lessor shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Paragraph 3(b) below).

(d) **Approval and Completion.** It is hereby acknowledged by Lessor and Lessee that the TI Construction Drawings with respect to the biology research laboratory must be completed and approved no later than May 15, 2022 in order for the Lessor's Work to be Substantially Completed by the Anticipated Delivery Date. Any delays in approval or changes to the TI Construction Drawings following Lessor's and Lessee's approval of same requested by Lessee shall be processed as provided in Paragraph 4 hereof.

3. **Performance of Lessor's Work.**

(a) **Definition of Lessor's Work.** As used herein, "**Lessor's Work**" shall mean the work of constructing the Lessee Improvements.

(b) **Commencement and Permitting.** Lessor shall commence construction of the Lessee Improvements upon obtaining a building permit (the "**TI Permit**") authorizing the construction of the Lessee Improvements consistent with the TI Construction Drawings approved by Lessee. The cost of obtaining the TI Permit shall be payable by Lessor. Lessee shall assist Lessor in obtaining the TI Permit by timely cooperating with the TI Architect and lab architect. If any governmental authority having jurisdiction over the construction of Lessor's Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are materially inconsistent with Lessor's obligations hereunder, (ii) materially increase the cost of constructing Lessor's Work, or (iii) will materially delay the construction of Lessor's Work, Lessor and Lessee shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) **Completion of Lessor's Work.** Lessor shall Substantially Complete or cause to be Substantially Completed Lessor's Work in a good and workmanlike manner, in accordance with the TI Permit and with the TI Construction Drawings approved by Lessee. For purposes of this Lease, the Premises shall be "**Substantially Complete**" or "**Substantially Completed**" the substantial completion of construction of the Lessee Improvements in compliance with all Legal Requirements and pursuant to the approved TI Construction Drawings, as evidenced by a receipt of a temporary certificate of occupancy or a certificate of occupancy from the City of Carlsbad and as otherwise reasonably determined by TI Architect, with the exception of any punch list items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Lessee. Prior to Lessor's delivery of the Premises to Lessee, Lessor or its agent and Lessee or its agent shall conduct a walk through inspection of the Premises and prepare a punch list of any items which shall be corrected by Lessor within a reasonable time thereafter.

(d) **Site Design and Aesthetic Features; Selection of Materials.** Lessor agrees to deliver a Premise in likeness to the lease premises at 2656 State Street with renderings distributed to Lessee consistent with the Space Plan, Budget and Schedule. Notwithstanding the TI Construction Drawings approved by Lessor and Lessee, Lessor shall retain sole and absolute subjective discretion over all space plan, design and aesthetic features and sole and absolute subjective discretion in the selection of all building materials and equipment. Lessee shall have design input with respect to the biology research laboratory.

(e) **Delivery of the Premises.** When Lessor's Work is Substantially Complete, subject to the remaining terms and provisions of this Paragraph 3(e), Lessee shall accept the Premises. Lessee shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises. If requested

by Lessee, Lessor shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely by Lessee. Lessor shall promptly undertake and complete, or cause to be completed, all punch list items.

(f) **Commencement Date Delay**. Except as otherwise provided in the Lease, delivery of the Premises shall occur when Lessor's Work has been Substantially Completed, except to the extent that completion of Lessor's Work shall have been actually delayed as a direct result of any one or more of the following causes ("**Lessee Delay**"):

(i) Change Requests after the final Space Plan, Budget and Schedule have been approved (as defined in Paragraph 4(a) below) that are actually performed by Lessor; provided Lessor will notify Lessee, in writing, that such change Request will result in a Lessee Delay;

(ii) Lessee's delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein; or

(iii) Lessee's delay in making payments to Lessor for Lessee TI Costs (as defined in Paragraph 5(b) below).

If delivery is delayed for any of the foregoing reasons, then Lessor and Lessee shall certify the date on which the Tenant Improvements would have been Substantially Completed but for such Lessee Delay and such certified date shall be the date of delivery. If the Lessor's performance of the Lessor Work is delayed by (or if Lessor has reason to believe that its performance of the Lessor Work will be delayed by) any Lessee Delay, Lessor shall, within three (3) days of the Lessor's discovery of any such condition give to Lessee written notice thereof and of the anticipated results thereof. If the Lessee objects Lessor's claim that a Lessee Delay has occurred, Lessee shall provide a reasonably detailed description of the basis for such objection. The parties shall work in good faith to resolve any dispute regarding a claim of Lessee Delay.

(g) **Lessor Delay**. As used herein, a "**Lessor Delay**" means completion of Lessor's Work shall have been actually delayed as a direct result of any one or more of the following causes (1) an act or neglect of the Lessor, the Lessor's representative or TI Architect, or of an employee of either, or of a separate contractor employed by the Lessor; or (2) changes in the Work ordered by the Lessor. Lessor shall, in the event of any such occurrence likely to cause a Lessor Delay, use commercially reasonable efforts (a) to mitigate and minimize the duration of, and costs arising from, any delay in (or any suspension of) the performance of its obligations hereunder, (b) to continue to perform its obligations under the Lease and this Work Letter, and (c) to remedy its inability to perform as soon as reasonably possible.

4. **Changes**. Any changes requested by Lessee to the Lessee Improvements after the delivery and approval by Lessor of the Space Plan, Budget and Schedule shall be requested and instituted in accordance with the provisions of this Paragraph 4 and shall be subject to the written approval of Lessor.

(a) **Lessee's Request For Changes**. If Lessee shall request changes to the Lessee Improvements ("**Changes**"), Lessee shall request such Changes by notifying Lessor in writing (a "**Change Request**"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Lessee's Representative. Lessor shall, before proceeding with any Change, use commercially reasonable efforts to respond to Lessee as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid by Lessee to the extent actually incurred, whether or not such change is implemented). Lessor shall thereafter submit to Lessee in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Lessor's Work will be Substantially Complete. Any such delay in the completion of Lessor's Work caused by a Change, including any suspension of Lessor's Work while any such Change is being evaluated and/or designed, shall be Lessee Delay.

(b) **Implementation of Changes**. If Lessee: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Lessor's Work, if any, and (ii) deposits with Lessor any Lessee TI Costs required in connection with such Change, Lessor shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Lessee of any estimate of the delay caused by such proposed Change, the Lessor's determination of the amount of Lessee Delay in connection with such Change shall be final and binding on Lessor and Lessee.

5. **Costs**.

(a) **Lessor TI Costs**. Lessor shall be responsible for the payment of design, permits and construction costs in connection with the construction of the Lessee Improvements, including, without limitation, Building systems, materials or equipment, the cost of preparing the TI Construction Drawings and the Space Plan and Lessor's out-of-pocket expenses. Notwithstanding the foregoing, Lessor shall be responsible for the payment of hard costs up to a maximum of $250.00 per leased square foot for the portion of the Premises designated as biology research laboratory ($525,000 based on 2,100 square feet) (collectively, "**Lessor TI Costs**"). Notwithstanding anything to the contrary contained herein, in no event shall Lessor be required to pay for any furniture, fixtures, equipment, personal property or other non-Building system materials or equipment, including, but not limited to, Lessee's scientific equipment not incorporated into the Lessee Improvements, including soft costs for permits thereof.

(b) **Lessee TI Costs**. Notwithstanding anything to the contrary contained herein, Lessee acknowledges and agrees that Lessor shall have no responsibility for any costs arising from or related to Lessee's changes to the Space Plan or TI Construction Drawings, Lessee Delays, the cost of Changes and Change Requests and any costs arising from or related to hard costs in excess of the Lessor TI Costs with respect to the biology research laboratory (collectively, "**Lessee TI Costs**"). Lessee shall deposit with Lessor into a mutually agreed upon escrow account or fund control, as a condition precedent to Lessor's obligation to complete the Lessee Improvements, 100% of the Lessee TI Costs upon approval of the of the Space Plan, Budget and Schedule, or within three (3) days of any Changes. If Lessee fails to deposit any Lessee TI Costs with Lessor, Lessor shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge). For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease.

6. **Lessee Access**.

(a) **Lessee's Access Rights**. Lessor hereby agrees to permit Lessee access, at Lessee's sole risk and expense, to the Building (i) 60 days prior to the Commencement Date to perform any work ("**Lessee's Work**") required by Lessee other than Lessor's Work, provided that such Lessee's Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Lessor may impose, and (ii) prior to the completion of Lessor's Work, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Lessor. Notwithstanding the foregoing, Lessee shall have no right to enter onto the Premises or the Project unless and until Lessee shall deliver to Lessor evidence reasonably satisfactory to Lessor demonstrating that any insurance reasonably required by Lessor in connection with such pre-commencement access (including, but not limited to, any insurance that Lessor may require pursuant to the Lease) is in full force and effect. Any entry by Lessee shall comply with all established safety practices of Lessor's contractor and Lessor until completion of Lessor's Work and acceptance thereof by Lessee.

(b) **No Interference**. Neither Lessee nor any Lessee Party (as defined in the Lease) shall interfere with the performance of Lessor's Work, nor with any inspections or issuance of final approvals by applicable governmental authorities, and upon any such interference, Lessor shall have the right to exclude Lessee and any Lessee Party from the Premises and the Project until Substantial Completion of Lessor's Work.

7. **Miscellaneous**.

(a) **Consents**. Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification**. No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Lessor or Lessee unless in writing signed by Lessor and Lessee.

SCHEDULE 1 TO LEASE WORK LETTER

SPACE PLAN, BUDGET AND SCHEDULE

SPACE PLAN AND BUDGET ATTACHED

SCHEDULE:

Mar 01, 2022:	Design Kickoff
May 15, 2022:	Lab Design and Engineering Completed
Jun 15, 2022:	Minor Site Development (MSD) Permit Submittal Date
Aug 15, 2022:	Construction Documents Completed and Budget Established
Nov 15, 2022:	MSD and Building Permit Issued and Construction Commences
Jun 30, 2023:	Construction Completion and Anticipated Delivery Date

FABRIC

Project Areas

Existing Building:

Fabric Offices-	928 sf
Tyra Offices-	1,188 sf
Research Lab-	2,092 sf
Total (Exist Bldg) -	**4,208 sf**

New Building:

Tyra Offices (L1)-	2,104 sf
Tyra Offices (L2)-	1,993 sf
Total (New Bldg) -	**4,097 sf**

Proposed Grand Total - 8,305 sf

TYRA

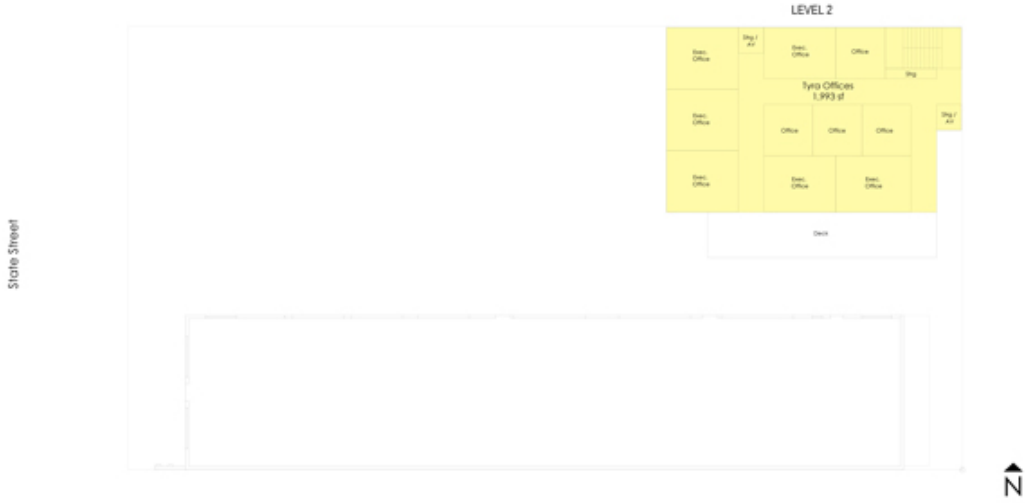
G COLEMAN ARCHITECT

2676 State Street
Floor Plan - Opt 02 - Level 1
A - 2

Scale: 3/16" = 1' - 0"

December 7, 2021

FABRIC



TYRA

COLEMAN ARCHITECT

2676 State Street
Floor Plan - Opt 02 - Level 2
A - 3

EXHIBIT "C"

EXCLUSIONS TO COMMON AREA OPERATING EXPENSES

Common Area Operating Expenses shall not include the following:

(1) depreciation or amortization on the Building;

(2) debt service, rental under any ground or underlying lease, or interest, principal, points and fees on any encumbrance, mortgage or other debt instrument encumbering the Building;

(3) attorneys' fees and expenses, brokerage commissions, advertising costs, or other related expenses incurred in connection with leasing of the Building including lease concessions, rental abatements and construction allowances;

(4) the cost of any improvements or equipment that would be properly classified as Capital Expenditures;

(5) the cost (including permit, license and inspection fees) of decorating, improving for tenant occupancy, altering, painting or redecorating portions of the Building to be demised to tenants or occupants or vacant space in the Building;

(6) any deductible under Landlord's insurance policies in excess of $25,000;

(7) costs for which Landlord is reimbursed or entitled to be reimbursed by condemnation proceeds, other tenants or any other source;

(8) rentals incurred in leasing HVAC systems, elevators or other equipment that if purchased rather than rented, would constitute a capital item that is excluded;

(9) any damage and repairs covered under any insurance policy carried by, or required to be carried by, Landlord;

(10) any bad debt loss, rent loss, or reserves for bad debt loss or rent loss;

(11) costs incurred in connection with the operation of the business of the entity constituting Landlord, as distinguished from the costs of operating the Building, including accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building; for avoidance of doubt, tax return and direct cost of property management software shall be included as Common Area Property Expenses.

(12) overhead and profit paid to Landlord or its affiliates, or to any party for goods and/or services in the Building or management of the Building to the extent the same exceed the market rate cost of such goods and/or services of comparable quality rendered by unaffiliated third parties of similar skill, competence and experience in comparable buildings on an arms-length basis;

(13) costs for which Landlord has been compensated by a management fee to the extent that the inclusion of such costs in Common Area Operating Expenses would result in a double charge;

(14) Landlord's political or charitable contributions;

(15) the cost of any "tenant relations" parties, events or promotions;

(16) costs of insurance (i) which is not customarily carried by institutional owners of office buildings in the City of San Diego, (ii) for Landlord's errors and omissions insurance or (iii) for Landlord's pollution legal liability insurance;

(17) costs to repair or replace the Project resulting from any fire or other casualty;

(18) repairs, alterations, additions, improvements or replacements made to (i) rectify or correct any defect in the design, materials or workmanship of the Project, (ii) comply with any Laws in effect as of the Commencement Date, or (iii) rectify or correct damage caused by the negligence or willful misconduct of Landlord or any Landlord party;

(19) the cost to perform all deferred maintenance items to the extent existing as of the Commencement Date;

(20) salaries, wages, bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, parking privileges, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to asset managers, leasing agents, promotional directors, officers, directors, or executives of Landlord;

(21) costs, fines, penalties or interest incurred due to violation by Landlord of the terms and conditions of any lease or any Applicable Laws or due to violation by any other tenant in the Project of the terms and conditions of any lease or any Legal Requirements;

(22) interest, penalties or other costs arising out of Landlord's failure to make timely payment of its obligations;

(23) property management fees in excess of four percent (4%) of Tenant's Base Rent;

(24) costs incurred to test, survey, cleanup, contain, abate, remove, or otherwise remedy Hazardous Substances or mold from the Project;

(25) costs incurred to correct defective equipment installed in the Project;

(26) sale or financing costs incurred in connection with any sale, financing or refinancing of the Project;

(27) any reserves for bad debts, rent loss, capital items, future Common Area Operating Expenses or any other purpose;

(28) costs relating to the repair of structural portions of the roof, foundations, floors and exterior walls and all structural seismic upgrading costs;

(29) costs incurred in connection with re-certification pursuant to one or more Green Rating Systems or to support achieving any energy and carbon reduction targets;

(30) Landlord's general overhead expenses not related to the Building;

(31) costs for janitorial services for any rentable area in the Project to the extent Tenant provides such services to the Premises at its own cost;

(32) legal fees, accountants' fees and other expenses incurred in connection with disputes with Tenant, tenants or other occupants or associated with the enforcement of any leases or defense of Landlord's title to or interest in the Building or any part thereof;

(33) costs incurred by Landlord due to violation by Landlord or any other tenant or occupant of the Building of Legal Requirements, the terms and conditions of any lease, ground lease, mortgage or deed of trust, or other covenants, conditions or restrictions encumbering the Building or the real property on which it is located;

(34) advertising or promotional expenditures, and the costs of acquiring and installing signs in or on any of the Building identifying the owner of the Building or any other tenant or occupant of the Building;

(35) costs incurred in connection with upgrading the Building to comply with disabled access, life, fire and safety codes in effect prior to the date of the Lease, and costs incurred in connection with upgrading the Building to comply with the Americans with Disabilities Act of 1990 and Title 24 of the California Code of Regulations (or its successor);

(36) the cost of providing any service directly to and paid directly by a single individual lessee, or costs incurred for the benefit of a single lessee;

(37) repairs necessitated by the gross negligence or willful misconduct of Lessor or Lessor's employees, agents, or contractors;

(38) costs in connection with services that are provided to another lessee or occupant of the project, but are not offered to Lessee;

(39) any other expense which, under generally accepted accounting principles and practice, would not be considered a normal maintenance and operating expense; and

(40) any item that, if included in Operating Expense, would involve a double collection for such item by Lessor.

EXHIBIT "D"

ESTIMATED COMMON AREA OPERATING EXPENSES BUDGET

Expenses	Annual	Monthly
Property Taxes	$ 7,200.00	$ 600.00
Accounting	$ 3,600.00	$ 300.00
Insurance	$ 9,600.00	$ 800.00
Landscaping	$ 3,000.00	$ 250.00
Security	$ 1,800.00	$ 150.00
Repairs + Maintenance	$ 7,800.00	$ 650.00
Property Management	$16,800.00	$1,400.00
Total	**$49,800.00**	**$4,150.00**
Square Footage	8305	
NNNs/SF	$ 0.50	

EXHIBIT "E"

LAB CAPITAL REPAIRS SUBJECT TO AMORTIZATION

1. Lab Hood
2. Lab House Vacuum
3. Lab DI Water System
4. Backup Generator
5. Lab Sinks, Showers and Encasements
6. Lab Mechanical Systems

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-259560) pertaining to the Tyra Biosciences, Inc. 2020 Equity Incentive Plan, Tyra Biosciences, Inc. 2021 Incentive Award Plan, and the Tyra Bioscience, Inc. 2021 Employee Stock Purchase Plan of Tyra Biosciences, Inc. of our report dated March 3, 2022, with respect to the financial statements of Tyra Biosciences, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Ernst & Young LLP

San Diego, California
March 3, 2022

Exhibit 31.1

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 Annual Report on Form 10-K 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: March 3, 2022

By: /s/ Todd Harris, Ph.D.
Todd Harris, Ph.D.
President, Chief Executive Officer, and Director

Exhibit 31.2

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, Esther van den Boom, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: March 3, 2022

By: /s/ Esther van den Boom
Esther van den Boom
Chief Financial Officer

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 Annual Report of Tyra Biosciences, Inc. (the "Company") on Form 10-K for the period ending December 31, 2021 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: March 3, 2022

By: /s/ Todd Harris, Ph.D.
Todd Harris, Ph.D.
President, Chief Executive Officer, and Director

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 Annual Report of Tyra Biosciences, Inc. (the "Company") on Form 10-K for the period ending December 31, 2021 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: March 3, 2022

By: /s/ Esther van den Boom
Esther van den Boom
Chief Financial Officer