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, 2020

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: 001-37708

Syndax Pharmaceuticals, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**2834**	**32-0162505**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

35 Gatehouse Drive, Building D, Floor 3
Waltham, Massachusetts 02451

(781) 419-1400

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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	SNDX	The Nasdaq Stock Market, LLC

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 Securities 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 the filing requirements for the past 90 days. Yes ☒ No ☐

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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

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. ☐

As of June 30, 2020, the last day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the Common Stock held by non-affiliates of the registrant was approximately $500.1 million, based on the closing price of the registrant's common stock on June 30, 2020. Shares of the registrant's common stock held by each officer and director and stockholders that the registrant has concluded are affiliates of the registrant. This determination of affiliate status is not a determination for other purposes.

As of March 10, 2021, there were 48,235,759 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its 2021 Annual Meeting of Stockholders, which the registrant intends to file pursuant to Regulation 14A with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended December 31, 2020, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of this Annual Report on Form 10-K. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "could," "estimate," "expects," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or the negative or plural of those terms, and similar expressions.

Forward-looking statements include, but are not limited to, statements about:

- the impact of the COVID-19 pandemic and its effects on our operations, research and development and clinical trials and potential disruption in the operations and business of third-party manufacturers, contract research organizations, or CROs, other service providers, and collaborators with whom we conduct business;
- our estimates regarding our expenses, future revenues, anticipated capital requirements and our needs for additional financing;
- the timing of the progress and receipt of data from the Phase 1/2 clinical trial of SNDX-5613 in patients with relapsed/refractory (R/R) acute leukemia and the potential use of SNDX-5613 to treat acute leukemias;
- the timing of the progress and receipt of data from the expansion cohort from the Phase 1/2 clinical trial of axatilimab in chronic Graft Versus Host Disease (cGVHD);
- the timing of the progress and receipt of data from the Phase 2 trial, AGAVE-201, of axatilimab in cGVHD;
- our ability to replicate results in future clinical trials;
- our expectations regarding the potential safety, efficacy or clinical utility of our product candidates;
- our ability to obtain and maintain regulatory approval for our product candidates and the timing or likelihood of regulatory filings and approvals for such candidates;
- our ability to maintain our licenses with Bayer Pharma AG, Eddingpharm Investment Company Limited, Kyowa Kirin Co., Ltd., UCB Biopharma Sprl, and Vitae Pharmaceuticals, Inc., a subsidiary of AbbVie plc.;
- the potential milestone and royalty payments under certain of our license agreements;
- the implementation of our strategic plans for our business and development of our product candidates;
- the scope of protection we establish and maintain for intellectual property rights covering our product candidates and our technology;
- the market adoption of our product candidates by physicians and patients;
- developments relating to our competitors and our industry; and
- political, social and economic instability, natural disasters or public health crisis, including but not limited to the COVID-19 pandemic, in countries where we or our collaborators do business.

Factors that may cause actual results to differ materially from current expectations include, among other things, those set forth in Part I, Item 1A, "Risk Factors," below and for the reasons described elsewhere in this Annual Report on Form 10-K. Any forward-looking statement in this Annual Report on Form 10-K reflects our current view with respect to future events and is subject to these and other risks, uncertainties and assumptions. Given these uncertainties, you should not rely on these forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, our information may be incomplete or limited and we cannot guarantee future results. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This Annual Report on Form 10-K also contains estimates, projections and other information concerning our industry, our business and the markets for certain drugs and consumer products, including data regarding the estimated size of those markets, their projected growth rates and the incidence of certain medical conditions. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources and we have not independently verified the data from third party sources. In some cases, we do not expressly refer to the sources from which these data are derived.

In this Annual Report on Form 10-K, unless otherwise stated or as the context otherwise requires, references to "Syndax," "the Company," "we," "us," "our" and similar references refer to Syndax Pharmaceuticals, Inc. and its wholly owned subsidiaries. This Annual Report on Form 10-K also contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to, including logos, artwork and other visual displays, may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

SUMMARY OF SELECTED RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties, including those discussed at length in the section titled "Risk Factors." These risks include, among others, the following:

- COVID-19 could adversely impact our business, including our clinical trials.
- We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of any of our product candidates.
- We are currently developing several product candidates. If we are unable to successfully complete clinical development of, obtain regulatory approval for and commercialize our product candidates, our business prospects will be significantly harmed.
- Our strategy for developing SNDX-5613 has undergone limited clinical testing and we may fail to show that the drug is well tolerated and provides sufficient clinical benefit for patients.
- Our strategy for developing axatilimab has undergone limited clinical testing and we may fail to show that this drug is well tolerated and provides a clinical benefit for patients.
- Interim top-line and preliminary data from our clinical trials that we 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.
- If we are or our collaborators are unable to enroll patients in clinical trials, these clinical trials may not be completed on a timely basis or at all.
- The regulatory approval processes of the FDA and foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable. Our inability to obtain regulatory approval for our product candidates could harm our business.
- We rely on third-party suppliers to manufacture and distribute our clinical drug supplies for our product candidates, we intend to rely on third parties for commercial manufacturing and distribution of our product candidates and we expect to rely on third parties for manufacturing and distribution of preclinical, clinical and commercial supplies of any future product candidates.
- Even if our product candidates receive regulatory approval, they may still face future development and regulatory difficulties.

- Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial scope of their approved use, or result in significant negative consequences following any marketing approval.
- We have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future.
- We currently have no source of product revenue and may never achieve or maintain profitability.
- We will require additional capital to finance our planned operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of, or obtain regulatory approval for our existing product candidates or develop new product candidates.
- If we are unable to obtain or protect intellectual property rights, we may not be able to compete effectively in our market.
- We may not be able to protect our intellectual property rights throughout the world.
- The market price of our stock may be volatile and you could lose all or part of your investment.
- We may sell additional equity or debt securities or enter into other arrangements to fund our operations, which may result in dilution to our stockholders and impose restrictions or limitations on our business.

PART I

Item 1. BUSINESS

Our Company

We are a clinical-stage biopharmaceutical company developing an innovative pipeline of cancer therapies. Our two lead product candidates are, SNDX-5613 and SNDX-6352, or axatilimab. We are developing SNDX-5613, targeting the binding interaction of menin with the mixed lineage leukemia 1 (MLL1) protein for the treatment of MLL-rearranged, or MLLr, acute leukemias and nucleophosmin 1, or NPM1, mutant acute myeloid leukemia (AML), as well as axatilimab, a monoclonal antibody that blocks the colony stimulating factor 1, or CSF-1 receptor. We have deprioritized the development of entinostat, our once-weekly, oral, small molecule, Class I HDAC inhibitor, to focus resources on advancing the remainder of our pipeline. We plan to continue to leverage the technical and business expertise of our management team and scientific collaborators to license, acquire and develop additional therapeutics to expand our pipeline.

SNDX-5613

Our first clinical-stage product candidate, SNDX-5613, is a potent, orally active inhibitor of the high affinity interaction site on menin with the protein MLL1. This specific interaction is a key driver for two genetically defined acute leukemias: (i) MLLr and (ii) NPM1c AML. Both diseases have a poor prognosis. In preclinical testing, SNDX-5613 has demonstrated complete tumor regression and profound, dose-dependent and long-lasting survival benefit in leukemic models of disease. Initial clinical evidence with SNDX-5613 also supports the hypothesis that disruption of the menin-MLL interaction can lead to responses in acute leukemias.

We are developing SNDX-5613 as a targeted therapy to potentially treat two genetically defined acute leukemias: (i) a genetically defined subset of acute leukemias with chromosomal rearrangements in the mixed lineage leukemia (MLL) gene, known as MLLr; and (ii) acute myeloid leukemia, or AML, with a somatic mutation in the nucleophosmin 1, or NPM1, gene, also known as NPM1c. Our near-term focus is to rapidly establish proof of concept that SNDX-5613 is a targeted therapy that can potentially provide meaningful clinical benefit to adult and pediatric leukemia patients having relapsed or refractory MLLr or NPM1c acute leukemias. Our investigational new drug (IND) application for SNDX-5613 took effect with the U.S. Food and Drug Administration, or FDA, in the second quarter of 2019 and we commenced AUGMENT-101, a clinical trial consisting initially of a Phase 1 dose escalation portion to determine the maximum tolerated dose, or MTD, and recommended Phase 2 dose of SNDX-5613 in patients with acute leukemia. Upon completion of the Phase 1 portion of the trial and identification of the recommended Phase 2 dose, we will initiate the Phase 2 portion of the trial with patients to be enrolled in three indication-specific expansion cohorts to determine the efficacy, short- and long-term safety, and tolerability of SNDX-5613 in MLLr ALL, MLLr AML and NPM1c AML. We are conducting the trial at multiple centers in the United States and anticipate completing enrollment of the Phase 1 portion in the first half of 2021. In the second quarter of 2021, we anticipate commencing the Phase 2 portion, which we believe could serve as the basis for registration, with an expected total enrollment of up to 132 patients for the Phase 1/2 clinical trial. SNDX-5613 was previously granted Orphan Drug Designation for the treatment of adult and pediatric acute myeloid leukemia by the FDA.

Axatilimab

We are also developing axatilimab a monoclonal antibody targeting the colony stimulating factor-1 receptor, or CSF-1R, a cell surface protein thought to control the survival and function of monocytes and macrophages. Axatilimab binds with high affinity to CSF-1R and blocks the binding of the two known CSF-1R ligands CSF-1 and IL-34. CSF-1R is expressed on the surface of specific immune cells known as macrophages and their precursor cells known as monocytes. CSF-1R signaling on these cells has been demonstrated in preclinical studies conducted in animal models of skin and lung chronic graft versus host disease, or cGVHD, to be the key regulatory pathway involved in the expansion and infiltration of the macrophages that mediate fibrosis and the cGVHD disease process. Blocking CSF-1R activity with an experimental CSF-1R antibody in these studies was shown to prevent and treat the symptoms of cGVHD. We believe that by inhibiting CSF-1R activation on monocytes and macrophages, that axatilimab has the potential to be used to treat cGVHD as well as other fibrotic diseases where monocyte-derived macrophages have been shown to play a significant role.

Our near-term focus is to rapidly establish that axatilimab can provide meaningful clinical benefit in patients with advanced cGVHD where prior therapies are no longer effective and to establish proof of concept of using axatilimab to treat other fibrotic diseases where monocyte-derived macrophages have been shown to play a role.

We announced that following our end of Phase 1 meeting with the FDA, we have aligned on a regulatory path for axatilimab for the treatment of cGVHD. We commenced a pivotal Phase 2 trial, AGAVE-201, to assess the safety and efficacy of different doses and schedules of axatilimab for the treatment of patients with cGVHD. The primary endpoint is the objective response rate based on the 2014 NIH consensus criteria for GVHD with key secondary endpoints including duration of response and improvement in modified Lee Symptom Scale score. We anticipate releasing topline data in 2023. With the initiation of AGAVE-201, we have ceased enrollment in the Phase 2 portion of SNDX-6352-503, the Phase 1/2 trial evaluating axatilimab for the treatment of patients with cGVHD.

Our Strategy

We are a clinical stage biopharmaceutical company developing an innovative pipeline of cancer therapies. This pipeline includes SNDX-5613, a highly selective inhibitor of the menin–MLL binding interaction, axatilimab, a monoclonal antibody that blocks the CSF-1 receptor, and entinostat, a class I HDAC inhibitor.

We are developing SNDX-5613 in acute leukemias and axatilimab for use in cGVHD and potentially other fibrotic-macrophage driven diseases as single agents and in combination with approved drugs. We have deprioritized the development of entinostat but may opportunistically explore potential disease areas where entinostat could play an important therapeutic role. Key elements of our strategy include:

- Develop SNDX-5613 for the treatment of genetically defined leukemias. We believe that SNDX-5613 has the potential to treat at least two genetically defined acute leukemias: (i) MLLr and (ii) NPM1 AML. Our Phase 1/2 open-label AUGMENT-101 trial is ongoing, and we anticipate completing enrollment of the Phase 1 portion and begin enrollment of the Phase 2 portion in the second quarter of 2021. We expect to initiate a combination trial of SNDX-5613 with chemotherapy in the second half of 2021 and expect to initiate other combination trials of SNDX-5613 with other approved anti-leukemic agents.
- Develop axatilimab as a monotherapy in cGVHD. We are conducting the AGAVE-201 trial for the treatment of patients with cGVHD and are exploring the use of axatilimab to treat other fibrotic diseases where monocyte-derived macrophages have been shown to play a role.
- Leverage the technical and business expertise of our management team and scientific collaborators to license, acquire and develop additional cancer therapies to expand our pipeline. We acquired the exclusive rights to axatilimab in 2016 and to SNDX-5613 in 2017. We intend to continue leveraging the collective talent within our organization and network of advisors to guide our pipeline expansion and development plans.

Our Pipeline

SNDX-5613					
Menin inhibitor	Preclin.	Phase I	Phase II	Registrational	Indication(s)
AUGMENT-101 (monotherapy)		●			MLLr leukemias, NPM1c AML
Axatilimab (SNDX-6352)					
CSF-1R mAB	Preclin.	Phase I	Phase II	Registrational	Indication(s)
AGAVE-201 (monotherapy)				●	Chronic GVHD
SNDX-6352-503 (monotherapy)			●		Chronic GVHD
Entinostat (SNDX-275)					
Class I HDAC inhibitor	Preclin.	Phase I	Phase II	Registrational	Indication(s)
Entinostat					Under review

SNDX-5613

SNDX-5613 is a potent, orally active inhibitor of the high affinity interaction site on menin with the protein MLL1. This specific interaction is a key driver for two genetically defined acute leukemias: (i) MLLr and (ii) NPM1c AML. Both diseases have a poor prognosis with an unmet need. In preclinical testing, SNDX-5613 has demonstrated complete tumor regression and profound, dose-dependent and long-lasting survival benefit in leukemic models of disease.

Our near-term focus is to rapidly establish proof of concept that SNDX-5613 is a targeted therapy that can potentially provide meaningful clinical benefit to adult and pediatric leukemia patients having relapsed or refractory MLLr or NPM1c AML. Our IND application for SNDX-5613 was approved by the FDA in second quarter of 2019 and we commenced AUGMENT-101, a clinical trial consisting initially of a Phase 1 dose escalation portion to determine the maximum tolerated dose, or MTD, and recommended Phase 2 dose of SNDX-5613 in patients with acute leukemia. Upon completion of the Phase 1 portion of the trial and identification of the recommended Phase 2 dose, we will initiate the Phase 2 portion of the trial with patients to be enrolled in three indication-specific expansion cohorts to determine the efficacy, short- and long-term safety, and tolerability of SNDX-5613 in MLLr ALL, MLLr AML and NPM1c AML. We are conducting the trial at multiple centers and anticipate completing enrollment of the Phase 1 portion in the second quarter of 2021, with an expected total enrollment of up to 132 patients for the Phase 1/2 clinical trial.

Axatilimab

Axatilimab is a humanized monoclonal antibody that binds with high affinity to CSF-1R and blocks the binding of the two known CSF-1R ligands CSF-1 and IL-34. CSF-1R is expressed on the surface of specific immune cells known as macrophages and their precursor cells known as monocytes. Ligand activated CSF-1R signaling on these cells has been shown, in preclinical research studies, to be the key regulatory pathway leading to the systemic fibrotic disease manifestations in skin, lungs, and other tissues associated with cGVHD. Blocking CSF-1R activity with an experimental CSF-1R antibody in these studies was shown to prevent and treat the symptoms of cGVHD, including skin and lung fibrosis. We are developing axatilimab to bind to CSF-1R and block the ability of CSF-1 and IL-34 to activate CSF-1R signaling. We believe that by inhibiting CSF-1R activation on monocytes and macrophages, that axatilimab has the potential to be used to treat cGVHD and fibrotic diseases with a common underlying dependence on CSF-1R signaling.

Our near-term focus is to rapidly establish proof of concept that axatilimab can provide meaningful clinical benefit in patients with advanced cGVHD where prior therapies are no longer effective. In the fourth quarter of 2018, we opened enrollment in SNDX-6352-503, a Phase 1 dose escalation trial of axatilimab in patients with cGVHD. The objectives of this trial are to evaluate the safety and preliminary efficacy of axatilimab in cGVHD and to identify a required Phase 2 dose and schedule. Enrollment to the Phase 1 portion was completed in the fourth quarter of 2020 with dosing of 17 patients at dose levels of 0.15 mg/kg, 0.5 mg/kg, 1.0 mg/kg and 3.0 mg/kg every two weeks and 3.0 mg/kg every four weeks. We presented preliminary safety and efficacy data from the Phase 1 portion of the study at the annual American Society of Hematology conference in December 2020. Based on emerging data that suggested preliminary activity at 1.0 mg/kg, we amended the protocol in the fourth quarter of 2019 to add a Phase 2 expansion cohort of approximately 20 patients to further explore this dose level. We anticipate completing enrollment in the first quarter of 2021.

Based on the safety and efficacy of axatilimab in cGVHD established in the SNDX-6352-503 study, and in consultation with the FDA, we have designed and initiated a pivotal, registration-oriented study of axatilimab in cGVHD called AGAVE-201 (SNDX-6352-504). Enrollment to AGAVE-201 was opened in January 2021 and the study is planned to enroll up to 210 patients across three dose cohorts of 0.3 mg/kg and 1.0 mg/kg every two weeks, and 3.0 mg/kg every four weeks. We anticipate that top-line results from AGAVE-201 may be available in 2023.

Growing evidence from preclinical research studies in animal models of lung fibrosis, and analysis of blood and tissues samples taken from patients with lung fibrosis, suggests that monocytes and macrophages are critical regulators of the fibrotic disease process. In addition, recent data from preclinical experiments demonstrate that these disease associated monocytes and macrophages are CSF-1 dependent and that use of an anti-CSF-1R antibody blocks fibrosis in fibrotic disease models. We believe these data are consistent with the role that these cells play in cGVHD and that our clinical data with axatilimab in cGVHD supports testing axatilimab in lung fibrosis and other fibrotic diseases.

CSF-1R is also expressed on immuno-suppressive cells (e.g., TAMs) known to play a role in the growth, survival, and metastasis of cancer. Inhibition of CSF-1R is thought to disrupt the activity of TAMs, resulting in a decrease in the immunosuppressive environment immediately surrounding the tumor, or tumor micro-environment. We have completed a Phase 1 dose escalation trial of SNDX-6352-502, conducted at multiple centers in the United States, that studied axatilimab as a single agent and in combination with *Imfinzi*, AstraZeneca's human monoclonal antibody directed against PD-L1. The study enrolled 47 patients with advanced solid tumors and established the safety, pharmacokinetic and pharmacodynamic activity, and required Phase 2 dose of axatilimab as a single agent and in combination with *Imfinzi*. While our near-term focus is on establishing proof-of-concept for axatilimab in cGVHD and other fibrotic diseases we may conduct additional clinical trials in oncology indications with our academic collaborators.

Entinostat

Entinostat is our oral, small molecule product candidate that has direct effects on both cancer cells and immune regulatory cells, potentially enhancing the body's immune response to tumors. The favorable safety profile of entinostat has been demonstrated in clinical trials in more than 1,200 cancer patients. The long half-life of entinostat allows for once weekly dosing while also providing continuous exposure to therapy potentially resulting in positive efficacy benefits. Based on entinostat's ability to reverse hormone resistance, alter cancer stem cells, and modulate immunosensitivity, we believe entinostat may have broad applications in tumor types which have become resistant to hormone and/or immunotherapy.

Entinostat has also been shown to enhance the immune system's ability to identify and target tumor cells. It is now widely accepted that many tumors have the ability to evade the immune system either through direct cellular interactions and recruitment of immuno-suppressive cells to the area surrounding the tumor, or through parallel evasion-mechanisms focused on the interaction between the T cell with other immune cells found within the surrounding tumor microenvironment. Entinostat has been observed to decrease the population of immuno-suppressive cells known as myeloid-derived suppressor cells, or MDSCs, and regulatory T cells, or Tregs, which localize in the area surrounding the tumor and block T cells from killing cancer cells, while sparing the cytotoxic T cells. Through blocking the immuno-suppressive effects of MDSCs and Tregs, we believe entinostat has the potential to be used synergistically with therapies such as immune checkpoint inhibitors, resulting in the increased ability of the T cells to attack the tumor.

In May 2020, we reported final results of E2112, the Phase 3 clinical trial conducted by ECOG-ACRIN Cancer Research Group and sponsored by the National Cancer Institute, that evaluated the investigational compound entinostat plus exemestane in patients with advanced hormone receptor positive, human epidermal growth factor receptor 2 negative (HR+, HER2-) breast cancer. The trial did not achieve the primary endpoint of demonstrating a statistically significant overall survival benefit over hormone therapy alone. We have decided to deprioritize the entinostat program to focus resources on advancing the remainder of our pipeline.

COVID-19 Business Update

We have implemented business continuity plans designed to address and mitigate the impact of the ongoing COVID-19 pandemic on our employees and our business. While we are not experiencing financial impacts at this time, given the global economic slowdown, the overall disruption of global healthcare systems and the other risks and uncertainties associated with the pandemic, our business, financial condition, results of operations and growth prospects could be materially adversely affected. We continue to closely monitor the COVID-19 situation as we evolve our business continuity plans and response strategy. In March 2020, our workforce transitioned to working remotely. We are currently considering plans to reopen our offices to allow employees to return to the office, which will be based on an approach that is principles-based and local in design, with a focus on employee safety and optimal work environment.

Supply Chain

We are working closely our third-party manufacturers, distributors and other partners to manage our supply chain activities and mitigate potential disruptions to our product supplies as a result of the COVID-19 pandemic. We currently expect to have adequate supplies of SNDX-5613 and axatilimab. If the COVID-19 pandemic continues to persist for an extended period of time and begins to impact essential distribution systems such as FedEx and postal delivery or if it results in facility closures for cleaning and/or insufficient staff, we could experience disruptions to our supply chain and operations, and associated delays in the manufacturing and supply of our products, and to our clinical trial operations.

Clinical Development

With respect to clinical development, we have taken measures to implement remote and virtual approaches, including remote patient monitoring where possible, to maintain patient safety and trial continuity and to preserve study integrity. We have not yet, but may experience, a disruption or delay in our ability to initiate trial sites and enroll and assess patients. As the COVID-19 pandemic continues, we anticipate a potential impact on our ability to maintain patient enrollment in the AUGMENT-101 and cGVHD trials. We could also see an impact on the ability to supply study drug, report trial results, or interact with regulators, ethics committees or other important agencies due to limitations in regulatory authority employee resources or otherwise. In addition, we rely on contract research organizations or other third parties to assist us with clinical trials, and we cannot guarantee that they will continue to perform their contractual duties in a timely and satisfactory manner as a result of the COVID-19 pandemic. If the COVID-19 pandemic continues and persists for an extended period of time, we could experience significant disruptions to our clinical development timelines, which would adversely affect our business, financial condition, results of operations and growth prospects.

Corporate Development

With our strong cash balance, we anticipate having sufficient liquidity to make planned investments in our business this year in support of our long-term growth strategy. We believe that our cash, cash equivalents and marketable securities as of March 11, 2021 will fund our current operating plans through at least the next 12 months. However, our operating plan 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, third-party funding, marketing and distribution arrangements, as well as other collaborations, strategic alliances and licensing arrangements, or any combination of these approaches. However, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. If the disruption persists and deepens, we could experience an inability to access additional capital, which could in the future negatively affect our operations.

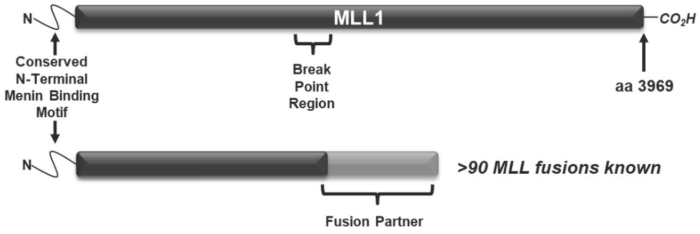
Other Financial and Corporate Impacts

While we continue to evaluate whether the COVID-19 pandemic will adversely affect our business operations and financial results, our clinical development and regulatory efforts, our corporate development objectives and the value of and market for our common stock, will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in the United States, Europe and other countries, and the effectiveness of actions taken globally to contain and treat the disease. For example, if remote work policies for certain portions of our business, or that of our business partners, are extended longer than we currently expect, we may need to reassess our priorities and our corporate objectives for the year.

SNDX-5613

Rationale for Targeting MLLr

MLLr leukemias arise by rare, spontaneous translocations at the MLL1 locus (11q23). It is estimated that approximately 10% of AML and ALL harbor this MLL-re-arrangement with a worldwide incidence of approximately 5,000 to 7,000 cases per year. These translocations generate oncogenic fusion proteins with more than 90 different MLL fusions currently known. All MLL fusion proteins bind with high affinity to the chromatin associated protein menin through a conserved N-terminal sequence. This specific interaction with menin enables an aberrant transcription program that drives leukemic transformation. In pre-clinical animal models, small molecule inhibitors of the menin-MLL interaction have demonstrated deep and durable single agent treatment effects in multiple leukemic xenografts harboring MLL fusions. Inhibiting the menin-MLL1 interaction



represents a novel targeted strategy for the treatment of MLLr leukemias.

Today, the first choice therapy for both MLLr AML and MLLr ALL, still relies heavily on intensive chemotherapy, if a patient can tolerate such treatment. Despite these patients being routinely diagnosed, there are currently no targeted therapies approved to treat patients with MLLr acute leukemias. Currently only one other clinical stage agent, another menin-inhbitor that is being developed by Kura Oncology, KO-539, is in clinical development for the treatment of MLLr AML and MLLr ALL, and it is currently also undergoing a Phase 1 dose escalation trial.

Rationale for Targeting Nucleophosmin 1 Mutant AML

NPM1 is among the most frequently mutated genes in AML, found in approximately 30% of AML cases for an incidence of approximately 20,000 cases per year. Mutations in NPM1 lead to the aberrant cytoplasmic localization of the mutants, termed NPM1c. Loss of NPM1c from the nucleus leads to suppression of differentiation and enables a leukemic transcription program that relies critically on the menin-MLL1 complex to drive and maintain the program. As a result, NPM1c harboring cells are sensitive to menin-MLL interaction inhibitors. In NPM1c cells, inhibition of the menin-MLL interaction suppresses the leukemic transcription program, causing growth arrest, terminal differentiation and cell death. In animal models, small molecule inhibitors of the menin-MLL interaction have demonstrated deep and durable single agent treatment effects in multiple NPM1c xenografts. Based on these findings, blocking the menin-MLL1 interaction represents a novel targeted strategy for the treatment of NPM1c AML.

Like MLLr, NPM1 is readily diagnosed as part of the standard AML patient work-up today, and yet there are no approved targeted therapies approved to treat patients with a NPM1 mutant AML. There are 2 additional clinical stage agents currently advancing as a treatment for NPM1 mutant AML, another menin inhibitor that is being developed by Kura Oncology, KO-539, is also undergoing a Phase 1 dose escalation trial, and a SYK inhibitor being developed by Kronos Bio, entosplentinib, expected to initiate a Phase 2 trial in 2021.

Axatilimab in GVHD

cGVHD, an immune response of the donor-derived hematopoietic cells against recipient tissues, is a serious, potentially life-threatening complication of allogeneic hematopoietic stem cell transplantation, or HSCT, that can last for years. cGVHD is estimated to develop in approximately 40% of transplant recipients and affects approximately 14,000 patients in the United States. cGVHD typically manifests across multiple organ systems, with the skin and mucosa being commonly involved, and is characterized by the development of fibrotic tissue

The first line of therapy for cGVHD is typically corticosteroids, though approximately 50% of patients may require treatment with additional systemic therapies, such as extracorporeal photopheresis, cytostatic agents such as mycophenolate moftetil, methotrexate, and immunmodulators such as rituximab, IL-2. *Imbruvica*® (ibrutinib), a BTK inhibitor, is the only FDA-approved therapy for cGVHD and is indicated for use after one or more lines of therapy. *Imbruvica* received approval based on Phase 1/2 clinical trial data that showed a 68% overall response rate, with 48% of responses lasting 20 weeks or longer and reduced dependence on steroids for most patients. Two other agents, KD-025, a ROCK2 inhibitor being developed by Kadmon Holdings, and Jakafi® (Ruxolitinib), a JAK inhibitor being developed by Incyte, have recently reported positive results in their registration-directed clinical trials for patients with cGVHDa. While all three agents have shown a benefit in improving symptoms of this disease, none have demonstrated an improvement in long-term outcomes and a significant unmet medical need still remains for this patient population. Additionally, all 3 new agents, Imbruvica, Jakafi and KD-025 are believed to exert their effect through T- and B-cells, with minimal impact on macrophages. By inhibiting the work of monocyte-derived macrophages, Axatilimab, provides a differentiated way to treat cGVHD, which we expect is ultimately expected to have a more pronounced impact on the fibrotic process. We also believe that shifting CSF-1R inhibition earlier in the treatment phase of cGVHD, to minimize formation of fibrotic tissue, could have a meaningful long-term impact on the disease process itself.

Collaborations

NCI and Investigator Collaborations

Collaborative Research and Development Agreement with the NCI related to Entinostat

Our collaboration with the NCI is governed by a CRADA between us and the NCI. The CRADA was originally signed by Mitsui Pharmaceuticals, Inc., or Mitsui, and was then assigned to Schering AG following Schering AG's acquisition of Mitsui. In 2007, Schering AG, then known as Bayer Schering Pharma AG, agreed to assign the CRADA to us in connection with the execution of a license, development and commercialization agreement, or the Bayer license agreement, with Bayer.

Under the CRADA, as amended, the NCI sponsors clinical studies on entinostat using researchers at the NCI as well as NCI-funded researchers at other institutions, including ECOG-ACRIN and JHU. In return, we receive access to the data generated in these clinical studies, and we are obligated to supply the clinical trial sites with sufficient quantities of entinostat. Additionally, we are required to make an annual payment to a particular NCI laboratory to help support certain research studies related to this and other clinical trial. We have no other payment obligations under the CRADA.

We own any intellectual property generated in the course of the collaboration with the NCI, or Collaboration IP, to the extent that Collaboration IP is generated by our employees. We also have an exclusive option to obtain an exclusive or non-exclusive commercialization license under Collaboration IP generated by the NCI. With respect to any Collaboration IP that is owned by or licensed to us, we have agreed to grant the United States government a non-exclusive license to practice or have practiced this Collaboration IP throughout the world by or on behalf of the government for research or other government purposes.

Either party may terminate the CRADA either by mutual consent or unilaterally upon advance written notice to the other party. Absent such early termination, the CRADA will expire on May 21, 2023. As we have in the past, we expect to renew the CRADA at that time.

Clinical Trial Agreement with Eastern Cooperative Oncology Group

In March 2014, we entered into a clinical trial agreement with Eastern Cooperative Oncology Group, a contracting entity for ECOG-ACRIN, which describes the parties' obligations with respect to the NCI-sponsored pivotal Phase 3 clinical trial of entinostat. Under the terms of the clinical trial agreement, ECOG-ACRIN is performing this clinical trial in accordance with the clinical trial protocol and a mutually agreed scope of work. In January 2015, we amended the agreement to provide for additional patient site reimbursement funds, which will be paid based on milestone-based payments. We have provided a fixed level of financial support for the clinical trial through an upfront payment of $0.7 million and a series of time- and milestone-based payments of up to $1.0 million each that are comprised of milestone payments through the completion of enrollment and time-based payments through the completion of patient monitoring post-enrollment. In addition, we are obligated to supply entinostat and placebo to ECOG-ACRIN for use in the clinical trial. From the second quarter of 2016 through the fourth quarter of 2018, we have entered into a number of amendments to the agreement to provide for additional study activities resulting in an increase of the contractual obligation of $5.3 million. We have agreed to provide this additional financial support to fund the additional activities required to ensure that the E2112 clinical trial will satisfy FDA registration requirements. As of December 31, 2020, our aggregate payment obligations under this agreement are approximately $24.7 million; and our remaining obligations under this agreement were $3.2 million over an estimated period of approximately one year. As of December 31, 2020, we have accrued $1.6 million related to the ECOG Agreement.

ECOG-ACRIN owns data and inventions from the Phase 3 clinical trial. We have access to the data generated in the clinical trial, both directly from ECOG-ACRIN under the clinical trial agreement, as well as from the NCI through our agreement with it. Additionally, ECOG-ACRIN has granted us a non-exclusive license to any inventions or discoveries that are derived from entinostat as a result of its use during the clinical trial, along with a first right to negotiate an exclusive license to any of these inventions or discoveries.

Either party may terminate the clinical trial agreement in the event of an uncured material breach by the other party or if the FDA or NCI withdraws the authorization to perform the clinical trial in the United States. The parties may jointly terminate the clinical trial agreement if the parties agree that safety-related issues support termination.

Collaborative Research and Development Agreement with the NCI related to Axatilimab and Entinostat

In September 2016, we entered into an additional collaboration with the NCI related to both entinostat and axatilimab. Under the CRADA, the NCI sponsors preclinical and clinical studies on entinostat and axatilimab using researchers at the NCI as well as NCI-funded researchers at other institutions. In return, we receive access to the data generated in these preclinical and clinical studies and we are obligated to supply the laboratories and clinical trial sites with sufficient quantities of entinostat and axatilimab. Additionally, we are required to make an annual payment to a particular NCI laboratory to help support certain research studies related to this and other preclinical and clinical trials. We have no other payment obligations under the CRADA.

We own all intellectual property generated during the collaboration with the NCI, or Axatilimab Collaboration IP, to the extent that Axatilimab Collaboration IP is generated by our employees. We also have an exclusive option to obtain an exclusive or non-exclusive commercialization license under Axatilimab Collaboration IP generated by the NCI. With respect to any Axatilimab Collaboration IP that is owned by or licensed to us, we have agreed to grant the U.S. government a non-exclusive license to practice or have practiced this Axatilimab Collaboration IP throughout the world by or on behalf of the government for research or other government purposes.

License Agreement

Kyowa Kirin

In December 2014, we entered into a license, development and commercialization agreement with Kyowa Kirin Co., Ltd., or KKC, under which we granted KKC an exclusive license under our intellectual property rights to develop and commercialize entinostat in Japan and Korea. This license includes a sublicense under the rights we received under the Bayer license agreement. If we acquire or develop any other anti-cancer drug that, like entinostat, is a selective inhibitor of Class I HDAC, such drug will be included in this license as well. We will manufacture and supply entinostat to KKC during the term of the agreement, and such obligation may continue for a longer period if KKC continues to sell entinostat following expiration of the agreement or termination of the agreement for our breach. During the term of the agreement, subject to certain exceptions, each party is prohibited from commercializing in the Japan and Korea any other selective inhibitor of Class I HDACs for the same indication as entinostat, with all forms of cancer being treated as the same indication.

We received an upfront license fee of $17.5 million, and KKC purchased 536,049 shares of our Series B-1 Preferred Stock for an aggregate price of approximately $7.5 million. We are eligible to receive up to $50.0 million in development and regulatory milestone payments and up to $25.0 million in sales milestone payments. In October 2017, we announced that KKC dosed the first patient in a randomized, double-blind, placebo-controlled, pivotal Phase 2 trial of entinostat (designated KHK2375 by KKC), in combination with exemestane versus exemestane plus placebo in Japanese patients with advanced or recurrent HR+, HER2- breast cancer. Enrollment of the first patient in this trial triggered a $5 million milestone payment to us from KKC.

KKC will pay us a transfer price for the supply of entinostat as well as royalties on net sales of entinostat above a specified threshold each calendar year by KKC, its affiliates and sublicensees in the low single digits. Royalty payment obligations will be payable in each country in the KKC territory until the later to occur of (i) the date that all valid claims of the last effective license patent in such country expires or is abandoned, withheld or otherwise invalidated and (ii) 15 years from the date of first commercial sale of entinostat in such country. Any payments owed to Bayer as a result of KKC development and commercialization of entinostat in the KKC territory will be made by us out of the payments we receive from KKC.

The agreement with KKC will expire with respect to each country in the KKC territory upon the expiration of all royalty payment obligations in such country. In addition, we may terminate the agreement in its entirety upon written notice to KKC if KKC or any affiliate commences any action or proceeding that challenges the validity, enforceability or scope of any licensed patent in the KKC territory. KKC may terminate the agreement in its entirety for convenience at any time upon advance notice to us. Either party may terminate the agreement for the other party's uncured material breach, or bankruptcy or related actions or proceedings. If we commit an uncured material breach of certain provisions of the agreement, KKC may, instead of terminating the agreement, elect to continue the agreement in full force and effect except certain payments to us will be reduced.

Sales and Marketing

Given our stage of development, we have not yet established a commercial organization or distribution capabilities. We intend to build a commercial infrastructure to support sales of our product candidates in the United States. Our targeted sales force will focus on a well-defined group of medical oncologists, primarily in the non-hospital and academic settings, who are responsible for the care and treatment of cancer patients. We expect to manage sales, marketing and distribution through internal resources and third-party relationships. While we may commit significant financial and management resources to commercial activities, we would also consider collaborating with one or more pharmaceutical companies to enhance our commercial capabilities. Outside the United States, we plan to rely on our current partners and may seek additional pharmaceutical partners for sales and marketing activities.

Manufacturing

We do not own or operate manufacturing facilities for the production of axatilimab, SNDX-5613 or entinostat, and we do not have plans to develop our own manufacturing operations in the foreseeable future. We currently rely on third-party contract manufacturers for all of our required raw materials, active pharmaceutical ingredients and

finished product for our preclinical research and clinical trials. We do not have any current contractual relationship for the manufacture of commercial supplies. If axatilimab, SNDX-5613 or entinostat is approved by any regulatory agency, we intend to enter into agreements with a third-party contract manufacturer and one or more backup manufacturers for the commercial production of such product. Development and commercial quantities of any products that we develop will need to be manufactured in facilities, and by processes, that comply with the requirements of the FDA and the regulatory agencies of other jurisdictions in which we are seeking approval.

Intellectual Property

Patents and Property Rights

Through licensed intellectual property and our owned intellectual property, we seek patent protection in the United States and internationally for our product candidates, their methods of use and processes for their manufacture, as well as for other technologies, where appropriate. Our policy is to actively seek to protect our proprietary position by, among other things, filing patent applications in the United States and abroad claiming our proprietary technologies that are important to the development of our business. We also rely on trade secrets, know-how, continuing technological innovation and in-licensing opportunities to develop and maintain our proprietary position.

We cannot be sure that patents will be granted with respect to any of our owned or licensed pending patent applications or with respect to any patent applications filed by us or our licensors in the future, nor can we be sure that any of our existing owned or licensed patents or any patents that may be granted to us or to our licensors in the future will protect our technology. Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for the technologies that we consider important to our business, defend our patents, preserve the confidentiality of our trade secrets, operate our business without infringing the patents and proprietary rights of third parties, and prevent third parties from infringing our proprietary rights.

Axatilimab Patent Portfolio

We in-licensed from UCB a patent portfolio directed to axatilimab. As of December 31, 2020, the axatilimab composition-of-matter patent portfolio included two granted U.S. patents, seven allowed non-U.S. applications, eight granted non-U.S. patents and 23 non-U.S. pending patent applications.[1] The in-licensed granted patents covering axatilimab, and any non-U.S. pending applications should they issue, will expire in August 2034 or later should patent term extension be granted.

Our in-licensed patent portfolio also includes pending U.S. and non-U.S. patent applications directed to methods for the treatment and/or prophylaxis of fibrotic disease by administration of an inhibitor of CSF-1R activity, methods for the treatment and/or prophylaxis of inflammatory bowel disease, or IBD, by administration of an inhibitor of CSF-1R activity, and liquid pharmaceutical compositions of anti-CSF-1R antibodies. If these pending applications were to issue as one or more patents, these patents would expire between November 2024 and February 2036 or later should patent term extension be granted. Further, the in-licensed portfolio includes three non-U.S. patents directed to methods of treating solid tumors by administration of an inhibitor of CSF-1R activity. The three patents expired in October 2020.

Our owned axatilimab patent portfolio consists of one pending international patent application under the Patent Cooperation Treaty, or PCT, directed to treatment regimens and methods of using axatilimab. If this PCT application were to issue as one or more patents, these patents would expire in December 2040 or later should patent term extension be granted. Our owned axatilimab patent portfolio also consists of a U.S. provisional patent application directed to another method of use. If this provisional application were to issue as one or more patents, these patents would expire in April 2041 or later should patent term extension be granted.

[1] These numbers are correct as to the best of our knowledge according to the records provided by the licensor.

Menin Asset Patent Portfolio

We in-licensed from Vitae Pharmaceuticals, Inc., a subsidiary of AbbVie plc, a patent portfolio directed to a series of selective preclinical inhibitors targeting the binding interaction of menin with MLL-r. As of December 31, 2020, the in-licensed portfolio included one granted U.S. patent, U.S. Patent No. 10,683,302, one allowed U.S. application, a granted European patent, which was validated in 30 member states, two pending U.S. applications and 28 non-U.S. pending patent applications covering composition of matter and methods of treating, e.g., MLL. The granted patent based on the in-licensed applications is expected to expire June 2037 or later should patent term extension be granted. If the in-licensed applications were to issue as one or more patents, these patents would expire between June 2037 and September 2037.

Our owned menin patent portfolio consists of a U.S. provisional application directed to combination treatments. If this provisional application were to issue as one or more patents, these patents would expire in April 2041 or later should patent term extension be granted.

Entinostat Patent Portfolio

We strive to protect entinostat with multiple layers of patents. As of December 31, 2020, our portfolio included one owned U.S. provisional patent application, five owned pending U.S. non-provisional patent applications, one owned granted U.S. patent, U.S. Patent No. 10,226,472,, five granted non-U.S. patents (including one Canadian patent jointly owned with The Regents of the University of Colorado), one allowed non-U.S. application, and 66 owned non-U.S. pending patent applications. Also, we have filed national phase applications in the Eurasia Regional Patent Office, Ukraine and Georgia based on our owned PCT application directed to treatment of selected breast cancer patients with a combination of entinostat and exemestane. We have assigned our rights to the application we filed in the Eurasia Regional Patent Office to Domain Russia Investments Limited, or DRI. We have also assigned our rights to the applications we filed in Ukraine and Georgia to NovaMedica LLC, or NovaMedica. We have also filed national phase applications based on our owned PCT application directed to treatment of selected breast cancer patients with the combination of entinostat and exemestane in the U.S. Patent and Trademark Office, or USPTO, the European Patent Office, or EPO, China, India, Australia, Canada, Japan, South Korea, South Africa, Brazil and Mexico. Our owned entinostat patent portfolio includes pending U.S. and ex-U.S. patent applications directed to methods of treating cancer patients by administration of entinostat according to selected dosing regimens, methods of treating cancer patients by administration of entinostat in combination with an HER2 inhibitor, and treatments with entinostat combined with anti PD-1 or anti PD-L1 antibodies. Our owned pending PCT applications relate to entinostat and CSF-1 or CSF-1R combination therapies and patient selection for combination therapy comprising entinostat and a second therapeutic agent, respectively. If our owned pending U.S. applications and non-U.S. filings based on our owned PCT applications were to issue as one or more patents, these patents would expire between April 2029 and May 2039.

The patent portfolio we licensed from Bayer contains a number of issued U.S. and foreign patents as well as patent applications pending outside the United States. A number of the patents and patent applications we licensed from Bayer are directed to entinostat while other patents and patent applications are directed to compounds other than entinostat. As of December 31, 2019, the portfolio we licensed from Bayer included seven issued U.S. patents, 62 granted non-U.S. patents and 17 patent applications pending in non-U.S. patent offices. For example, the portfolio we licensed from Bayer includes reissue U.S. Patent RE39,754, which covers a genus of benzamide compounds including entinostat or SNDX-275. RE39,754 is a composition of matter patent having an initial term which expired in September 2017.

The portfolio we licensed from Bayer also includes U.S. Patent 7,973,166, or the ’166 patent, which covers a crystalline polymorph of entinostat which is referred to as crystalline polymorph B, the crystalline polymorph used in the clinical development of entinostat. Many compounds can exist in different crystalline forms. A compound which in the solid state may exhibit multiple different crystalline forms is called polymorphic, and each crystalline form of the same chemical compound is termed a polymorph. A new crystalline form of a compound may arise, for example, due to a change in the chemical process or the introduction of an impurity. Such new crystalline forms may be patented. By comparison, the U.S. Patent RE39,754, which expired in September 2017, covers the chemical entity of entinostat and any crystalline or non-crystalline form of entinostat. On March 7, 2014, our licensor Bayer applied for reissue of the ‘166 patent. The reissue application sought to add three additional inventors to the ‘166 patent. The reissue was granted as RE45,499 on April 28, 2015, at which time the original ‘166 patent was surrendered. The reissue patent has the same force and effect as the original ‘166 patent and the same August 2029 expiration date.

Of the 62 foreign-granted patents we licensed from Bayer, 26 are foreign counterparts of the ‘166 patent (now RE45,499) that cover crystalline polymorph B, the granted European patent comprises 37 national countries that all been validated, and the granted Eurasian patent comprises nine countries that have all been validated. Likewise, 15 of the 17 pending foreign applications are counterparts of the ‘166 crystalline polymorph B patent. Other patents and patent applications in the licensed Bayer portfolio cover methods of treatment by administration of entinostat. For example, U.S. Patent 7,317,028, which expired in October 2017, covers methods of treating selected cancers by administration of entinostat; U.S. Patent 7,687,525, which also expired in September 2017, covers methods of treating autoimmune disease by administration of entinostat; U.S. Patent 6,320,078, which expired in July 2019, covers methods of manufacturing entinostat; U.S. Patent No. 8,026,239, which expired in September 2017, covers methods of treating certain malignant tumors by administration of a compound within a subgenus of benzamide compounds including entinostat; U.S. Patent RE40,703, which expired in September 2017, covers a subgenus of benzamide compounds that does not include entinostat; and U.S. Patent 6,794,392, which expired in September 2017, covers a subgenus of benzamide compounds that does not include entinostat.

Patent Term

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing the earliest non-provisional application or PCT application.

In the United States, a patent’s term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. The term of a patent that covers an approved drug may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during the development and regulatory review process. To obtain a patent extension in the United States, the term of the relevant patent must not have expired before the extension application, the patent cannot have been extended previously under this law, an application for extension must be submitted, the product must be subject to regulatory review prior to its commercialization, and the permission for the commercial marketing or use of the product after such regulatory review period is the first permitted commercial marketing or use of the product. If our future products contain active ingredients which have not been previously approved, we may be eligible for a patent term extension in the United States. In the United States, we expect to seek extension of patent terms under the Drug Price Competition and Patent Term Restoration Act of 1984, which permits a patent term extension of up to five years beyond the expiration of the patent for patent claims covering a new chemical entity. If patent extensions are available to us outside of the United States, we would expect to file for a patent term extension in applicable jurisdictions.

In-Licensed Intellectual Property

License, Development and Commercialization Agreement with Bayer

In March 2007, we entered into the Bayer license agreement pursuant to which we obtained a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. The Bayer license agreement, as amended, permits us to use entinostat or other licensed products for the treatment of any human disease, and we are obligated to use commercially reasonable efforts to develop, manufacture and commercialize licensed products for all commercially reasonable indications. Initially, Bayer manufactured and supplied our requirements of entinostat, but effective May 2012, manufacturing rights and responsibility for entinostat was transferred to us, by mutual agreement of the parties.

In connection with the execution of the Bayer license agreement, we paid Bayer an upfront license fee of $2.0 million. We are also obligated to pay up to approximately $50.0 million in the aggregate upon obtaining certain milestones in the development and marketing approval of entinostat, assuming that we pursue at least two different indications for entinostat or any other licensed product.

We are also obligated to pay Bayer up to $100.0 million in aggregate sales milestones, and a tiered single-digit royalty on net sales by us, our affiliates and sublicensees of entinostat and any other licensed products under the Bayer license agreement. We are obligated to pay Bayer these royalties on a country-by-country basis for the life of the relevant licensed patents covering such product or 15 years after the first commercial sale of such product in such country, whichever is longer. We cannot determine the date on which our royalty payment obligations to Bayer would expire because no commercial sales of entinostat have occurred and the last-to-expire relevant patent covering entinostat in a given country may change in the future.

The Bayer license agreement will remain in effect until the expiration of our royalty obligations under the agreement in all countries. Upon expiration of the agreement our licenses become fully paid-up and irrevocable. Either party may terminate the Bayer license agreement in its entirety or with respect to certain countries in the event of an uncured material breach by the other party. Either party may terminate the Bayer license agreement if voluntary or involuntary bankruptcy proceedings are instituted against the other party, if the other party makes an assignment for the benefit of creditors, or upon the occurrence of other specific events relating to the insolvency or dissolution of the other party. Bayer may terminate the Bayer license agreement if we seek to revoke or challenge the validity of any patent licensed to us by Bayer under the Bayer license agreement or if we procure or assist a third party to take any such action.

License Agreement with UCB

In July 2016, we entered into a license agreement with UCB, or the UCB license agreement, under which UCB granted us a worldwide, sublicenseable, exclusive license to UCB6352, which the Company refers to as axatilimab. The UCB license agreement permits us to use axatilimab or other licensed products for all human uses, including treatment, prevention and diagnostic uses, in all indications, diseases, conditions or disorders, and we are obligated to use commercially reasonable efforts to develop, obtain regulatory approval and commercialize a certain licensed product.

In consideration for the license grant, we made a nonrefundable upfront payment of $5.0 million to UCB in the third quarter of 2016. Additionally, subject to the achievement of certain milestone events, we may be required to pay UCB up to $119.5 million in one-time development and regulatory milestone payments over the term of the UCB license agreement. In the event that we or any of our affiliates or sublicensees commercializes axatilimab, we will also be obligated to pay UCB low double-digit royalties on sales, subject to reduction in certain circumstances, as well as up to an aggregate of $250.0 million in potential one-time, sales-based milestone payments based on achievement of certain annual sales thresholds. Under certain circumstances, we may be required to share a percentage of non-royalty income from sublicensees, subject to certain deductions, with UCB. We are solely responsible for the development and commercialization of axatilimab. In July 2020, we achieved certain development and regulatory milestones. As a result, in July 2020, we recorded $2.0 million as research and development expense, which has been paid as of December 31, 2020.

Each party may terminate the UCB license agreement for the other party’s uncured material breach or insolvency; and we may terminate the UCB license agreement at will at any time upon advance written notice to UCB. UCB may terminate the UCB license agreement if we or any of our affiliates or sublicensees institutes a legal challenge to the validity, enforceability, or patentability of the licensed patent rights. Unless terminated earlier in accordance with its terms, the UCB license agreement will continue on a country-by-country and product-by-product basis until the later of: (i) the expiration of all of the licensed patent rights in such country; (ii) the expiration of all regulatory exclusivity applicable to the product in such country; and (iii) 10 years from the date of the first commercial sale of the product in such country.

License Agreement with Vitae Pharmaceuticals, Inc.

In October 2017, we entered into a license agreement with Vitae Pharmaceuticals, Inc., a subsidiary of AbbVie plc, or the AbbVie License Agreement, under which Vitae granted us an exclusive, sublicenseable, worldwide license to, preclinical, orally-available, small molecule inhibitors of the interaction of menin with the MLL protein, or the Menin Assets. We made a nonrefundable upfront payment of $5.0 million to Vitae in the fourth quarter of 2017. Additionally, subject to the achievement of certain milestone events, we may be required to pay Vitae up to an aggregate of $99 million in one-time development and regulatory milestone payments over the term

of the AbbVie License Agreement. In the event that we or any of its affiliates or sublicensees commercializes the Menin Assets, we will also be obligated to pay Vitae low single to low double-digit royalties on sales, subject to reduction in certain circumstances, as well as up to an aggregate of $70.0 million in potential one-time, sales-based milestone payments based on achievement of certain annual sales thresholds. Under certain circumstances, we may be required to share a percentage of non-royalty income from sublicensees, subject to certain deductions, with Vitae. We are solely responsible for the development and commercialization of the Menin Assets. In June 2019, we achieved certain development and regulatory milestones. As a result, in June 2019, we recorded $4.0 million as research and development expense. The $4.0 million plus accrued interest was paid in May 2020.

Each party may terminate the AbbVie License Agreement for the other party's uncured material breach or insolvency; and we may terminate the AbbVie License Agreement at will at any time upon advance written notice to Vitae. Vitae may terminate the AbbVie License Agreement if we or any of its affiliates or sublicensees institutes a legal challenge to the validity, enforceability, or patentability of the licensed patent rights. Unless terminated earlier in accordance with its terms, the AbbVie License Agreement will continue on a country-by-country and product-by-product basis until the later of: (i) the expiration of all of the licensed patent rights in such country; (ii) the expiration of all regulatory exclusivity applicable to the product in such country; and (iii) 10 years from the date of the first commercial sale of the product in such country.

Confidential Information and Inventions Assignment Agreements

We require our employees and consultants to execute confidentiality agreements upon the commencement of employment, consulting or collaborative relationships with us. These agreements provide that all confidential information developed or made known during the course of the relationship with us be kept confidential and not disclosed to third parties except in specific circumstances.

In the case of employees, the agreements provide that all inventions resulting from work performed for us, utilizing our property or relating to our business and conceived or completed by the individual during employment shall be our exclusive property to the extent permitted by applicable law. Our consulting and service agreements also provide for assignment to us of any intellectual property resulting from services performed for us.

Government Regulation and Product Approval

United States Government Regulation

In the United States, the FDA regulates drugs and biologics under the Federal Food, Drug, and Cosmetic Act, or FDCA, the Public Health Service Act, and related regulations. Drugs and biologics are also subject to other federal, state and local statutes and regulations. The FDA and comparable regulatory agencies in state and local jurisdictions impose substantial requirements upon, among other things, the testing, development, manufacture, quality control, safety, purity, potency, labeling, storage, distribution, record keeping and reporting, approval, import and export, advertising and promotion, and postmarket surveillance of drugs and biologics.

Biopharmaceutical Product Development Process

The process required by the FDA before biopharmaceutical products may be marketed in the United States generally involves the following:

- completion of extensive preclinical laboratory tests and animal studies in accordance with applicable regulations, including the FDA's good laboratory practice, or GLP regulations;
- submission of an IND application which must become effective before clinical trials may begin;
- performance of adequate and well-controlled human clinical trials in accordance with applicable regulations, including the FDA's current good clinical practice, or GCP, regulations to establish the safety and efficacy of the proposed drug for its intended use or uses;
- submission to the FDA of an NDA for a new drug product or a Biologics License Application, or BLA, for biologics;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to accept the application for filing and review;

- satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the drug or biologic is produced to assess compliance with the FDA's current Good Manufacturing Practices, or cGMP, regulations to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality and purity;
- potential FDA audit of the preclinical and/or clinical trial sites that generated the data in support of an NDA or BLA; and
- FDA review and approval of an NDA or BLA prior to any commercial marketing or sale of the biopharmaceutical product in the United States.

Before testing any compounds with potential therapeutic value in humans, the product candidate enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry and formulation, as well as animal studies to assess the potential safety, toxicity profile and activity of the product candidate. The conduct of the preclinical tests must comply with federal regulations and requirements including GLPs.

Prior to commencing the first clinical trial in humans, an IND must be submitted to the FDA, and the IND must become effective. A sponsor must submit preclinical testing results to the FDA as part of the IND and the FDA must evaluate whether there is an adequate basis for testing the drug in humans. The IND automatically becomes effective 30 days after receipt by the FDA unless the FDA within the 30-day time period raises concerns or questions about the submitted data or the conduct of the proposed clinical trial and places the IND on clinical hold. In such case, the IND application sponsor must resolve any outstanding concerns with the FDA before the clinical trial may begin. A separate submission to the existing IND application must be made for each successive clinical trial to be conducted during product development. Further, an independent Institutional Review Board, or IRB, for each site proposing to conduct the clinical trial must review and approve the protocol and informed consent for any clinical trial before it commences at that site. Informed consent must also be obtained from each study subject. Regulatory authorities, an IRB, a data safety monitoring board or the trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the participants are being exposed to an unacceptable health risk.

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

- Phase 1—The drug is initially given to healthy human subjects or patients and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness.
- Phase 2—The drug is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases or conditions and to determine dosage tolerance, optimal dosage and dosing schedule.
- Phase 3—Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall benefit-risk ratio of the product and to provide an adequate basis for product approval by the FDA.

Post-approval studies, or Phase 4 clinical trials, may be conducted after initial marketing approval. These studies may be required by the FDA as a condition of approval and are used to gain additional experience from the treatment of patients in the intended therapeutic indication. The FDA also has express statutory authority to require post-market clinical studies to address safety issues.

The FDCA permits the FDA and an IND sponsor to agree in writing on the design and size of clinical studies intended to form the primary basis of a claim of effectiveness in an NDA or BLA. An SPA agreement is not a guarantee of product approval by the FDA or approval of any permissible claims about the product. The FDA retains significant latitude and discretion in interpreting the terms of the SPA agreement and the data and results from any study that is the subject of the SPA agreement. In particular, the SPA agreement is not binding on the FDA if previously unrecognized public health concerns later come to light, other new scientific concerns regarding product safety or efficacy arise, the IND sponsor fails to comply with the protocol agreed upon, or the relevant data, assumptions, or information provided by the IND sponsor when requesting an SPA agreement change, are found to be false statements or misstatements, or are found to omit relevant facts. An SPA agreement may not be changed by the sponsor or the FDA after the trial begins except with the written agreement of the sponsor and the FDA, or if the FDA determines that a substantial scientific issue essential to determining the safety or effectiveness of the drug was identified after the testing began.

Some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated checkpoints based on access to certain data from the study. A sponsor may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product candidate as well as 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 drug candidate and, among other things, must include developed methods for testing the identity, strength, quality and purity of the finished product. Additionally, 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.

FDA Review and Approval Processes

In order to obtain approval to market a biopharmaceutical product in the United States, a marketing application must be submitted to the FDA that provides data establishing to the FDA's satisfaction the safety and effectiveness of the investigational drug for the proposed indication. Each NDA or BLA submission requires a substantial user fee payment unless a waiver or exemption applies. The application includes all relevant data available from pertinent nonclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators.

The FDA will initially review an NDA or BLA for completeness before it accepts it for filing. The FDA has 60 days from its receipt of an application to determine whether the application will be accepted for filing based on the agency's threshold determination that the application is sufficiently complete to permit substantive review. If it is not, the FDA may refuse to file the application and request additional information, in which case the application must be resubmitted with the supplemental information, and review of the application is delayed. After an NDA or BLA submission is accepted for filing, the FDA reviews the application to determine, among other things, whether the proposed product is safe and effective for its intended use, and whether the product is being manufactured in accordance with cGMP to assure and preserve the product's identity, strength, quality and purity. The FDA may refer applications for novel drug products or drug products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and, if so, under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Upon the filing of an NDA or BLA, the FDA may grant a priority review designation to a product, which sets the target date for FDA action on the application at 6 months, rather than the standard 10 months. Priority review is given for drug that treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness. Priority review designation does not change the scientific or medical standard for approval or the quality of evidence necessary to support approval.

Before approving an NDA or BLA, the FDA will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA or BLA, the FDA may inspect one or more clinical sites to assure compliance with GCP.

After the FDA completes its initial review of an NDA or BLA, it will communicate to the sponsor that the product is approved, or it will issue a complete response letter to communicate that the application will not be approved in its current form and inform the sponsor of changes that must be made or additional clinical, nonclinical or manufacturing data that must be received before the application can be approved.

Even if a product candidate receives regulatory approval, the approval may be limited to specific disease states, patient populations and dosages, or might contain significant limitations on use in the form of warnings, precautions or contraindications, or in the form of onerous risk management plans, restrictions on distribution, or post-marketing study requirements. For example, the FDA may require Phase 4 testing, which involves clinical trials designed to further assess a drug's safety and effectiveness and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized. The FDA may also determine that a risk evaluation and mitigation strategy, or REMS, is necessary to assure the safe use of the drug. If the FDA concludes a REMS is needed, the sponsor of an NDA must submit a proposed REMS, and the FDA will not approve an NDA without an approved REMS, if required.

Expedited Review Programs

Among other programs, the FDA may expedite the review of a product candidate designated as a breakthrough therapy, which is intended, alone or in combination with one or more other drugs, 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. A sponsor may request the FDA to designate a drug as a breakthrough therapy at the time of, or any time after, the submission of an IND application for the drug. If the FDA designates a drug as a breakthrough therapy, it must take actions appropriate to expedite the development and review of the application, which may include holding meetings with the sponsor and the review team throughout the development of the drug; providing timely advice to, and interactive communication with, the sponsor regarding the development of the drug to ensure that the development program to gather the nonclinical and clinical data necessary for approval is as efficient as practicable; involving senior managers and experienced review staff, as appropriate, in a collaborative, cross-disciplinary review; assigning a cross-disciplinary project lead for the FDA review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor; and taking steps to ensure that the design of the clinical trials is as efficient as practicable, when scientifically appropriate, such as by minimizing the number of patients exposed to a potentially less efficacious treatment. The FDA may rescind a breakthrough therapy designation in the future if further clinical development later shows that the criteria for designation are no longer met.

Breakthrough therapy designation does not change the standards for approval, but may expedite the development or review process.

Post-Approval Requirements

If and when approved, any products manufactured or distributed by us or on our behalf will be subject to continuing regulation by the FDA, including requirements for record-keeping, reporting of adverse experiences and submitting annual reports.

Biopharmaceutical manufacturers are required to register their facilities with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMPs, which impose certain quality processes, manufacturing controls and documentation requirements upon us and our third-party manufacturers in order to ensure that the product is safe, has the identity and strength, and meets the quality and purity characteristics that it purports to have. The FDA and certain states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including technology capable of tracking and tracing product as it moves through the distribution chain. We cannot be certain that we or our present or future suppliers will be able to comply with the cGMP and other FDA regulatory requirements. If our present or future suppliers are not able to comply with these requirements, the FDA may halt our clinical trials, fail to approve any application, shut down manufacturing operations or withdraw approval of an application, or we may recall the product from distribution. Noncompliance with cGMP or other requirements can result in issuance of warning letters, civil and criminal penalties, seizures and injunctive action.

The FDA closely regulates the labeling, marketing and promotion of drugs and biologics. While doctors are free to prescribe any drug approved by the FDA for any use based on the doctor's independent medical judgement, a company can only make claims relating to safety and efficacy of a drug that are consistent with FDA approval, and the company is allowed to actively market a drug only for the particular use and treatment approved by the FDA. In

addition, any claims we make for our products in advertising or promotion must be appropriately balanced with important safety information and otherwise be adequately substantiated. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising, injunctions and potential civil and criminal penalties. Government regulators recently have increased their scrutiny of the promotion and marketing of drugs.

Coverage and Reimbursement

In both domestic and foreign markets, sales of any products for which we may receive regulatory approval will depend in part upon the availability of coverage and adequate reimbursement to healthcare providers from third-party payors. Such third-party payors include government health programs, such as Medicare and Medicaid, as well as managed care organizations, private health insurers and other organizations. Coverage decisions may depend upon clinical and economic standards that disfavor new drug products when more established or lower cost therapeutic alternatives are available. Assuming coverage is granted, the reimbursement rates paid for covered products might not be adequate. Even if favorable coverage status and adequate reimbursement rates are attained, less favorable coverage policies and reimbursement rates may be implemented in the future. The marketability of any products for which we may receive regulatory approval for commercial sale may suffer if the government and other third-party payors fail to provide coverage and adequate reimbursement to allow us to sell such products on a competitive and profitable basis. For example, under these circumstances, physicians may limit how much or under what circumstances they will prescribe or administer such products, and patients may decline to purchase them. This, in turn, could affect our ability to successfully commercialize our products and impact our profitability, results of operations, financial condition, and future success.

In the United States, the European Union and other potentially significant markets for our product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, particularly for new and innovative products and therapies. Such pressure, along with the increased emphasis on managed healthcare in the United States and on country and regional pricing and reimbursement controls in the European Union, will likely put additional downward pressure on product pricing, reimbursement and usage, which may adversely affect our future product sales and results of operations. These pressures can arise from rules and practices of managed care groups, judicial decisions, governmental laws and regulations related to government healthcare programs, healthcare reform, and pharmaceutical coverage and reimbursement policies.

The market for any product candidates for which we may receive regulatory approval will depend significantly on the degree to which these products are listed on third-party payors' drug formularies, or lists of medications for which third-party payors provide coverage and reimbursement to the extent products for which we may receive regulatory approval are covered under a pharmacy benefit or are otherwise subject to a formulary. The industry competition to be included on such formularies often leads to downward pricing pressures on pharmaceutical companies. Also, third-party payors may refuse to include a particular branded drug on their formularies or otherwise restrict patient access to a branded drug when a less costly generic equivalent or other alternative is available. In addition, because each third-party payor individually approves coverage and reimbursement levels, obtaining coverage and adequate reimbursement is a time-consuming and costly process. Further, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product. We may be required to provide scientific and clinical support for the use of any product to each third-party payor separately with no assurance that approval would be obtained, and we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the cost-effectiveness of our products. We cannot be certain that our product candidates will be considered cost-effective. This process could delay the market acceptance of any product candidates for which we may receive approval and could have a negative effect on our future revenues and operating results.

Federal and State Fraud and Abuse and Data Privacy and Security Laws and Regulations

In addition to FDA restrictions on marketing of pharmaceutical products, federal and state laws restrict business practices in the pharmaceutical industry. These laws include anti-kickback and false claims laws and regulations as well as data privacy and security laws and regulations. The laws that will affect our operations include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, in return for the purchase, recommendation, leasing or furnishing of an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand, and prescribers, purchasers and formulary managers on the other. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the Affordable Care Act, amended the intent requirement of the federal Anti-Kickback Statute so that a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation;
- federal civil and criminal false claims laws, including, without limitation, the False Claims Act, and civil monetary penalty laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid or other government payors that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. The Affordable Care Act provides, and recent government cases against pharmaceutical manufacturers support, the view that federal Anti-Kickback Statute violations and certain marketing practices, including off-label promotion, may implicate the False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit a person from knowingly and willfully executing a scheme or making false or fraudulent statements to defraud any healthcare benefit program, regardless of the payor (e.g., public or private);
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization by entities subject to the rule, such as health plans, healthcare clearinghouses and certain healthcare providers, known as covered entities, and their respective business associates, individuals or entities that perform certain services on behalf of a covered entity that involves the use or disclosure of individually identifiable health information, and their covered subcontractors;
- 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 specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to: (i) payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals; and (ii) ownership and investment interests held by physicians and their immediate family members, and beginning in 2022, will require applicable manufacturers to report payments and other transfers of value provided in the previous year to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants, and certified nurse midwives;
- state law equivalents of each of the above federal laws, state laws that require manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures, state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or to adopt compliance programs as prescribed by state laws and regulations, or that otherwise restrict payments that may be made to healthcare providers, state laws that require manufactures to report pricing information regarding certain drugs, state and local laws that require the registration of pharmaceutical sales representatives, and state laws that govern the privacy and security of health information, which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

We may also be subject to federal and state laws that govern the privacy and security of other personal information, including federal and state consumer protection laws, state data security laws, and data breach notification laws. A data breach affecting sensitive personal information, including health information, could result in significant legal and financial exposure and reputational damages.

Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our business activities could be subject to challenge, investigation or legal action under one or more of such laws. If our operations are found to be in violation of any of the federal and state laws described above or any other governmental regulations that apply to us, we may be subject to significant civil, criminal, and administrative penalties, including, without limitation, damages, fines, imprisonment, disgorgement, exclusion from participation in government healthcare programs, 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 the curtailment or restructuring of our operations.

To the extent that any of our product candidates receive approval and are sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws, international data protection laws (including the General Data Protection Directive ((EU) 2016/679) on the protection of individuals with regard to the processing of personal data and on the free movement of such data as well as EU member state implementing legislation), and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

Healthcare Reform

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and 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, then President Obama signed into law the Affordable Care Act, which substantially changed the way healthcare will be financed by both governmental and private insurers, and significantly impacts the pharmaceutical industry. Among the provisions of the Affordable Care Act of importance to our business, including, without limitation, our ability to commercialize, and the prices we may obtain for, any of our product candidates that are approved for sale, are the following:

- an annual, nondeductible fee payable by any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the federal False Claims Act and the federal Anti-Kickback Statute, new government investigative powers and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must now agree to offer 70% point-of- sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report financial arrangements with physicians and teaching hospitals;

- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research.

There have been executive, judicial and Congressional challenges to certain aspects of the Affordable Care Act. For example, the Tax Cuts and Jobs Act of 2017, or Tax Act, included a provision which repealed, effective January 1, 2019, the tax-based shared responsibility payment imposed by the Affordable Care Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate". In addition, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the Affordable Care Act's mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminated the health insurer tax. On December 14, 2018, a Texas U.S. District Court Judge ruled that the Affordable Care Act is unconstitutional in its entirety because the "individual mandate" was repealed by the U.S. Congress as part of the Tax Act. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the Affordable Care Act are invalid as well. The U.S. Supreme Court is currently reviewing the case, although it is unknown when a decision will be made. Further, although the U.S. Supreme Court has not yet ruled on the constitutionality of the Affordable Care Act, on January 28, 2021, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through May 15, 2021 for purposes of obtaining health insurance coverage through the Affordable Care Act marketplace. The executive order also instructs 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 Affordable Care Act. It is unclear how the Supreme Court ruling, other such litigation, and the healthcare reform measures of the Biden administration will impact the Affordable Care Act.

Further, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs. At the federal level, the Trump administration used several means to propose or implement drug pricing reform, including through federal budget proposals, executive orders and policy initiatives. For example, on July 24, 2020 and September 13, 2020, the Trump administration announced several executive orders related to prescription drug pricing that seek to implement several of the administration's proposals. As a result, the FDA released a final rule on September 24, 2020, effective November 30, 2020, providing guidance for states to build and submit importation plans for drugs from Canada. Further, on November 20, 2020, the U.S. Department of Health & Human Services, or HHS, finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Medicare Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The implementation of the rule has been delayed by the Biden administration from January 1, 2022 to January 1, 2023 in response to ongoing litigation. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a new safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers, the implementation of which have also been delayed pending review by the Biden administration until March 22, 2021. On November 20, 2020, CMS issued an interim final rule implementing the Trump administration's Most Favored Nation executive order, which would tie Medicare Part B payments for certain physician-administered drugs to the lowest price paid in other economically advanced countries, effective January 1, 2021. On December 28, 2020, the U.S. District Court in Northern California issued a nationwide preliminary injunction against implementation of the interim final rule. It is unclear whether the Biden administration will work to reverse these measures or pursue similar policy initiatives. At the state level, legislatures are increasingly passing legislation and implementing 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. It is also possible that additional governmental action will be taken in response to the COVID-19 pandemic.

The full impact on our business of the Affordable Care Act and other new laws is uncertain but may result in additional reductions in Medicare and other healthcare funding. Nor is it clear whether other legislative changes will be adopted, if any, or how such changes would affect the demand for our products once commercialized.

Regulations Outside of the United States

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our product candidates to the extent we choose to sell any products outside of the United States. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. As in the United States, post-approval regulatory requirements, such as those regarding product manufacture, marketing, or distribution would apply to any product that is approved outside the United States.

Other Regulations

We are also subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. We may incur significant costs to comply with such laws and regulations now or in the future.

Employees and Human Capital Resources

As of March 10, 2021, we had 43 full-time employees. Of the full-time employees, 28 were primarily engaged in research and development activities and 13 have an M.D. or Ph.D. degree. 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 equity-based compensation awards and cash-based compensation awards, in order to increase stockholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives.

Corporate and Other Information

We were incorporated in Delaware in 2005. In 2011, we established a wholly owned subsidiary in the United Kingdom and in 2014 we established a wholly owned U.S. subsidiary. There have been no material activities for these entities to date. We currently operate in one segment.

Our principal executive offices are located at 35 Gatehouse Drive, Building D, Floor 3, Waltham, Massachusetts 02451 and our telephone number is (781) 419-1400. Our corporate website address is www.syndax.com. Information contained on or accessible through our website is not a part of this Annual Report, and the inclusion of our website address in this Annual Report is an inactive textual reference only.

We file electronically with the SEC, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. We make available on our website at www.syndax.com, under “Investors,” free of charge, copies of these reports as soon as reasonably practicable after filing or furnishing these reports with the SEC.

Item 1A. Risk Factors

This Annual Report on Form 10-K contains forward-looking information based on our current expectations. Because our business is subject to many risks and our actual results may differ materially from any forward-looking statements made by or on behalf of us, this section includes a discussion of important factors that could affect our business, operating results, financial condition and the trading price of our common stock. You should carefully consider these risk factors, together with all of the other information included in this Annual Report on Form 10-K as well as our other publicly available filings with the Securities and Exchange Commission.

Risks Related to Our Business and Industry

COVID-19 could adversely impact our business, including our clinical trials.

The ongoing COVID-19 pandemic has resulted in travel and other restrictions in order to reduce the spread of the disease, including state and local orders across the United States and other countries worldwide, which, among other things, direct individuals to shelter at their places of residence, direct businesses and governmental agencies to cease non-essential operations at physical locations, prohibit certain non-essential gatherings, and order cessation of non-essential travel. In response to these public health directives and orders, we have implemented work-from-home policies for our employees. The effects of the executive orders, the shelter-in-place ("SIP") orders and our work-from-home policies may negatively impact productivity, disrupt our business and delay our clinical programs and timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course. These and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition.

While COVID-19 has not yet had a material impact on our business operations, ongoing quarantines, SIP and similar government orders related to COVID-19 may adversely impact our business operations and the business operations of our contract research organizations conducting our clinical trials and our third-party manufacturing facilities in the United States and other countries. In particular, if the COVID-19 pandemic persists for an extended period of time and begins to impact essential distribution systems such as FedEx and postal delivery or if it results in facility closures facility closures for cleaning and/or insufficient staff, we could experience disruptions to our supply chain and operations, and associated delays in the manufacturing and supply of our products, which would adversely impact our ability to continue our clinical trial operations.

In addition, our clinical trials may be affected by the COVID-19 pandemic. For example, clinical site initiation and patient enrollment may be delayed due to prioritization of hospital resources toward the COVID-19 pandemic. Patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. Similarly, our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19, could be limited, which in turn could adversely impact our clinical trial operations. As a result, we may face delays in meeting our anticipated timelines for our ongoing and planned clinical trials.

The spread of COVID-19, which has caused a broad impact globally, may materially affect us economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common stock.

The extent to which the COVID-19 pandemic impacts our business, our clinical development and regulatory efforts will depend on future developments that are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, travel restrictions, quarantines, SIP orders, social distancing requirements, business closures in the United States and other countries, and the effectiveness of actions taken in the United States and other countries to contain and treat the disease. Accordingly, we do not yet know the full extent of potential delays or impacts on our business, our clinical and regulatory activities, healthcare systems or the global economy as a whole. However, these impacts could adversely affect our business, financial condition, results of operations and growth prospects.

In addition, to the extent the ongoing COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties described in this "Risk Factors" section.

We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of any of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of any of our product candidates, we or our collaborators must conduct extensive trials to demonstrate the safety and efficacy of the product candidates in humans. Clinical testing is expensive and difficult to design and implement, can take many years to complete and is inherently uncertain as to the outcome. A failure of one or more trials can occur at any stage of testing. The outcome of preclinical studies and early clinical trials may not accurately predict the success of later trials, and interim results of a trial do not necessarily predict final results. For example, in May 2020, we announced that ECOG-ACRIN advised us that the E2112 trial did not achieve the primary endpoint of demonstrating a statistically significant overall survival benefit over hormone therapy alone in the Phase 3 clinical trial and we decided to deprioritize the entinostat program to focus resources on advancing the remainder of our pipeline. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials.

We are currently developing several product candidates. If we are unable to successfully complete clinical development of, obtain regulatory approval for and commercialize our product candidates, our business prospects will be significantly harmed.

Our financial success will depend substantially on our ability to effectively and profitably commercialize our product candidates. In order to commercialize our product candidates, we will be required to obtain regulatory approvals by establishing that each of them is sufficiently safe and effective. The clinical and commercial success of our product candidates will depend on a number of factors, including the following:

- direct and indirect effects of the ongoing COVID-19 pandemic on various aspects and stages of the clinical development process, including the potential impact to expected site initiation, enrollment and participation in our clinical trials;
- significant reprioritization and diversion of healthcare resources away from the conduct of clinical trials as a result of the ongoing COVID-19 pandemic, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- timely completion of the Phase 1/2 clinical trial of SNDX-5613 in patients with relapsed/refractory acute leukemia;
- timely completion of the Phase 1/2 clinical trial of axatilimab as a monotherapy in patients with cGVHD;
- timely completion of any future clinical trials of SNDX-5613 and axatilimab;
- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel, quarantines or social distancing protocols imposed or recommended by federal or state governments, employers and others in connection with the ongoing COVID-19 pandemic;
- whether we are required by the FDA or foreign regulatory authorities to conduct additional clinical trials;
- the prevalence and severity of adverse drug reactions in any of our clinical trials;
- the ability to demonstrate safety and efficacy of our product candidates for their proposed indications and the timely receipt of necessary marketing approvals from the FDA and foreign regulatory authorities;
- successfully meeting the endpoints in the clinical trials of our product candidates;

- achieving and maintaining compliance with all applicable regulatory requirements;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- the effectiveness of our own or our potential strategic collaborators' marketing, sales and distribution strategy and operations in the United States and abroad;
- the ability of our third-party contract manufacturers to produce trial supplies and to develop, validate and maintain a commercially viable manufacturing process that is compliant with cGMP;
- our ability to successfully commercialize our product candidates in the United States and abroad, whether alone or in collaboration with others; and
- our ability to enforce our intellectual property rights in and to our product candidates.

If we fail to obtain regulatory approval for our product candidates, we will not be able to generate product sales, which will have a material adverse effect on our business and our prospects.

Our strategy for developing SNDX-5613 has undergone limited clinical testing and we may fail to show that the drug is well tolerated and provides sufficient clinical benefit for patients.

Research suggests that certain acute leukemias, such as mixed lineage leukemia-rearranged, or MLLr, leukemias and nucleophosmin 1, or NPM1, mutant acute myeloid leukemia, or AML, are driven by the interaction of menin, a nuclear protein involved in transcription, with the N-terminus of MLL1 protein, a histone methyl transferase. In NMP1 mutant AML the interaction with menin occurs via the wild type MLL1 protein, and in MLLr acute leukemias, the interaction occurs via a mutant form of MLL1, a fusion protein known as MLLr. MLLr results from a rare, spontaneous fusion between the N-terminus of the mixed lineage leukemia protein-1, or MLL1, and a host of signaling molecules and nuclear transcription factors. This fusion produces an aberrant transcription program that drives leukemic transformation. In pre-clinical animal models, small molecule inhibitors of the menin-MLL-r interaction, such as SNDX-5613, which bind to, and block the interaction of menin with either MLLr or MLL1, have demonstrated deep and durable single agent treatment effects in multiple leukemic xenograft models harboring MLL fusions or NPM1 mutations. Our strategy for developing SNDX-5613 is to conduct a Phase 1/2 clinical trial in relapsed/refractory patients with MLL-r and NPM1 mutant acute leukemias and determine if the observed clinical efficacy supports further development. The Phase 1 portion of the trial is assessing the safety, tolerability and pharmacokinetics of SNDX-5613, and seeks to establish a recommended Phase 2 dose. It is open label, and we have released and may in the future release results from time to time that reflect very small numbers of patients which may not be accurately predictive of safety or efficacy results later in the trial or in subsequent trials. The Phase 2 portion will evaluate efficacy of SNDX-5613, as defined by Complete Remission rate, across three expansion cohorts enrolling adult patients with MLL-r acute lymphoblastic leukemia, or ALL, MLL-r acute myeloid leukemia, or AML, and NPM1 mutant AML. If our initial clinical data lend support for our hypothesis, we plan to continue developing SNDX-5613 in one or more of these indications. At this time however, we have not yet sufficiently demonstrated a favorable risk-benefit of SNDX-5613 in patients, and we may be unable to establish sufficient efficacy to warrant continued development in one or more of these indications.

Our strategy for developing axatilimab has undergone limited clinical testing and we may fail to show that this drug is well tolerated and provides a clinical benefit for patients.

Preclinical studies suggest that CSF-1/CSF-1R signaling may be the key regulatory pathway involved in the expansion and infiltration of donor derived macrophages that mediate the disease processes involved in Graft Versus Host Disease, or cGVHD and other fibrotic or inflammatory diseases. Nonclinical studies and analysis of patient samples indicates that the cGVHD inflammatory disease process is a result of a complex interaction between host and donor immune cells including B cells, and regulatory T cells with M2 differentiated macrophages in target tissue appearing to represent the common distal mediator of fibrosis. Therefore, we hypothesize that a CSF-1R signal inhibitor such as axatilimab may play a meaningful role as a monotherapy agent in the treatment of cGVHD. Our approach is to conduct a Phase 1/2 clinical trial with axatilimab in subjects with active cGVHD who have failed at least two prior lines of therapy. While we believe that we have established sufficient efficacy to warrant continued development in this indication, we have not yet sufficiently demonstrated a favorable risk-benefit of axatilimab in patients.

Interim top-line and preliminary data from our clinical trials that we 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 publish interim top-line or preliminary data from our clinical trials. For example, in April 2020, we announced interim data from our Phase 1/2 clinical trial of SNDX-5613. 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. Preliminary or top-line 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. Preliminary or top-line data may include, for example, data regarding a small percentage of the patients enrolled in a clinical trial, and such preliminary data should not be viewed as an indication, belief or guarantee that other patients enrolled in such clinical trial will achieve similar results or that the preliminary results from such patients will be maintained. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between preliminary or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly.

If we are or our collaborators are unable to enroll patients in clinical trials, these clinical trials may not be completed on a timely basis or at all.

The timely completion of clinical trials largely depends on patient enrollment. Many factors affect patient enrollment, including:

- direct and indirect effects of the ongoing COVID-19 pandemic;
- perception about the relative efficacy of our product candidates versus other compounds in clinical development or commercially available;
- evolving standard of care in treating cancer patients;
- the size and nature of the patient population, especially in the case of an orphan indication such as MLL-r acute leukemia;
- the number and location of clinical trial sites enrolled;
- competition with other organizations or our own clinical trials for clinical trial sites or patients;
- the eligibility and exclusion criteria for the trial;
- the design of the trial;
- ability to obtain and maintain patient consent; and
- risk that enrolled subjects will drop out before completion.

As a result of the above factors, there is a risk that our or our collaborators' clinical trials may not be completed on a timely basis or at all.

The actions of Kyowa Kirin Co., Ltd., or KKC, Eddingpharm Investment Company Limited, or Eddingpharm, and any other current or future sublicensees could adversely affect our business.

We currently sublicense entinostat to third parties for development and commercialization in certain foreign jurisdictions. Specifically, we have a sublicense agreement with KKC under which we granted KKC an exclusive sublicense to develop and commercialize entinostat in Japan and Korea as well as a sublicense agreement with Eddingpharm under which we granted Eddingpharm an exclusive sublicense to develop and commercialize entinostat in China and select Asian countries. It is possible that any clinical trials conducted by KKC, Eddingpharm and other current or future sublicensees in their respective jurisdictions could have negative results, which in turn could have a material adverse effect on the development of entinostat for development and commercialization in the United States and the rest of the world.

We are dependent on UCB Biopharma Sprl, or UCB, to comply with the terms of our license agreement for axatilimab.

Our commercial success also depends upon our ability to develop, manufacture, market and sell axatilimab. In July 2016, we entered into the UCB license agreement pursuant to which we obtained a worldwide, sublicenseable, exclusive license to axatilimab, an IND-ready anti-CSF-1R monoclonal antibody. Under the UCB license agreement, we are dependent on UCB's performance of its responsibilities and its cooperation with us. UCB may not perform its obligations under the UCB license agreement or otherwise cooperate with us. We cannot control whether UCB will devote the necessary resources to its obligations under the UCB license agreement, nor can we control the timing of its performance. Additionally, certain of the rights licensed to us under the UCB license agreement are in-licensed by UCB from third parties. We are dependent on UCB maintaining the applicable third-party license agreements in full force and effect, which may include activities and performance obligations that are not within our control. If any of these third-party license agreements terminate, certain of our rights to develop, manufacture, commercialize or sell axatilimab may be terminated as well. The occurrence of any of these events could adversely affect the development and commercialization of axatilimab, and materially harm our business.

We may be required to relinquish important rights to and control over the development and commercialization of our product candidates to our current or future collaborators.

Our collaborations, including any future strategic collaborations we enter into, could subject us to a number of risks, including:

- we may be required to undertake the expenditure of substantial operational, financial and management resources;
- we may be required to issue equity securities that would dilute our existing stockholders' percentage of ownership;
- we may be required to assume substantial actual or contingent liabilities;
- we may not be able to control the amount and timing of resources that our strategic collaborators devote to the development or commercialization of our product candidates;
- strategic collaborators may delay clinical trials, provide insufficient funding, terminate a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new version of a product candidate for clinical testing;
- strategic collaborators may not pursue further development and commercialization of products resulting from the strategic collaboration arrangement or may elect to discontinue research and development programs;
- strategic collaborators may not commit adequate resources to the marketing and distribution of our product candidates, limiting our potential revenues from these products;
- disputes may arise between us and our strategic collaborators that result in the delay or termination of the research, development or commercialization of our product candidates or that result in costly litigation or arbitration that diverts management's attention and consumes resources;
- strategic collaborators may experience financial difficulties;
- strategic collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in a manner that could jeopardize or invalidate our proprietary information or expose us to potential litigation;
- business combinations or significant changes in a strategic collaborator's business strategy may also adversely affect a strategic collaborator's willingness or ability to complete its obligations under any arrangement;
- strategic collaborators could decide to move forward with a competing product candidate developed either independently or in collaboration with others, including our competitors; and

- strategic collaborators could terminate the arrangement or allow it to expire, which would delay the development and may increase the cost of developing, our product candidates.

We may explore strategic collaborations that may never materialize or may fail.

We may periodically explore a variety of possible strategic collaborations in an effort to gain access to additional product candidates or resources. At the current time, we cannot predict what form such a strategic collaboration might take. We are likely to face significant competition in seeking appropriate strategic collaborators, and strategic collaborations can be complicated and time consuming to negotiate and document. We may enter into strategic collaborations that we subsequently no longer wish to pursue, and we may not be able to negotiate strategic collaborations on acceptable terms, or at all. We are unable to predict when, if ever, we will enter into any additional strategic collaborations because of the numerous risks and uncertainties associated with establishing them.

The regulatory approval processes of the FDA and foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable. Our inability to obtain regulatory approval for our product candidates could harm our business.

The time required to obtain approval by the FDA and foreign regulatory authorities is unpredictable, but typically takes many years following the commencement of preclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any of our product candidates, and it is possible that we will never obtain regulatory approval for our existing product candidates or any future product candidates.

Due to the ongoing COVID-19 pandemic, it is possible that we could experience delays in the timing of our interactions with regulatory authorities due to absenteeism by governmental employees, inability to conduct planned physical inspections related to regulatory approval, or the diversion of regulatory authority efforts and attention to approval of other therapeutics or other activities related to COVID-19, which could delay anticipated approval decisions and otherwise delay or limit our ability to make planned regulatory submissions or obtain new product approvals. In addition, our product candidates could fail to receive regulatory approval from the FDA or foreign regulatory authorities for other reasons, including but not limited to:

- failure to demonstrate that our product candidates are safe and effective;
- failure of clinical trials to meet the primary endpoints or level of statistical significance required for approval;
- failure to demonstrate that the clinical and other benefits of a product candidate outweigh any of its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- disagreement with the design or implementation of our or our collaborators' trials;
- the insufficiency of data collected from trials of our product candidates to support the submission and filing of an NDA or other submission or to obtain regulatory approval;
- failure to obtain approval of the manufacturing and testing processes or facilities of third-party manufacturers with whom we contract for clinical and commercial supplies;
- receipt of a negative opinion from an advisory committee due to a change in the standard of care regardless of the outcome of the clinical trials; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

The FDA or foreign regulatory authorities may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or may cause us to decide to abandon our development program. Even if we were to obtain approval, regulatory authorities

may approve one or more of our product candidates for a more limited patient population than we request, may grant approval contingent on the performance of costly post-marketing trials, may impose a risk evaluation and mitigation strategy, or REMS, or foreign regulatory authorities may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of one or more of our product candidates and impose burdensome implementation requirements on us, or may approve it with a label that does not include the labeling claims necessary or desirable for the successful commercialization of one or more of our product candidates, all of which could limit our ability to successfully commercialize our product candidates.

Our product candidates may not achieve adequate market acceptance among physicians, patients, healthcare payors and others in the medical community to be commercially successful.

Even if our product candidates receive regulatory approval, they may not gain sufficient market acceptance among physicians, patients, healthcare payors and others in the medical community. Our commercial success also depends on coverage and adequate reimbursement by third-party payors, including government payors, which may be difficult or time-consuming to obtain, may be limited in scope and may not be obtained in all jurisdictions in which we may seek to market our product candidates. The degree of market acceptance will depend on a number of factors, including:

- the efficacy and safety profile as demonstrated in trials;
- the timing of market introduction as well as competitive products;
- the clinical indications for which the product candidate is approved;
- acceptance of the product candidate as a safe and effective treatment by physicians, clinics and patients;
- the potential and perceived advantages of our product candidates over alternative treatments;
- the cost of treatment in relation to alternative treatments;
- pricing and the availability of coverage and adequate reimbursement by third-party payors, including government authorities;
- relative convenience and ease of administration;
- the frequency and severity of adverse events;
- the effectiveness of sales and marketing; and
- unfavorable publicity relating to our product candidates.

If our product candidates are approved but do not achieve an adequate level of acceptance by physicians, hospitals, healthcare payors and patients, we may not generate sufficient revenue to become or remain profitable.

We rely on third-party suppliers to manufacture and distribute our clinical drug supplies for our product candidates, we intend to rely on third parties for commercial manufacturing and distribution of our product candidates and we expect to rely on third parties for manufacturing and distribution of preclinical, clinical and commercial supplies of any future product candidates.

We do not currently have, nor do we plan to acquire, the infrastructure or capability to manufacture or distribute preclinical, clinical or commercial quantities of drug substance or drug product, including our existing product candidates. While we expect to continue to depend on third-party manufacturers for the foreseeable future, we do not have direct control over the ability of these manufacturers to maintain adequate manufacturing capacity and capabilities to serve our needs, including quality control, quality assurance and qualified personnel. In additional, public health epidemics, such as the worldwide COVID-19 pandemic, may impact the ability of our existing or future manufacturers to perform their obligations to us.

We are dependent on our third-party manufacturers for compliance with cGMPs and for manufacture of both active drug substances and finished drug products. Facilities used by our third-party manufacturers to manufacture drug substance and drug product for commercial sale must be approved by the FDA or other relevant foreign regulatory agencies pursuant to inspections that will be conducted after we submit our NDA or relevant foreign

regulatory submission to the applicable regulatory agency. If our third-party manufacturers cannot successfully manufacture materials that conform to our specifications and/or the strict regulatory requirements of the FDA or foreign regulatory agencies, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. Furthermore, these third-party manufacturers are engaged with other companies to supply and/or manufacture materials or products for such companies, which also exposes our third-party manufacturers to regulatory risks for the production of such materials and products. As a result, failure to meet the regulatory requirements for the production of those materials and products may also affect the regulatory clearance of a third-party manufacturers' facility. If the FDA or a foreign regulatory agency does not approve these facilities for the manufacture of our product candidates, or if it withdraws its approval in the future, we may need to find alternative manufacturing facilities, which would impede or delay our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

Even if our product candidates receive regulatory approval, they may still face future development and regulatory difficulties.

Even if we obtain regulatory approval for our product candidates, they would be subject to ongoing requirements by the FDA and foreign regulatory authorities governing the manufacture, quality control, further development, labeling, packaging, storage, distribution, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-market information. The FDA and foreign regulatory authorities will continue to monitor closely the safety profile of any product even after approval. If the FDA or foreign regulatory authorities become aware of new safety information after approval of a product candidate, they may require labeling changes or establishment of a REMS or similar strategy, impose significant restrictions on its indicated uses or marketing, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and standards. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including withdrawal of the product from the market or suspension of manufacturing, or we may recall the product from distribution. If we, or our third-party manufacturers, fail to comply with applicable regulatory requirements, a regulatory agency may:

- issue warning letters or untitled letters;
- mandate modifications to promotional materials or require us to provide corrective information to healthcare practitioners;
- require us to enter into a consent decree, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve pending applications or supplements to applications filed by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, or refuse to permit the import or export of products.

The occurrence of any event or penalty described above may inhibit our ability to commercialize and generate revenue from the sale of our product candidates.

Advertising and promotion of any product candidate that obtains approval in the United States will be heavily scrutinized by the FDA, the Department of Justice, the Department of Health and Human Services' Office of Inspector General, state attorneys general, members of Congress, other government agencies and the public. While physicians may prescribe products for off-label uses as the FDA and other regulatory agencies do not regulate a physician's choice of drug treatment made in the physician's independent medical judgment, they do restrict

promotional communications from companies or their sales force with respect to off-label uses of products for which marketing clearance has not been issued. Companies may only share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. Violations, including promotion of our products for unapproved (or off-label) uses, may be subject to enforcement letters, inquiries and investigations, and civil and criminal sanctions by the government. Additionally, foreign regulatory authorities will heavily scrutinize advertising and promotion of any product candidate that obtains approval in their respective jurisdictions.

In the United States, engaging in the impermissible promotion of our products for off-label uses can also subject us to false claims litigation under federal and state statutes, which can lead to administrative, civil and criminal penalties, damages, monetary fines, disgorgement, individual imprisonment, exclusion from participation in Medicare, Medicaid and other federal healthcare programs, curtailment or restructuring of our operations and agreements that materially restrict the manner in which a company promotes or distributes drug products. These false claims statutes include, but are not limited to, the federal civil False Claims Act, which allows any individual to bring a lawsuit against an individual or entity, including a pharmaceutical or biopharmaceutical company on behalf of the federal government alleging the knowing submission of false or fraudulent claims, or causing to present such false or fraudulent claims, for payment or approval by a federal program such as Medicare or Medicaid. These False Claims Act lawsuits against pharmaceutical and biopharmaceutical companies have increased significantly in number and breadth, leading to several substantial civil and criminal settlements regarding certain sales practices, including promoting off-label drug uses involving fines in excess of $1.0 billion. This growth in litigation has increased the risk that a pharmaceutical company will have to defend a false claim action, pay settlement fines or restitution, agree to comply with burdensome reporting and compliance obligations, and be excluded from participation in Medicare, Medicaid and other federal and state healthcare programs. If we, or any partner that we may engage, do not lawfully promote our approved products, we may become subject to such litigation, which may have a material adverse effect on our business, financial condition and results of operations.

Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial scope of their approved use, or result in significant negative consequences following any marketing approval.

Undesirable side effects caused by our product candidates could cause the interruption, delay or halting of the trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other foreign regulatory authorities. Results of the clinical trials may reveal a high and unacceptable severity and prevalence of side effects or other unexpected characteristics. In such event, the trials could be suspended or terminated, or the FDA or foreign regulatory authorities could deny approval of our product candidates for any or all targeted indications. Drug-related side effects could affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects.

Additionally, if our product candidates receive marketing approval, and we or others later identify undesirable side effects, a number of potentially significant negative consequences could result, including:

- we may suspend marketing of, or withdraw or recall, the product;
- regulatory authorities may withdraw approvals;
- regulatory authorities may require additional warnings on the product labels;
- the FDA or other regulatory authorities may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about the product;
- the FDA may require the establishment or modification of a REMS or foreign regulatory authorities may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of the product and impose burdensome implementation requirements on us;
- regulatory authorities may require that we conduct post-marketing studies;
- we could be sued and held liable for harm caused to subjects or patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of our product candidates for use in targeted indications or otherwise materially harm its commercial prospects, if approved, and could harm our business, results of operations and prospects.

Our failure to obtain regulatory approval in international jurisdictions would prevent us from marketing our product candidates outside the United States.

In order to market and sell our product candidates in other jurisdictions, we must obtain separate marketing approvals for those jurisdictions and comply with their numerous and varying regulatory requirements. We may not obtain foreign regulatory approvals on a timely basis, or at all. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, product reimbursement approvals must be secured before regulatory authorities will approve the product for sale in that country. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our product candidates in certain countries. Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries and regulatory approval in one country does not ensure approval in any other country, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others. Our failure to obtain approval of our product candidates by foreign regulatory authorities may negatively impact the commercial prospects of such product candidates and our business prospects could decline. Also, if regulatory approval for our product candidates is granted, it may be later withdrawn. If we fail to comply with the regulatory requirements in international jurisdictions and receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential for our product candidates will be harmed and our business may be adversely affected.

We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.

Even if any of our product candidates received regulatory approval, such product candidates would face competition from other therapies in the relevant indication. For example, chronic graft versus host disease has historically been managed by off-label treatments. However, in 2017 ibrutinib (*Imbruvica*®) became the first drug approved for use patients with cGVHD after failure of one or more lines of systemic therapy. KD-025 and Ruxolitinib (*Jakafi*®), have recently shared positive results on registration-directed trials to treat steroid refractory cGVHD patients and, if approved, may also compete with axatilimab.

SNDX-5613 is being developed for the treatment of adult and pediatric patients with MLL-r ALL, AML and NPM1 mutant AML. At this time, there are no drugs approved for these defined populations and patients are managed using the standard of care treatment regimens developed for general AML and ALL populations. While there are other agents in early development for similar populations, SNDX-5613 has the potential to be the first defined therapy for patients with MLLr ALL, MLLr AML and/or NPM1 mutant AML.

Many of our existing or potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of products and the commercialization of those products. Our competitors may be more successful than us in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective or more effectively marketed and sold than any drug we may commercialize and may render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. We anticipate that we will face intense and increasing competition as new drugs enter the market and advanced technologies become available.

We believe that our ability to successfully compete will depend on, among other things:

- the efficacy and safety profile of our product candidates relative to marketed products and product candidates in development by third parties;

- the time it takes for our product candidates to complete clinical development and receive marketing approval;
- our ability to commercialize our product candidates if they receive regulatory approval;
- the price of our product candidates, including in comparison to branded or generic competitors;
- whether coverage and adequate levels of reimbursement are available under private and governmental health insurance plans, including Medicare; and
- our ability to manufacture commercial quantities of our product candidates if they receive regulatory approval.

Even if we obtain regulatory approval of our product candidates, the availability and price of our competitors' products could limit the demand and the price we are able to charge. We may not be able to implement our business plan if the acceptance of our product candidates is inhibited by price competition or the reluctance of physicians to switch from existing methods of treatment, or if physicians switch to other new drug or biologic products or choose to reserve our drugs for use in limited circumstances.

Our employees, consultants and collaborators may engage in misconduct or other improper activities, including insider trading and non-compliance with regulatory standards and requirements.

We are exposed to the risk that our employees, consultants, distributors, and collaborators may engage in fraudulent or illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or disclosure of unauthorized activities to us that violates the regulations of the FDA and non-U.S. regulators, including those laws requiring the reporting of true, complete and accurate information to such regulators, manufacturing standards, healthcare fraud and abuse laws and regulations in the United States and abroad or laws that require the true, complete and accurate reporting of financial information or data. In particular, sales, marketing and business arrangements in the healthcare industry, including the sale of pharmaceuticals, are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. It is not always possible to identify and deter misconduct by our 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 comply with these laws or regulations. If any such actions are instituted against us and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant fines or other sanctions, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, disgorgement, individual imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings and curtailment of operations, any of which could adversely affect our ability to operate our business and our results of operations. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees, and divert the attention of management in defending ourselves against any of these claims or investigations.

We must attract and retain additional highly skilled employees in order to succeed.

To succeed, we must recruit, retain, manage and motivate qualified clinical, scientific, technical and management personnel and we face significant competition for experienced personnel. If we do not succeed in attracting and retaining qualified personnel, particularly at the management level, it could adversely affect our ability to execute our business plan and harm our operating results. In particular, the loss of one or more of our executive officers could be detrimental to us if we cannot recruit suitable replacements in a timely manner. The competition for qualified personnel in the pharmaceutical industry is intense and as a result, we may be unable to continue to attract and retain qualified personnel necessary for the development of our business or to recruit suitable replacement personnel.

Many of the other pharmaceutical companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than what we have to offer. If we are unable to continue to attract and retain high-quality personnel, the rate and success at which we can discover and develop product candidates and our business will be limited.

Even if we commercialize our product candidates, they or any other product candidates that we develop, may become subject to unfavorable pricing regulations or third-party coverage or reimbursement practices, which could harm our business.

Our ability to successfully commercialize our existing product candidates, or any other product candidates that we develop, will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from third-party payors, including government healthcare programs, private health insurers, managed care plans and other organizations. Third-party payors determine which medications they will cover and establish reimbursement levels. Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products.

We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Limitation on coverage and reimbursement may impact the demand for, or the price of, and our ability to successfully commercialize any product candidates that we develop.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the indications for which the drug is approved by the FDA or foreign regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may only be temporary. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States.

Private payors often follow decisions by the Centers for Medicare & Medicaid Services, or CMS, regarding coverage and reimbursement to a substantial degree. However, one payor’s determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product. 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. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any approved products that we develop could have an adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

The regulations that govern marketing approvals, coverage and reimbursement for new drug products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we may obtain marketing approval for our product candidates in a particular country, but be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, which could negatively impact the revenues we generate from the sale of the product in that particular country. Adverse pricing limitations may hinder our ability to recoup our investment even if our product candidates obtain marketing approval.

There can be no assurance that our product candidates, if they are approved for sale in the United States or in other countries, will be considered medically reasonable and necessary for a specific indication, that it will be considered cost effective by third-party payors, that coverage and an adequate level of reimbursement will be available, or that third-party payors' reimbursement policies will not adversely affect our ability to sell our product candidates profitably.

Current and future legislation may increase the difficulty and cost for us to commercialize our product candidates and affect the prices we may obtain.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidate for which we obtain marketing approval. For example, then President Obama signed into law the Affordable Care Act. Among other cost containment measures, the Affordable Care Act established an annual, nondeductible fee on any entity that manufactures or imports branded prescription drugs and biologic agents, a Medicare Part D coverage gap discount program, and a formula that increased the rebates a manufacturer must pay under the Medicaid Drug Rebate Program. There have been executive, judicial and Congressional challenges, as well as recent efforts by the Trump administration to repeal or replace certain aspects of the Affordable Care Act. While Congress has not passed comprehensive repeal legislation, several bills affecting the implementation of certain taxes under the Affordable Care Act have been signed into law. The Tax Cuts and Jobs Act of 2017 includes a provision that repealed, effective January 1, 2019, the tax-based shared responsibility payment imposed by the Affordable Care Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." Additionally, the 2020 federal spending package permanently eliminated, effective January 1, 2020, the Affordable Care Act's mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminated the health insurer tax. Further, the Bipartisan Budget Act of 2018, or the BBA, among other things, amended the Affordable Care Act, effective January 1, 2019, to increase from 50% to 70% the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and to close the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." On December 14, 2018, a Texas U.S. District Court Judge ruled that the Affordable Care Act is unconstitutional in its entirety because the "individual mandate" was repealed by the U.S. Congress as part of the Tax Cuts and Jobs Act of 2017 Act. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the District Court ruling that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the Affordable Care Act are invalid as well. The U.S. Supreme Court is currently reviewing the case, although it is unknown when a decision will be made. Further, although the U.S. Supreme Court has not yet ruled on the constitutionality of the Affordable Care Act, on January 28, 2021, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through May 15, 2021 for purposes of obtaining health insurance coverage through the Affordable Care Act marketplace. The executive order also instructs 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 Affordable Care Act. It is unclear how the Supreme Court ruling, other such litigation, and the healthcare reform measures of the Biden administration will impact the Affordable Care Act and our business.

Other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, in August 2011, then President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not agree upon a targeted deficit reduction of at least $1.2 trillion for fiscal years 2012 through 2021, triggering the legislation's automatic reduction to several government programs. This included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, effective as of 2013. Further legislation, including the BBA, has extended the 2% reduction to 2030 with the exception of a temporary suspension from May 1, 2020 through March 31, 2021, unless additional congressional action is taken. The Coronavirus Aid, Relief and Economic Security Act, or CARES Act, which was signed into law in March 2020 and is designed to provide financial support and resources to individuals and businesses affected by the COVID-19 pandemic, suspended the 2% Medicare sequester from May 1, 2020 through December 31, 2020, and extended the sequester by one year, through 2030. In January 2013, then President Obama

signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Further, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs. At the federal level, the Trump administration used several means to propose or implement drug pricing reform, including through federal budget proposals, executive orders and policy initiatives. For example, on July 24, 2020 and September 13, 2020, the Trump administration announced several executive orders related to prescription drug pricing that seek to implement several of the administration's proposals. As a result, the FDA released a final rule on September 24, 2020, effective November 30, 2020, providing guidance for states to build and submit importation plans for drugs from Canada. Further, on November 20, 2020, the U.S. Department of Health & Human Services, or HHS, finalized a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Medicare Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The implementation of the rule has been delayed by the Biden administration from January 1, 2022 to January 1, 2023 in response to ongoing litigation. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a new safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers, the implementation of which have also been delayed pending review by the Biden administration until March 22, 2021. On November 20, 2020, the Centers for Medicare & Medicaid Services, or CMS, issued an interim final rule implementing the Trump administration's Most Favored Nation executive order, which would tie Medicare Part B payments for certain physician-administered drugs to the lowest price paid in other economically advanced countries, effective January 1, 2021. On December 28, 2020, the U.S. District Court in Northern California issued a nationwide preliminary injunction against implementation of the interim final rule. It is unclear whether the Biden administration will work to reverse these measures or pursue similar policy initiatives. At the state level, legislatures are increasingly passing legislation and implementing 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.

It is also possible that additional governmental action is taken in response to address the COVID-19 pandemic. We cannot predict the likelihood, nature or extent of government regulations that may arise from future legislation, administrative or executive action. We expect that the Affordable Care Act, as well as other current or future healthcare reform measures may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. This could seriously harm our future revenues. Any reduction in reimbursement from Medicare or 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 products.

We do not currently have any sales, marketing or distribution experience or infrastructure.

In order to market any approved product candidate in the future, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, as we do not presently have all of these capabilities. To develop our internal sales, distribution and marketing capabilities, we would have to invest significant amounts of financial and management resources in the future. For drugs where we decide to perform sales, marketing and distribution functions ourselves, we could face a number of challenges, including that:

- we may not be able to attract and build an effective marketing or sales force;
- the cost of establishing, training and providing regulatory oversight for a marketing or sales force may not be justifiable in light of the revenues generated by any particular product;
- our direct or indirect sales and marketing efforts may not be successful; and

- there are significant legal and regulatory risks in drug marketing and sales that we have never faced, and any failure to comply with all legal and regulatory requirements for sales, marketing and distribution could result in enforcement action by the FDA or other authorities that could jeopardize our ability to market the product or could subject us to substantial liabilities

Alternatively, we may rely on third parties to launch and market our product candidates, if approved. We may have limited or no control over the sales, marketing and distribution activities of these third parties and our future revenue may depend on the success of these third parties. Additionally, if these third parties fail to comply with all applicable legal or regulatory requirements, the FDA or another governmental agency could take enforcement action that could jeopardize their ability and our ability to market our product candidates.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of our product candidates.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human trials and will face an even greater risk if we commercially sell any products that we may develop. Product liability claims may be brought against us by subjects enrolled in our trials, patients, healthcare providers or others using, administering or selling our products. If we cannot successfully defend ourselves against claims that our product candidates or other products that we may develop caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for our product candidates;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- withdrawal of trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial subjects or patients;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize any products that we may develop.

While we currently hold trial liability insurance coverage consistent with industry standards, this may not adequately cover all liabilities that we may incur. We also may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise in the future. We intend to expand our insurance coverage for products to include the sale of commercial products if we obtain marketing approval for our product candidates, but we may be unable to obtain commercially reasonable product liability insurance. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business and financial condition.

Our relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse, transparency and other healthcare laws and regulations as well as privacy and data security laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, fines, exclusion from participation in government healthcare programs, curtailments or restrictions of our operations, administrative burdens and diminished profits and future earnings.

Healthcare providers, including physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with physicians, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we conduct clinical research and market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include, but are not limited to, the following:

- the federal Anti-Kickback Statute prohibits persons from, among other things, knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, the referral of an individual for the furnishing or arranging for the furnishing, or the purchase, lease or order, or arranging for or recommending purchase, lease or order, or any good or service for which payment may be made under a federal healthcare program such as Medicare and Medicaid;
- the federal false claims, including the federal civil False Claims Act, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, and civil monetary penalties laws, which prohibit knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, also imposes obligations on certain covered entity health care providers, health plans and health care clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information for or on behalf of such covered entities, and their covered subcontractors, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal Physician Payments Sunshine Act 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 to report annually to CMS information related to "payments or other transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by physicians (as defined above) and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report information regarding payments and transfers of value provided during the previous year to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse-midwives; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require manufactures to report pricing information regarding certain drugs; state and local laws that require the registration of pharmaceutical sales representatives; state and foreign laws that govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts; and federal, state, and foreign laws that govern the privacy and security of other personal information, including federal and state consumer protection laws, state data security laws, and data breach notification laws (a data breach affecting sensitive personal information, including health information, could result in significant legal and financial exposure and reputational damages).

Efforts to ensure that our business arrangements with third parties and our business generally, will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting 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 civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, 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 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 physician or other healthcare provider or entity with whom we expect to do business is found not to be in compliance with applicable laws, that person or entity may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

Significant disruptions of our information technology systems or data security incidents could result in significant financial, legal, regulatory, business and reputational harm to us.

We are increasingly dependent on information technology systems and infrastructure, including mobile technologies, to operate our business. In the ordinary course of our business, we collect, store, process and transmit large amounts of sensitive information, including intellectual property, proprietary business information, personal information and other confidential information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity and availability of such sensitive information. We have also outsourced elements of our operations (including elements of our information technology infrastructure) to third parties, and as a result, we manage a number of third-party vendors who may or could have access to our computer networks, our confidential information or the confidential information of third parties that is in our possession. In addition, those third party vendors may in turn subcontract or outsource some of their responsibilities to other parties. While all information technology operations are inherently vulnerable to inadvertent or intentional security breaches, incidents, attacks and exposures, the accessibility and distributed nature of our information technology systems, and the sensitive information stored on those systems, make such systems potentially vulnerable to unintentional or malicious, internal and external attacks on our technology environment. In addition, due to the COVID-19 pandemic, we have enabled substantially all of our employees to work remotely, which may make us more vulnerable to cyberattacks. Potential vulnerabilities can be exploited from inadvertent or intentional actions of our employees, third-party vendors, business partners, or by malicious third parties. Attacks of this nature are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, “hacktivists,” nation states and others. In addition to the extraction of sensitive information, such attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. The prevalent use of mobile devices further increases the risk of data security incidents.

Significant disruptions of our, our third-party vendors’ and/or business partners’ information technology systems or other similar data security incidents could adversely affect our business operations and/or result in the loss, misappropriation and/or unauthorized access, use or disclosure of, or the prevention of access to, sensitive information, which could result in financial, legal, regulatory, business and reputational harm to us. In addition, information technology system disruptions, whether from attacks on our technology environment or from computer viruses, natural disasters, terrorism, war and telecommunication and electrical failures, could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

There is no way of knowing with certainty whether we have experienced any data security incidents that have not been discovered. While we have no reason to believe this to be the case, attackers have become very sophisticated in the ways that they conceal access to systems. Many companies that have been attacked are not aware that they have been attacked. Any event that leads to unauthorized access, use or disclosure of personal information, including but not limited to personal information regarding employees or clinical trial patients, could disrupt our business, harm our reputation, compel us to comply with applicable federal and/or state breach notification laws and foreign law equivalents, subject us to time consuming, distracting and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of database contents, or otherwise subject us to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs to us, and result in significant legal and financial exposure and/or reputational harm. Any failure or perceived failure by us or our vendors or business partners to comply with our privacy, confidentiality or data security-related legal or other obligations to third parties, or any further security incidents or other inappropriate access events resulting in the unauthorized access, release or transfer of sensitive information, which could include personally identifiable

information, may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against us by advocacy groups or others, and could cause third parties, including clinical sites, regulators or current and potential partners, to lose trust in us or we could be subject to claims by third parties that we have breached our privacy- or confidentiality-related obligations, which could materially and adversely affect our business and prospects. Moreover, data security incidents and other inappropriate access can be difficult to detect. Any delay in identifying them may lead to increased harm of the type described above. While we have implemented security measures to protect our information technology systems and infrastructure, there can be no assurance that such measures will successfully prevent service interruptions or security incidents. Further, because of the work-from-home policies we implemented due to COVID-19, information that is normally protected, including company confidential information, may be less secure.

Risks Related to Our Financial Position and Capital Needs

We have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future.

Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval or be commercially viable. We are a clinical stage biopharmaceutical company with limited operating history. We have no products approved for commercial sale and have not generated any product revenues to date, and we continue to incur significant research and development and other expenses related to our ongoing operations and clinical development of our product candidates. As a result, we are not and have never been profitable and have incurred losses in each period since our inception in 2005.

For the year ended December 31, 2020, we reported a net loss of $73.2 million. We reported a net loss attributable to stockholders of $77.1 million for the year ended December 31, 2020. As of December 31, 2020, we had an accumulated deficit of $568.6 million, which included non-cash charges for stock-based compensation, preferred stock accretion and extinguishment charges. We expect to continue to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our pre-commercialization activities for, and our research and development of, and seek regulatory approvals for, our product candidates. We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues, if any. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and working capital.

We currently have no source of product revenue and may never achieve or maintain profitability.

Our ability to generate product revenue and become profitable depends upon our ability to successfully commercialize our product candidates. We do not anticipate generating revenue from the sale of our product candidates for the foreseeable future. Our ability to generate future product revenue also depends on a number of additional factors, including, but not limited to, our ability to:

- successfully complete the research and clinical development of, and receive regulatory approval for, our product candidates;
- launch, commercialize and achieve market acceptance of our product candidates, and if launched independently, successfully establish a sales, marketing and distribution infrastructure;
- continue to build a portfolio of product candidates through the acquisition or in-license of products, product candidates or technologies;
- initiate preclinical and clinical trials for any additional product candidates that we may pursue in the future;
- establish and maintain supplier and manufacturing relationships with third parties, and ensure adequate and legally compliant manufacturing of bulk drug substances and drug products to maintain that supply;

- obtain coverage and adequate product reimbursement from third-party payors, including government payors;
- establish, maintain, expand and protect our intellectual property rights; and
- attract, hire and retain additional qualified personnel.

In addition, because of the numerous risks and uncertainties associated with drug development, we are unable to predict the timing or amount of increased expenses, and if or when we will achieve or maintain profitability. In addition, our expenses could increase beyond expectations if we decide to or are required by the FDA or foreign regulatory authorities to perform studies or trials in addition to those that we currently anticipate. Even if we complete the development and regulatory processes described above, we anticipate incurring significant costs associated with launching and commercializing our current product candidates and any other product candidates we may develop.

Even if we generate revenues from the sale of our product candidates, we may not become profitable and may need to obtain additional funding to continue operations or acquire additional products that will require additional funding to develop them. If we fail to become profitable or do not sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations or even shut down.

We will require additional capital to finance our planned operations, which may not be available to us on acceptable terms, or at all. As a result, we may not complete the development and commercialization of, or obtain regulatory approval for our existing product candidates or develop new product candidates.

Our operations have consumed substantial amounts of cash since our inception, primarily due to our research and development efforts. We expect our research and development expenses to increase substantially in connection with our ongoing and planned activities. We believe that our existing cash, cash equivalents and short-term investments will fund our projected operating expenses and capital expenditure requirements for at least the next 12 months. Unexpected circumstances may cause us to consume capital more rapidly than we currently anticipate, including as a result of the COVID-19 pandemic. For example, we may discover that we need to conduct additional activities that exceed our current budget to achieve appropriate rates of patient enrollment, which would increase our development costs.

In any event, we will require additional capital to continue the development of, obtain regulatory approval for, and to commercialize our existing product candidates and any future product candidates. Any efforts to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. The COVID-19 pandemic has already resulted in a significant disruption of global financial markets. If the disruption persists and deepens, we could experience an inability to access additional capital. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we do not raise additional capital when required or on acceptable terms, we may need to:

- delay, scale back or discontinue the development or commercialization of our product candidates or cease operations altogether;
- seek strategic alliances for our existing product candidates on terms less favorable than might otherwise be available; or
- relinquish, or license on unfavorable terms, our rights to technologies or any future product candidates that we otherwise would seek to develop or commercialize ourselves.

If we need to conduct additional fundraising activities and we do not raise additional capital in sufficient amounts or on terms acceptable to us, we may be unable to pursue development and commercialization efforts, which will harm our business, operating results and prospects.

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

- the initiation, progress, timing, costs and results of clinical trials of our product candidates;

- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more trials than we currently expect;
- the cost to establish, maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing any patents or other intellectual property rights;
- market acceptance of our product candidates;
- the cost and timing of selecting, auditing and developing manufacturing capabilities, and potentially validating manufacturing sites for commercial-scale manufacturing;
- the cost and timing for obtaining pricing, and coverage and reimbursement by third-party payors, which may require additional trials to address pharmacoeconomic benefit;
- the cost of establishing sales, marketing and distribution capabilities for our product candidates if any candidate receives regulatory approval and we determine to commercialize it ourselves;
- the costs of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the effect of competing technological and market developments;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems, as we grow our company; and
- business interruptions resulting from pandemics and public health emergencies, including those related to the ongoing COVID-19 pandemic, geopolitical actions, including war and terrorism or natural disasters including earthquakes, typhoons, floods and fires.

If we cannot expand our operations or otherwise capitalize on our business opportunities because we cannot secure sufficient capital, our business, financial condition and results of operations could be materially adversely affected.

The terms of our loan and security agreements place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

Our loan and security agreement, or the Loan Agreement, with Hercules Capital, Inc., or Hercules, for aggregate maximum borrowings of up to $30.0 million, or the Credit Facility, is collateralized by substantially all of our and our subsidiaries personal property and other assets, other than our intellectual property. As of December 31, 2020, the outstanding principal balance under the Credit Facility was $20.0 million, resulting from the closing of the first tranche of funding which occurred on February 7, 2020. The Credit Facility contains customary representations, warranties, affirmative and negative covenants and events of default applicable to us and our subsidiaries.

If we default under the Credit Facility, Hercules may accelerate all of our repayment obligations and exercise all of their rights and remedies under the Credit Facility and applicable law, potentially requiring us to renegotiate our agreement on terms less favorable to us. Further, if we are liquidated, the lenders' right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. Hercules could declare a default upon the occurrence of any event, among others, that they interpret as a material adverse effect or a change of control as delineated under the Credit Facility, payment defaults, or breaches of covenants thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by the lender of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

Changes in tax laws or regulations could materially adversely affect our company.

New tax laws or regulations could be enacted at any time, and existing tax laws or regulations could be interpreted, modified or applied in a manner that is adverse to us, which could adversely affect our business and financial condition. For example, legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act, or the Tax Act, enacted many significant changes to the U.S. tax laws, including changes in corporate tax rates, the utilization of our NOLs and other deferred tax assets, the deductibility of expenses, and the taxation of foreign earnings. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. For example, the Coronavirus Aid, Relief and Economic Security Act, or the CARES Act, modified certain provisions of the Tax Act. In addition, it is uncertain if and to what extent various states will conform to the Tax Act, the CARES Act, or any newly enacted federal tax legislation. The impact of changes under the Tax Act, the CARES Act, or future reform legislation could increase our future U.S. tax expense and could have a material adverse impact on our business and financial condition.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred substantial losses during our history. We do not expect to become profitable in the near future, and we may never achieve profitability. Unused losses generally are available to be carried forward to offset future taxable income, if any. Under Sections 382 and 383 of the Code if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research tax credits) to offset its post-change taxable income or taxes may be limited. We completed an analysis through December 31, 2020 and determined that on March 30, 2007, August 21, 2015, and May 4, 2020, ownership changes had occurred. We may also experience ownership changes in the future as a result of shifts in our stock ownership, some of which may be outside of our control. As a result, our ability to use our pre-change NOLs to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Risks Related to Intellectual Property

If we are unable to obtain or protect intellectual property rights, we may not be able to compete effectively in our market.

Our success depends in significant part on our and our licensors' and licensees' ability to establish, maintain and protect patents and other intellectual property rights and operate without infringing the intellectual property rights of others. We have filed patent applications both in the United States and in foreign jurisdictions to obtain patent rights to inventions we have discovered. We have also licensed from third parties rights to patent portfolios. Some of these licenses give us the right to prepare, file and prosecute patent applications and maintain and enforce patents we have licensed, and other licenses may not give us such rights.

The patent prosecution process is expensive and time-consuming, and we and our current or future licensors and licensees may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our licensors or licensees will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from or license to third parties and are reliant on our licensors or licensees. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If our current or future licensors or licensees fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors or licensees are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors' or licensees' patent rights are highly uncertain. Our and our licensors' or licensees' pending and future patent

applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. The patent examination process may require us or our licensors or licensees to narrow the scope of the claims of our or our licensors' or licensees' pending and future patent applications, which may limit the scope of patent protection that may be obtained. It is possible that third parties with products that are very similar to ours will circumvent our or our licensors' or licensees' patents by means of alternate designs or processes. We cannot be certain that we are the first to invent the inventions covered by pending patent applications and, if we are not, we may be subject to priority disputes. We may be required to disclaim part or all of the term of certain patents or all of the term of certain patent applications. There may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim. There also may be prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. No assurance can be given that if challenged, our patents would be declared by a court to be valid or enforceable or that even if found valid and enforceable, a competitor's technology or product would be found by a court to infringe our patents. We may analyze patents or patent applications of our competitors that we believe are relevant to our activities, and consider that we are free to operate in relation to our product candidate, but our competitors may achieve issued claims, including in patents we consider to be unrelated, which block our efforts or may potentially result in our product candidate or our activities infringing such claims. The possibility exists that others will develop products which have the same effect as our products on an independent basis which do not infringe our patents or other intellectual property rights, or will design around the claims of patents that we have had issued that cover our products. Our and our licensors' or licensees' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology.

Furthermore, 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 owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Entinostat composition of matter U.S. Patent RE39,754, which we licensed from Bayer, covers the chemical entity of entinostat and any crystalline or non-crystalline form of entinostat and expired in September 2017.

The portfolio we licensed from Bayer also includes U.S. Patent 7,973,166, or the '166 patent, which covers a crystalline polymorph of entinostat which is referred to as crystalline polymorph B, the crystalline polymorph used in the clinical development of entinostat. Many compounds can exist in different crystalline forms. A compound which in the solid state may exhibit multiple different crystalline forms is called polymorphic, and each crystalline form of the same chemical compound is termed a polymorph. A new crystalline form of a compound may arise, for example, due to a change in the chemical process or the introduction of an impurity. Such new crystalline forms may be patented. The '166 patent expires in 2029. On March 7, 2014, our licensor Bayer applied for reissue of the '166 patent. The reissue application seeks to add three inventors not originally listed on the '166 patent. The reissue application does not seek to amend the claims issued in the '166 patent. On April 28, 2015, the USPTO re-issued the '166 patent as U.S. patent RE45,499. RE45,499 reissued with the same claims originally issued in the '166 patent and the list of inventors on RE45,499 now lists the additional three inventors that were not included on the '166 patent. The '166 patent has now been surrendered in favor of RE45,499. RE45,499 has the same term as the initial term of the '166 patent, which expires in August 2029. After expiry of RE39,754, which occurred in September 2017, a competitor may develop a competing polymorphic form other than based on polymorph B, which could compete with polymorph B.

In spite of our efforts and efforts of our licensor, we may not be successful in defending the validity of the claims of the RE45,499 reissue patent or any of its foreign counterparts. If the claims of the '166 patent or any of its counterparts are found to be invalid by a competent court, we may not be able to effectively block entry of generic versions of our entinostat crystalline polymorph B candidate products into markets where the crystalline polymorph B patent claims are found to be invalid. Additionally, even if we submit an NDA before the expiration of U.S. Patent RE45,499 and are successful in obtaining an extension of the term of U.S. Patent RE45,499 based on FDA regulatory delays, such extension will only extend the term of RE45,499 for a few additional years (up to a maximum of five additional years for patent claims covering a new chemical entity).

The portfolio that we licensed from UCB includes granted patents and applications with pending claims directed to the composition of matter of axatilimab (a humanized, full-length IgG4 (kappa light chain) antibody with high affinity for the CSF-1R) as well as claims directed to methods of use of axatilimab. There is no guarantee that

any further patents will be granted based on the pending applications we licensed from UCB or even if one or more patents are granted that the claims issued in those patents would cover axatilimab or methods of using axatilimab. Based on the priority date and filing date of the applications in the portfolio we licensed from UCB, we expect that additional patents, if any, granted based on the currently pending applications would expire in 2034. The actual term of any patents granted based on the pending applications we licensed from UCB can only be determined after such patents are actually granted.

The portfolio that we licensed from Vitae Pharmaceuticals, a subsidiary of AbbVie, includes granted patents and applications with pending claims directed to inhibitors of the interaction of menin with MLL and MLL fusion proteins, pharmaceutical compositions containing the same, and their use in the treatment of cancer and other diseases mediated by the menin-MLL interaction. There is no guarantee that any additional patents will be granted based on the pending applications that we licensed from AbbVie or even if one or more patents are granted that the claims issued in those patents would cover the desired lead compounds, compositions, and methods of use thereof. Based on the priority date and filing date of the applications in the portfolio that we licensed from AbbVie, we expect that a patent, if any, granted based on the currently pending applications would expire in 2037. The actual term of any patents granted based on the pending applications that we licensed from AbbVie can only be determined after such patents are actually granted.

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

Filing, prosecuting, enforcing and defending patents on product candidates in all countries throughout the world is prohibitively expensive, and our or our licensors' intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we and our licensors may not be able to prevent third parties from practicing our and our licensors' inventions in countries outside the United States, or from selling or importing products made using our and our licensors' inventions in and into the United States or other jurisdictions. Competitors may use our and our licensors' technologies in jurisdictions where we have not obtained patent protection to develop their own products and may export otherwise infringing products to territories where we and our licensors 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 and our licensors' 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 and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us and our licensors to stop the infringement of our and our licensors' patents or marketing of competing products in violation of our and our licensors' proprietary rights generally. Proceedings to enforce our and our licensors' patent rights in foreign jurisdictions could result in substantial costs and divert our attention from other aspects of our business, could put our and our licensors' patents at risk of being invalidated or interpreted narrowly and our and our licensors' patent applications at risk of not issuing and could provoke third parties to assert claims against us or our licensors. We or our licensors may not prevail in any lawsuits that we or our licensors initiate and the damages or other remedies awarded, if any, may not be commercially meaningful.

The requirements for patentability may differ in certain countries, particularly developing countries. For example, unlike other countries, China has a heightened requirement for patentability, and specifically requires a detailed description of medical uses of a claimed drug. In India, unlike the United States, there is no link between regulatory approval of a drug and its patent status. Furthermore, generic drug manufacturers or other competitors may challenge the scope, validity or enforceability of our or our licensors' patents, requiring us or our licensors to engage in complex, lengthy and costly litigation or other proceedings. Generic drug manufacturers may develop, seek approval for, and launch generic versions of our products. In addition to India, certain countries in Europe and developing countries, including China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our

and our licensors' efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

If we breach the UCB license agreement related to axatilimab or if the UCB license agreement is otherwise terminated, we could lose the ability to continue the development and commercialization of axatilimab.

Our commercial success depends upon our ability to develop, manufacture, market and sell axatilimab. Subject to the achievement of certain milestone events, we may be required to pay UCB up to $119.5 million in one-time development and regulatory milestone payments over the term of the UCB license agreement. If we or any of our affiliates or sublicensees commercializes axatilimab, we will also be obligated to pay UCB low double-digit royalties on sales, subject to reduction in certain circumstances, as well as up to an aggregate of $250 million in potential one-time sales-based milestone payments based on achievement of certain annual sales thresholds. Under certain circumstances, we may be required to share a percentage of non-royalty income from sublicensees, subject to certain deductions, with UCB.

Either party may terminate the UCB license agreement in its entirety or with respect to certain countries in the event of an uncured material breach by the other party. Either party may terminate the UCB license agreement if voluntary or involuntary bankruptcy proceedings are instituted against the other party, if the other party makes an assignment for the benefit of creditors, or upon the occurrence of other specific events relating to the insolvency or dissolution of the other party. UCB may terminate the UCB license agreement if we seek to revoke or challenge the validity of any patent licensed to us by UCB under the UCB license agreement or if we procure or assist a third party to take any such action.

Unless terminated earlier in accordance with its terms, the UCB license agreement will continue on a country-by-country and product-by-product basis until the later of: (i) the expiration of all of the licensed patent rights in such country; (ii) the expiration of all regulatory exclusivity applicable to the product in such country; and (iii) 10 years from the date of the first commercial sale of the product in such country. We cannot determine the date on which our royalty payment obligations to UCB would expire because no commercial sales of axatilimab have occurred and the last-to-expire relevant patent covering axatilimab in a given country may change in the future.

If the UCB license agreement is terminated, we would not be able to develop, manufacture, market or sell axatilimab and would need to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

If we breach the license agreement related to SNDX-5613 or if the license agreement is otherwise terminated, we could lose the ability to continue the development and commercialization of SNDX-5613.

Our commercial success depends upon our ability to develop, manufacture, market and sell SNDX-5613. Subject to the achievement of certain milestone events, we may be required to pay Vitae, a subsidiary of AbbVie, plc., up to $99 million in one-time development and regulatory milestone payments over the term of the AbbVie license agreement. In the event that we or any of our affiliates or sublicensees commercializes SNDX-5613, we will also be obligated to pay AbbVie low single to low double-digit royalties on sales, subject to reduction in certain circumstances, as well as up to an aggregate of $70 million in potential one-time sales-based milestone payments based on achievement of certain annual sales thresholds. Under certain circumstances, we may be required to share a percentage of non-royalty income from sublicensees, subject to certain deductions, with AbbVie. In June 2019, we achieved certain development and regulatory milestones. As a result, in June 2019, we recorded $4.0 million as research and development expense. The amount was paid in 2020

Either party may terminate the license agreement in its entirety or with respect to certain countries in the event of an uncured material breach by the other party. Either party may terminate the license agreement if voluntary or involuntary bankruptcy proceedings are instituted against the other party, if the other party makes an assignment for the benefit of creditors, or upon the occurrence of other specific events relating to the insolvency or dissolution of the other party. AbbVie may terminate the license agreement if we seek to revoke or challenge the validity of any patent licensed to us by AbbVie under the license agreement or if we procure or assist a third party to take any such action.

Unless terminated earlier in accordance with its terms, the license agreement will continue on a country-by-country and product-by-product basis until the later of: (i) the expiration of all of the licensed patent rights in such

country; (ii) the expiration of all regulatory exclusivity applicable to the product in such country; and (iii) 10 years from the date of the first commercial sale of the product in such country. We cannot determine the date on which our royalty payment obligations to AbbVie would expire because no commercial sales of SNDX-5613 have occurred and the last-to-expire relevant patent covering SNDX-5613 in a given country may change in the future.

If the license agreement is terminated, we would not be able to develop, manufacture, market or sell SNDX-5613 and would need to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

If we breach our license agreement with Bayer related to entinostat or if the license agreement is otherwise terminated, we could lose the ability to continue the development and commercialization of entinostat.

In March 2007, we entered into a license, development and commercialization agreement, or the Bayer license agreement, with Bayer pursuant to which we obtained a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. The Bayer license agreement, as amended, permits us to use entinostat or other licensed products under the Bayer license agreement for the treatment of any human disease, and we are obligated to use commercially reasonable efforts to develop, manufacture and commercialize licensed products for all commercially reasonable indications.

We are obligated to pay Bayer up to approximately $50 million in the aggregate upon obtaining certain milestones in the development and marketing approval of entinostat, assuming that we pursue at least two different indications for entinostat or any other licensed product under the Bayer license agreement. We are also obligated to pay Bayer up to $100 million in aggregate sales milestones, and a tiered, single-digit royalty on net sales by us, our affiliates and sublicensees of entinostat and any other licensed products under the Bayer license agreement. We are obligated to pay Bayer these royalties on a country-by-country basis for the life of the relevant licensed patents covering such product or 15 years after the first commercial sale of such product in such country, whichever is longer. We cannot determine the date on which our royalty payment obligations to Bayer would expire because no commercial sales of entinostat have occurred and the last-to-expire relevant patent covering entinostat in a given country may change in the future.

The Bayer license agreement will remain in effect until the expiration of our royalty obligations under the agreement in all countries. Either party may terminate the Bayer license agreement in its entirety or with respect to certain countries in the event of an uncured material breach by the other party. Either party may terminate the Bayer license agreement if voluntary or involuntary bankruptcy proceedings are instituted against the other party, if the other party makes an assignment for the benefit of creditors, or upon the occurrence of other specific events relating to the insolvency or dissolution of the other party. Bayer may terminate the Bayer license agreement if we seek to revoke or challenge the validity of any patent licensed to us by Bayer under the Bayer license agreement or if we procure or assist a third party to take any such action.

If the Bayer license agreement is terminated, we would not be able to develop, manufacture, market or sell entinostat and would need to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time-consuming, and inherently uncertain. The Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our and our licensors' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by Congress, the federal courts, and the U.S. Patent and Trademark Office, or USPTO, the laws and regulations governing patents could change in unpredictable ways that may weaken our and our licensors' ability to obtain new patents or to enforce existing patents and patents we and our licensors or collaborators may obtain in the future. In view of recent developments in U.S. patent laws, in spite of our efforts and the efforts of our licensors, we may face difficulties in obtaining allowance of our biomarker based patient selection

patent claims or if we are successful in obtaining allowance of our biomarker based patient selection claims, we or our licensor may be unsuccessful in defending the validity of such claims if challenged before a competent court.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the America Invents Act, was signed into law. The America Invents Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted and may also affect patent litigation. The USPTO recently developed new regulations and procedures to govern administration of the American Invents Act, and many of the substantive changes to patent law associated with the America Invents Act and in particular, the first to file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the America Invents Act will have on the operation of our business. However, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents, all of which could harm our business and financial condition.

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

Periodic maintenance and annuity fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we or our licensors fail to maintain the patents and patent applications covering our product candidates, our competitors might be able to enter the market, which would harm our business.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have an adverse effect on the success of our business and on our stock price.

Third parties may infringe our or our licensors' patents or misappropriate or otherwise violate our or our licensors' intellectual property rights. In the future, we or our licensors may initiate legal proceedings to enforce or defend our or our licensors' intellectual property rights, to protect our or our licensors' trade secrets or to determine the validity or scope of intellectual property rights we own or control. Also, third parties may initiate legal proceedings against us or our licensors to challenge the validity or scope of intellectual property rights we own or control. The proceedings can be expensive and time-consuming and many of our or our licensors' adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors can. Accordingly, despite our or our licensors' efforts, we or our licensors may not be able to prevent third parties from infringing upon or misappropriating intellectual property rights we own or control, particularly in countries where the laws may not protect our rights as fully as in the United States. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by or licensed to us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our or our licensors' patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our or our licensors' patents at risk of being invalidated, held unenforceable or interpreted narrowly.

Third-party preissuance submission of prior art to the USPTO, or opposition, derivation, reexamination, *inter partes* review or interference proceedings, or other preissuance or post-grant proceedings in the United States or other jurisdictions provoked by third parties or brought by us or our licensors or collaborators may be necessary to determine the priority of inventions with respect to our or our licensors' patents or patent applications. An

unfavorable outcome could require us or our licensors to cease using the related technology and commercializing our product candidates, or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us or our licensors a license on commercially reasonable terms or at all. Even if we or our licensors obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors. In addition, if the breadth or strength of protection provided by our or our licensors' patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates. Even if we successfully defend such litigation or proceeding, we may incur substantial costs and it may distract our management and other employees. We could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent.

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 process. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a downward effect on the price of shares of our common stock.

Third parties may initiate legal proceedings against us alleging that we infringe their intellectual property rights or we may initiate legal proceedings against third parties to challenge the validity or scope of intellectual property rights controlled by third parties, the outcome of which would be uncertain and could have an adverse effect on the success of our business.

Third parties may initiate legal proceedings against us or our licensors or collaborators alleging that we or our licensors or collaborators infringe their intellectual property rights or we or our licensors or collaborators may initiate legal proceedings against third parties to challenge the validity or scope of intellectual property rights controlled by third parties, including in oppositions, interferences, reexaminations, *inter partes* reviews or derivation proceedings before the United States or other jurisdictions. These proceedings can be expensive and time-consuming and many of our or our licensors' adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors or collaborators can.

An unfavorable outcome could require us or our licensors or collaborators to cease using the related technology or developing or commercializing our product candidates, or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us or our licensors or collaborators a license on commercially reasonable terms or at all. Even if we or our licensors or collaborators obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us or our licensors or collaborators. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business.

We may be subject to claims by third parties asserting that we or our employees have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our employees, including our senior management, were previously employed at universities or at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees 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 employees have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims.

In addition, for some of our in-licensed patents and patent applications, we do not have access to every patent assignments or employee agreements demonstrating that all inventors have assigned their rights to the inventions or related patents. As a result, we may be subject to claims of ownership by such inventors.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our

technology or products. Such a license may not be available on commercially reasonable terms or at all. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract management.

Our inability to protect our confidential information and trade secrets would harm our business and competitive position.

In addition to seeking patents for some of our technology and products, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, third-party manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. 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 both within and outside the United States may be less willing or unwilling to protect trade secrets. If a competitor lawfully obtained or independently developed any of our trade secrets, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position.

Risks Related to Ownership of Our Common Stock and Other General Matters

The market price of our stock may be volatile and you could lose all or part of your investment.

The trading price of our common stock is highly volatile and subject to wide fluctuations in response to various factors, some of which we cannot control. In addition to the factors discussed in this “Risk Factors” section and elsewhere in this report, these factors include:

- the success of competitive products or technologies;
- regulatory actions with respect to our products or our competitors’ products;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures, collaborations or capital commitments;
- results of trials of our product candidates or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to our product candidates or clinical development programs;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or our other stockholders;
- changes in the structure of healthcare payment systems;

- market conditions in the pharmaceutical and biotechnology sectors; and
- general economic, industry, political and market conditions, including, but not limited to the ongoing impact of the COVID-19 pandemic.

In addition, the stock market in general, and the Nasdaq Global Select Market and biopharmaceutical companies in particular, frequently experiences extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies, including very recently in connection with the ongoing COVID-19 pandemic, which has resulted in decreased stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. Broad market and industry factors, including potentially worsening economic conditions and other adverse effects or developments relating to the ongoing COVID-19 pandemic, may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a dramatic and negative impact on the market price of our common stock.

We may sell additional equity or debt securities or enter into other arrangements to fund our operations, which may result in dilution to our stockholders and impose restrictions or limitations on our business.

Until we can generate a sufficient amount of revenue from our products, if ever, we expect to finance future cash needs through public or private equity or debt offerings. If we raise additional funds through the issuance of additional equity or debt securities, it may result in dilution to our existing stockholders and/or increased fixed payment obligations. In December 2020, we completed a public offering in which we sold 6,250,000 shares of our common stock at a price per share of $23.00 with net proceeds of approximately $135.0 million. Further, in May 2020, we sold 6,388,889 shares of our common stock at a price per share of $18.00 with net proceeds of approximately $107.9 million. In January 2020, we sold 3,036,719 shares of our common stock at a price per share of $8.00 and pre-funded warrants to purchase 1,338,287 shares of our common stock for net proceeds of approximately $34.9 million. Upon the completion of the January 2020 offering, we had 5,838,287 pre-funded warrant shares outstanding. The pre-funded warrants are exercisable into shares of common stock for $0.0001 per share. The shares of common stock into which the warrants may be exercised are considered outstanding for the purposes of computing earnings per share. As of December 31, 2020, we had 3,557,952 pre-funded warrants outstanding. All Series 1 warrants and Series 2 warrants were exercised prior to the December 31, 2020 expiration date.

We may also seek additional funding through government or other third-party funding and other collaborations, strategic alliances and licensing arrangements. These financing activities may have an adverse impact on our stockholders' rights as well as on our operations, and such additional funding may not be available on reasonable terms, if at all. Furthermore, these securities may have rights senior to those of our common stock and could contain covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. For example, on February 7, 2020, we entered into the Loan Agreement with Hercules, which provided for aggregate maximum borrowings of up to $30.0 million, consisting of (i) a term loan of up to $20.0 million, which was funded on February 7, 2020, and (ii) subject to Hercules' investment committee approval, an additional term loan of up to $10.0 million, available for borrowing from February 7, 2020 to December 15, 2020. We did not request the available additional borrowing by the due date. Borrowings under the Loan Agreement are collateralized by substantially all of our and our subsidiaries personal property and other assets, other than our intellectual property. In addition, the Loan Agreement includes customary affirmative and restrictive covenants and representations and warranties, including a covenant against the occurrence of a "change in control," financial reporting obligations, and certain limitations on indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), collateral, investments, distributions, transfers, mergers or acquisitions, taxes, corporate changes, and deposit accounts.

Additionally, if we seek funds through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us. Any of these events could significantly harm our business, financial condition and prospects.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us or our business. If no or few securities or industry analysts continue coverage of us, the trading price for our stock could be negatively impacted. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our trials or operating results fail to meet the expectations of analysts, our stock price could decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant influence control over matters subject to stockholder approval.

As of December 31, 2020, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately 29.2% of our outstanding voting stock and options. As a result, these stockholders will continue to have a significant influence over all matters requiring stockholder approval. For example, these stockholders may be able to influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

We are an "emerging growth company" as defined in the JOBS Act and a "smaller reporting company" and may avail ourselves of reduced disclosure requirements applicable to such companies, which could make our common stock less attractive to investors and adversely affect the market price of our common stock.

For so long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements applicable to public companies that are not "emerging growth companies" including:

- the provisions of Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting;
- the "say on pay" provisions (requiring a non-binding stockholder vote to approve compensation of certain executive officers) and the "say on golden parachute" provisions (requiring a non-binding stockholder vote to approve golden parachute arrangements for certain executive officers in connection with mergers and certain other business combinations) of the Dodd-Frank Act and some of the disclosure requirements of the Dodd-Frank Act relating to compensation of our chief executive officer;
- the requirement to provide detailed compensation discussion and analysis in proxy statements and reports filed under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and instead provide a reduced level of disclosure concerning executive compensation; and
- any rules that the Public Company Accounting Oversight Board may adopt requiring mandatory audit firm rotation or a supplement to the auditor's report on the financial statements.

We may take advantage of these exemptions until we are no longer an "emerging growth company." We would cease to be an "emerging growth company" upon the earliest of: (i) December 31, 2021; (ii) the first fiscal year after our annual gross revenues are $1.07 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iv) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded $700 million as of the end of the second quarter of that fiscal year.

We currently take advantage of some, but not all, of the reduced regulatory and reporting requirements that are available to us so long as we qualify as an "emerging growth company." For example, we have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards available under Section 102(b) of the JOBS Act. Our independent registered public accounting firm is not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an "emerging growth company," which may increase the risk that material weaknesses or significant deficiencies in our internal control over financial reporting go undetected. Likewise, so long as we qualify as an "emerging growth company," we may elect not to provide you with certain information, including certain financial information and certain information regarding compensation of our executive officers, that we would otherwise have been required to provide in filings we make with the Securities and Exchange Commission, or SEC, which may make it more difficult for investors and securities analysts to evaluate our company. We cannot predict if investors will find our common stock less attractive because we may 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 more volatile and may decline.

We are also a smaller reporting company as defined in the Securities Exchange Act of 1934, as amended, or 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 (i) our voting and non-voting common stock held by nonaffiliates is less than $250.0 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

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

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company, and these expenses may increase even more after we are no longer an "emerging growth company." We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Protection Act, as well as rules adopted, and to be adopted, by the SEC and the Nasdaq Global Select Market.

Sales of a substantial number of shares of our common stock 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 could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. \

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock may be volatile, and in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. Commencing after the filing of our initial annual report on Form 10-K, we have been required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This

assessment needs to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of the Sarbanes-Oxley Act also generally requires an attestation from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. However, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the independent registered public accounting firm attestation requirement. Our compliance with Section 404 requires that we incur substantial expense and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge, and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. 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 begin its Section 404 reviews, we could lose investor 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 the Nasdaq Global Select Market, 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.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would benefit our stockholders and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders, or remove our current management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, who are responsible for appointing the members of our management. Because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, or the DGCL, which may discourage, delay or prevent someone from acquiring us or merging with us whether or not it is desired by or beneficial to our stockholders. Under the DGCL, 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 things, the board of directors has approved the transaction. Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change of control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our headquarters is currently located in Waltham, Massachusetts, and consists of 12,207 square feet of leased office space under a lease that expires on March 1, 2022. We also have 4,039 square feet of leased office space in New York, New York, under a recently renewed lease that expires on August 31, 2022. We believe that our existing

facilities are sufficient for our needs for the foreseeable future. If we determine that additional or new facilities are needed in the future, we believe that sufficient options would be available to us on commercially reasonable terms.

Item 3. Legal Proceedings

We are not currently a party to any material legal proceedings.

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 began trading on the Nasdaq Global Select Market on March 2, 2016, under the symbol "SNDX." Prior to that time, there was no public market for our common stock.

Holders of Record

As of March 10, 2021, we had approximately 17 holders of record of our common stock. Certain shares are held in "street" name and accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings to fund the development and growth of our business. We do not expect to pay any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our board of directors and will depend on then-existing conditions, including our financial conditions, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

Item 6. Selected Financial Data

The following table sets forth our selected consolidated financial data. We derived the consolidated statement of operations data for the years ended December 31, 2020, 2019, and 2018 and the consolidated balance sheet data as of December 31, 2020 and 2019, from our audited consolidated financial statements, included elsewhere in this Annual Report on Form 10-K. The following selected consolidated statements of operations data for the years ended December 31, 2017 and 2016 and the selected consolidated balance sheet data as of December 31, 2018, 2017 and 2016 are derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K. Our historical results are not necessarily indicative of results to be expected for any period in the future. The selected consolidated financial data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes thereto, included elsewhere in this Annual Report on Form 10-K. The selected consolidated financial data in this section is not intended to replace our consolidated financial statements and the related notes thereto.

Consolidated Statement of Operations Data:

	Years Ended December 31,				
(In thousands, except share and per share data)	2020	2019	2018	2017	2016
Revenue	$ 1,517	$ 1,517	$ 1,517	$ 2,108	$ 1,220
Operating expenses:					
Research and development	50,435	42,994	60,106	48,201	31,665
General and administrative	22,505	16,062	17,287	15,861	13,321
Total operating expenses	72,940	59,056	77,393	64,062	44,986
Loss from operations	(71,423)	(57,539)	(75,876)	(61,954)	(43,766)
Interest income (expense)	(1,516)	1,571	1,942	1,421	956
Other expense, net	(219)	(79)	(27)	(269)	(1,662)
Net loss	$ (73,158)	$ (56,047)	$ (73,961)	$ (60,802)	$ (44,472)
Net loss attributable to common stockholders (1)	$ (77,064)	$ (56,047)	$ (73,961)	$ (60,802)	$ (47,070)
Net loss per share attributable to common stockholders--basic and diluted (1)	$ (1.87)	$ (1.84)	$ (2.92)	$ (2.90)	$ (3.22)
Weighted-average common shares outstanding--basic and diluted (1)	41,308,242	30,490,783	25,371,511	20,997,211	14,619,716

Consolidated Balance Sheet Data:

	December 31,				
(In thousands)	2020	2019	2018	2017	2016
Cash, cash equivalents, short-term and long-term investments	$ 293,065	$ 59,775	$ 80,911	$ 133,220	$ 105,330
Working capital	279,992	43,963	67,241	117,644	98,144
Total assets	300,613	63,525	83,938	137,186	109,013
Accumulated deficit (2)	(568,628)	(495,470)	(439,423)	(366,111)	(305,293)
Total stockholders' equity (deficit)	252,188	31,600	53,047	104,319	84,139

(1) See Note 6 to our consolidated financial statements included elsewhere herein for an explanation of the method used to compute basic and diluted net loss and net loss per share and the weighted-average number of shares used in the computation of the per share amounts.

(2) Accumulated deficit for 2018 includes the impact of the adoption of Accounting Standard Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The impact on Accumulated deficit was an increase of $648,000.

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

The following discussion and analysis should be read in conjunction with "Selected Financial Data" and our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. This discussion and analysis and other parts of this Annual Report on Form 10-K contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K. You should carefully read the "Risk Factors" section of this Annual Report on Form 10-K to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled "Special Note Regarding Forward-Looking Statements."

For the discussion of the financial condition and results of operations for the year ended December 31, 2019 compared to the year ended December 31, 2018, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" and "—Liquidity and Capital Resources" included in the Annual Report on Form 10-K filed with the SEC on March 5, 2020.

Overview

We are a clinical stage biopharmaceutical company developing an innovative pipeline of cancer therapies. Our two lead product candidates are, SNDX-5613 and SNDX-6352, or axatilimab. We are developing SNDX-5613, targeting the binding interaction of menin with the mixed lineage leukemia 1 (MLL1) protein for the treatment of MLL-rearranged, or MLLr, acute leukemias and nucleophosmin 1, or NPM1, mutant acute myeloid leukemia (AML), as well as axatilimab, a monoclonal antibody that blocks the colony stimulating factor 1, or CSF-1 receptor. We have deprioritized the development of entinostat, our once-weekly, oral, small molecule, Class I HDAC inhibitor, to focus resources on advancing the remainder of our pipeline. We plan to continue to leverage the technical and business expertise of our management team and scientific collaborators to license, acquire and develop additional therapeutics to expand our pipeline.

We have no products approved for commercial sale and have not generated any product revenues from product sales to date. We continue to incur significant research and development and other expenses related to our ongoing operations. As a result, we are not and have never been profitable and have incurred losses in each period since our inception in 2005. For the years ended December 31, 2020, 2019, and 2018, we reported a net loss of $73.2 million, $56.0 million and $74.0 million, respectively. For the year ended December 31, 2020, 2019, and 2018, we reported a net loss attributable to common stockholders of $77.1 million, $56.0 million and $74.0 million, respectively. As of December 31, 2020, we had an accumulated deficit of $568.6 million, which included non-cash charges for stock-based compensation, preferred stock accretion and extinguishment charges. As of December 31, 2020, we had cash, cash equivalents and short-term investments of $293.1 million.

Pipeline Updates

SNDX-5613

We plan to share data from the Phase 1 AUGMENT-101 trial of SNDX-5613, our highly selective, oral menin inhibitor, in patients with mixed lineage leukemia rearranged (MLL-r) and nucleophosmin (NPM1) mutant acute leukemias late in the first quarter or early in the second quarter of 2021. Additional details regarding the presentation, which will feature the trial's principal investigator, Eytan M. Stein, M.D. Assistant Attending Physician and Director, Program for Drug Development in Leukemia, Department of Medicine at Memorial Sloan Kettering Cancer Center, will be announced in the coming weeks. We remain on track to initiate the Phase 2 portion of the trial in the second quarter of 2021, which could potentially serve as the basis for a regulatory filing.

Axatilimab

At the 62nd American Society of Hematology (ASH) Annual Meeting and Exposition in December 2020, we reported updated data from its Phase 1 trial of axatilimab, its anti-CSF-1R monoclonal antibody, in patients with chronic graft versus host disease (cGVHD). Data demonstrated deep, durable responses and multiorgan clinical benefit in patients refractory to multiple therapeutic agents.

We announced that the pivotal Phase 2 AGAVE-201 trial, which will evaluate the safety and efficacy of three doses and schedules of axatilimab in patients with cGVHD, began enrolling earlier this quarter. The primary endpoint will assess objective response rate based on the 2014 NIH consensus criteria for GVHD, with key secondary endpoints including duration of response and improvement in modified Lee Symptom Scale score. We expect to report topline data in 2023.

COVID-19 Business Update

We have implemented business continuity plans designed to address and mitigate the impact of the ongoing COVID-19 pandemic on our employees and our business. While we are not experiencing financial impacts at this time, given the global economic slowdown, the overall disruption of global healthcare systems and the other risks and uncertainties associated with the pandemic, our business, financial condition, results of operations and growth prospects could be materially adversely affected. We continue to closely monitor the COVID-19 situation as we evolve our business continuity plans and response strategy. In March 2020, our workforce transitioned to working remotely. We are currently considering plans to reopen our offices to allow employees to return to the office, which will be based on an approach that is principles-based and local in design, with a focus on employee safety and optimal work environment.

Supply Chain

We are working closely our third-party manufacturers, distributors and other partners to manage our supply chain activities and mitigate potential disruptions to our product supplies as a result of the COVID-19 pandemic. We currently expect to have adequate supplies of SNDX-5613 and axatilimab. If the COVID-19 pandemic continues to persist for an extended period of time and begins to impact essential distribution systems such as FedEx and postal delivery or if it results in facility closures facility closures for cleaning and/or insufficient staff, we could experience disruptions to our supply chain and operations, and associated delays in the manufacturing and supply of our products, and to continue our clinical trial operations.

Clinical Development

With respect to clinical development, we have taken measures to implement remote and virtual approaches, including remote patient monitoring where possible, to maintain patient safety and trial continuity and to preserve study integrity. We have not yet, but may experience, a disruption or delay in our ability to initiate trial sites and enroll and assess patients. As the COVID-19 pandemic continues, we anticipate a potential impact on our ability to maintain patient enrollment in the AUGMENT-101 and cGVHD trials. We could also see an impact on the ability to supply study drug, report trial results, or interact with regulators, ethics committees or other important agencies due to limitations in regulatory authority employee resources or otherwise. In addition, we rely on contract research organizations or other third parties to assist us with clinical trials, and we cannot guarantee that they will continue to perform their contractual duties in a timely and satisfactory manner as a result of the COVID-19 pandemic. If the COVID-19 pandemic continues and persists for an extended period of time, we could experience significant disruptions to our clinical development timelines, which would adversely affect our business, financial condition, results of operations and growth prospects.

Corporate Development

With our strong cash balance, we anticipate having sufficient liquidity to make planned investments in our business this year in support of our long-term growth strategy. We believe that our cash, cash equivalents and marketable securities as of March 11, 2021 will fund our current operating plans through at least the next 12 months. However, our operating plan 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, third-party funding, marketing and distribution arrangements, as well as other collaborations, strategic alliances and licensing arrangements, or any combination of these approaches. However, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. If the disruption persists and deepens, we could experience an inability to access additional capital, which could in the future negatively affect our operations.

Other Financial and Corporate Impacts

While we continue to evaluate whether the COVID-19 pandemic will adversely affect our business operations and financial results, our clinical development and regulatory efforts, our corporate development objectives and the value of and market for our common stock, will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in the United States, Europe and other countries, and the effectiveness of actions taken globally to contain and treat the disease. For example, if remote work policies for certain portions of our business, or that of our business partners, are extended longer than we currently expect, we may need to reassess our priorities and our corporate objectives for the year.

Financial Overview

Revenue

To date, we have not generated any product revenues. Our ability to generate revenue and become profitable depends upon our ability to obtain marketing approval of and successfully commercialize our product candidates. Our revenues for the years ended December 31, 2020 and 2019 have been solely derived from our license agreement with Kyowa Kirin Co., Ltd., or KKC, under which we granted KKC an exclusive license to develop and commercialize entinostat in Japan and Korea, or the KKC license agreement. In 2015, we received a $25.0 million upfront payment from KKC, inclusive of an equity investment. We allocated $17.3 million of the upfront payment to the license fee, and such fee is being recognized as revenue ratably over our expected performance period (currently expected to be through 2029). The balance of the upfront payment of $7.7 million was allocated to KKC purchase of shares of our convertible preferred stock.

In October 2017, KKC enrolled the first Japanese patient into a local pivotal study of entinostat for the treatment of hormone receptor positive, human epidermal growth factor receptor 2 negative breast cancer. In accordance with the terms of the KKC License Agreement, in December 2017 we received a $5.0 million milestone payment from KKC for achievement of the development milestone.

Research and Development

Since our inception, we have primarily focused on our clinical development programs. Research and development expenses consist primarily of costs incurred for the development of our product candidates and include:

- expenses incurred under agreements related to our clinical trials, including the costs for investigative sites and contract research organizations, or CROs, that conduct our clinical trials;
- employee-related expenses associated with our research and development activities, including salaries, benefits, travel and non-cash stock-based compensation expenses;
- manufacturing process-development, clinical supplies and technology-transfer expenses;
- license fees and milestone payments under our license agreements;
- consulting fees paid to third parties;
- allocated facilities and overhead expenses; and
- costs associated with regulatory operations and regulatory compliance requirements.

Internal and external research and development costs are expensed as they are incurred. Cost-sharing amounts received by us are recorded as reductions to research and development expense. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations or other information provided to us by our vendors.

Research and development activities are central to our business model. Drug candidates in late stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of late-stage clinical trials. We plan to increase our research and development expenses for the foreseeable future as we continue to advance the development of our product candidates. The amount of research and development expenses allocated to external spending will continue to grow, while we expect our internal spending to grow at a slower and more controlled pace. From inception through December 31, 2020, we have incurred $305.2 million in research and development expenses.

It is difficult to determine, with certainty, the duration and completion costs of our current or future preclinical programs, clinical studies and clinical trials of our product candidates. The duration, costs and timing of clinical studies and clinical trials of our product candidates will depend on a variety of factors that include, but are not limited to, the following:

- per patient costs;
- the number of patients that participate;
- the number of sites;
- the countries in which the studies and trials are conducted;
- the length of time required to enroll eligible patients;
- the potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient monitoring;
- the efficacy and safety profile of the product candidates; and
- timing and receipt of any regulatory approvals.

In addition, the probability of success for each drug product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. The successful development of our product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs of the efforts that will be necessary to complete the remainder of the development of our product candidates for the period, if any, in which material net cash inflows from these potential product candidates may commence. Clinical development timelines, the probability of success and development costs can differ materially from expectations.

General and Administrative

General and administrative expenses consist primarily of employee-related expenses, including salaries, benefits, non-cash stock-based compensation and travel expenses, for our employees in executive, finance, business development and support functions. Other general and administrative expenses include facility-related costs not otherwise allocated to research and development expenses and accounting, tax, legal and consulting services. We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research and development and potential commercialization of our product candidates. Additionally, if and when we believe a regulatory approval of the first product candidate appears likely, we anticipate an increase in payroll and related expenses as a result of our preparation for commercial operations, especially as it relates to the sales and marketing of our product candidates.

Interest Income

Interest income consists of interest income earned on our cash, cash equivalents and short-term investment balances. Interest expense consists primarily of interest expense on operating and capital leases.

Interest Expense

Interest expense consists primarily of interest expense on our term loan, operational and capital leases.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by us as of the specified effective date. Unless otherwise discussed in Note 3 to our audited consolidated financial statements included in this Annual Report on Form 10-K, we believe that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

Critical Accounting Policies and Use of Estimates

Our management's discussion and analysis of financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and other financial information. We base our estimates on historical experience, known trends and events and various other factors that are believed to be 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. Actual results may differ from these estimates under different assumptions or conditions. In making estimates and judgments, management employs critical accounting policies.

While our significant accounting policies are more fully described in Note 3 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our consolidated financial statements and understanding and evaluating our reported financial results.

Revenue from Contracts with Customers

For license fee revenues, we applied and may continue to apply significant judgment to our KKC Agreement. We evaluated whether our contractual obligations represented distinct performance obligations. Such evaluation required judgment since it was made from the customer's perspective. We determined that our performance obligations under the collaboration at contract inception were not distinct and represented a single performance obligation. The KKC agreement also includes variable consideration. We assess variable consideration at each reporting period as to whether it is not subject to significant future reversal and, therefore, should be included in the transaction price. For development milestones related to the KKC Agreement, we do not take a substantive role or control the research, development or commercialization of any products generated by KKC. Therefore, we are not able to reasonably estimate when, if at all, any development milestone payments may be payable to us. As such, the development milestone payments associated with the KKC Agreement involve a substantial degree of uncertainty and risk that they may never be received. Sales-based milestones and royalties will be recognized as royalty revenue in the period the related sale occurred.

Accrued Research and Development Expenses

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses. This process involves reviewing contracts and vendor agreements, communicating with our applicable personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual cost. We make estimates of our accrued expenses as of each balance sheet date in our consolidated financial statements based on facts and circumstances known to us at that time. Examples of estimated accrued research and development expenses include fees paid to contract research organizations, or CROs, and investigative sites in connection with clinical studies and to vendors related to product manufacturing and development of clinical supplies.

We base our expenses related to clinical studies on our estimates of the services received and efforts expended pursuant to contracts with multiple research institutions and CROs that conduct and manage clinical studies on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows and expense recognition. Payments under some of these contracts depend on factors out of our control, such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual accordingly. 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, we may report amounts that are too high or too low in any particular period. To date, we have not experienced any significant adjustments to our estimates.

Results of Operations

The following table summarizes our results of operations for the years ended December 31, 2020, 2019 and 2018:

	Years Ended December 31,			2020 - 2019 Increase (Decrease)		2019 - 2018 Increase (Decrease)	
(in thousands)	2020	2019	2018	$	%	$	%
Revenues:							
License fees	$ 1,517	$ 1,517	$ 1,517	$ —	0%	$ —	0%
Total revenues	1,517	1,517	1,517	—	0%	—	0%
Operating expenses:							
Research and development	50,435	42,994	60,106	7,441	17%	(17,112)	(28)%
General and administrative	22,505	16,062	17,287	6,443	40%	(1,225)	(7)%
Total operating expenses	72,940	59,056	77,393	13,884	24%	(18,337)	(24)%
Loss from operations	(71,423)	(57,539)	(75,876)	13,884	24%	(18,337)	(24)%
Other (expense) income:							
Interest income	841	1,571	1,942	(730)	(46)%	(371)	(19)%
Interest expense	(2,357)	—	—	(2,357)	100%	—	0%
Other (expense) income, net	(219)	(79)	(27)	(140)	(177)%	(52)	(193)%
Total other income	(1,735)	1,492	1,915	(3,227)	(216)%	(423)	(22)%
Net loss	$ (73,158)	$ (56,047)	$ (73,961)	$ 17,111	31%	$ (17,914)	(24)%

For a comparison of our results of operations for the fiscal years ended December 31, 2019 and December 31, 2018, see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on March 7, 2020.

Comparison of the years ended December 31, 2020 and 2019:

License Fees

For the years ended December 31, 2020 and 2019, we recognized license fees of $1.5 million, derived from the KKC license agreement.

Research and Development

For the year ended December 31, 2020, our total research and development expenses increased by $7.4 million, or 17%, to $50.4 million from $43.0 million for the prior year due to increases in clinical trial activities expenses of $5.9 million, professional expenses of $1.4 million, and employee related expenses of $0.1 million. The increase in clinical activities expenses was due to increased study activities related to SNDX-5613 of $5.3 million, increased study activity related to axatilimab of $3.7 million, and in SNDX-5613 CMC activities of $3.7 million. In

2020, we also recognized a $2.0 million expense upon the achievement of a certain milestone in connection with the axatilimab program. These increases were partially offset by the $4.0 million expense for achievement of certain milestones in connection with the menin program in 2019, reduced activities associated with our entinostat programs of $3.8 million, and decreased axatilimab CMC activities of $1.0 million. The increase in professional fees is primarily due to increased clinical consulting of $0.5 million, increased medical affairs activities of $0.5 million, increase in biostatistic activities of $0.2 million, and quality assurance consulting of $0.2 million.

We expect research and development expenses to fluctuate from quarter to quarter depending on the timing of clinical trial activities, clinical manufacturing and other development activities.

Research and development expenses consisted of the following:

	Years Ended December 31,		Increase (Decrease)	
(in thousands)	2020	2019	$	%
External research and development expenses	$ 36,303	$ 28,990	$ 7,313	25%
Internal research and development expenses	14,132	14,004	128	1%
Total research and development expenses	$ 50,435	$ 42,994	$ 7,441	17%

General and Administrative

For the year ended December 31, 2020, our total general and administrative expenses increased by $6.4 million, or 40%, to $22.5 million, from $16.1 million for the prior year. The increase in general and administrative expenses was primarily due to increased employee related expenses of $3.7 million and increased professional fees of $2.7 million. The increase in employee related expenses is primarily due to an increase in stock compensation expense of $2.7 million and $1.2 million for salary and benefits due to increased headcount, partially offset by reduced travel of $0.2 million. The increased stock compensation expense includes $1.0 million related to the modification of option agreements in connection with the retirement of a certain employee. The increase in professional fees was primarily due to increased pre-commercialization activities of $1.3 million in anticipation of our entinostat readout, increased director's' and officers' insurance of $0.9 million, increased legal fees of $0.4 and audit fees of $0.1 million.

Interest Income

For the year ended December 31, 2020, interest income, decreased $0.7 million from the prior year. This decrease was primarily due to a lower average cash and investment balance and lower interest rates on our investments.

Interest Expense

Interest expense consists primarily of interest expense on our term loan, operational and capital leases. The increase is primarily due to our term loan.

Liquidity and Capital Resources

Overview

As of December 31, 2020, we had cash, cash equivalents and short-term investments totaling $293.1 million. Since our inception, our operations have been primarily financed by net proceeds from our IPO, our follow-on stock offerings, our term loan, sale of convertible preferred stock and convertible debt securities and proceeds from our license agreements. We believe that our cash, cash equivalents and short-term investments as of December 31, 2020, will fund our projected operating expenses and capital expenditure requirements for at least the next 12 months. In addition to our existing cash, cash equivalents and short-term investments, we are eligible to receive research and development funding and to earn milestone and other contingent payments for the achievement of defined collaboration objectives and certain development, regulatory and commercial milestones and royalty payments under our collaboration agreements. Our ability to earn these milestone and contingent payments and the timing of achieving these milestones is primarily dependent upon the outcome of our collaborators' research and development activities and is uncertain at this time.

In December 2020, we sold 6,250,000 shares of our common stock at a price per share of $23.00 for net proceeds of approximately $135.0 million.

In May 2020, we sold 6,388,889 shares of our common stock at a price per share of $18.00 for net proceeds of approximately $107.9 million.

In January 2020, we sold 3,036,719 shares of our common stock at a price per share of $8.00 and pre-funded warrants to purchase 1,338,287 shares of our common stock for gross proceeds of approximately $35.0 million. Upon the completion of the 2020 offering, we had 5,838,287 pre-funded warrant shares outstanding. The pre-funded warrants are exercisable into shares of common stock for $0.0001 per share. The shares of common stock into which the warrants may be exercised are considered outstanding for the purposes of computing earnings per share.

In March 2019, we issued to certain investors an aggregate of 2,095,039 shares of our common stock and 2,500,000 pre-funded warrants to purchase shares of our common stock, at a price of $6.00 per share of common stock and $5.9999 for each pre-funded warrant. We sold the shares of common stock and prefunded warrants together with two series of warrants, Series 1 warrants and Series 2 warrants, to purchase an aggregate of 4,595,039 shares of our common stock. The pre-funded warrants enable the holder to make a cash investment in our common stock without increasing their beneficial ownership in our common stock because the shares of common stock underlying the pre-funded warrant are not issued or issuable until the warrant is actually exercised or becomes exercisable without exceeding the ownership limitations set forth in the pre-funded warrant. Each Series 1 warrant has an initial exercise price of $12.00 per share of common stock and each Series 2 warrant has an initial exercise price of $18.00 per share of common stock, in each case subject to certain adjustments. The Series 1 warrants and Series 2 warrants contain a one-time exercise price adjustment. If we sell shares or share equivalents at less than $12.00 per share at a time when our Series 1 warrants and Series 2 warrants are outstanding, then an exercise price for those warrants would be adjusted downward, which will result in us receiving less proceeds than we otherwise would and could result in further dilution to our stockholders if such warrants were then exercised. As a result of the January 2020 offering, the initial exercise price of the Series 1 warrants was reduced to $10.00 per share and the initial exercise price of the Series 2 warrants was reduced to $13.00 per share. In May 2020, holders of 3,489,131 Series 1 warrants and Series 2 warrants received 1,512,229 shares of common stock in a cashless exercise. In August 2020, a holder of 416,666 Series 1 warrants and Series 2 warrants received 130,151 shares of common stock in a cashless exercise. In November 2020, a holder of 228,373 Series 1 warrants and Series 2 warrants received 100,035 shares of common stock in a cashless exercise and in December 2020, holders of 460,869 Series 1 warrants and Series 2 warrants received 253,526 shares of common stock in a cashless exercise. As of December 31, 2020 all Series 1 warrants and Series 2 warrants have been exercised.

Loan and Security Agreement

On February 7, 2020, we entered into a loan and security agreement, or the Loan Agreement, with Hercules Capital, Inc., or Hercules, which provides for aggregate maximum borrowings of up to $30.0 million, consisting of (i) a term loan of up to $20.0 million, which was funded on February 7, 2020, and (ii) subject to Hercules' investment committee approval, an additional term loan of up to $10.0 million, available for borrowing from February 7, 2020 to December 15, 2020, which we refer to as the Tranche 2 Advance. We did not request the available additional borrowing by the due date. Borrowings under the Loan Agreement bear interest at an annual rate equal to the greater of (i) 9.85% or (ii) 5.10% plus the Wall Street Journal prime rate.

Borrowings under the Loan Agreement are repayable in monthly interest-only payments through October 1, 2021. After the interest-only payment period, borrowings under the Loan Agreement are repayable in equal monthly payments of principal and accrued interest until the maturity date of the loan, which is September 1, 2023, or the Maturity Date. At our option, we may prepay all, but not less than all, of the outstanding borrowings, subject to a prepayment premium equal to (i) 2.0% of the principal amount outstanding if the prepayment occurs during the first year following the applicable loan being funded, (ii) 1.5% of the principal amount outstanding if the prepayment occurs during the second year following the applicable loan being funded, and (iii) 1.0% of the principal amount outstanding at any time thereafter but prior to the Maturity Date. In addition, we paid a $100,000 facility charge upon closing and will pay a $50,000 facility charge in connection with the Tranche 2 Advance. The Loan Agreement also provides for a final payment, payable upon maturity or the repayment in full of all obligations under the agreement, of up to $998,000.

Borrowings under the Loan Agreement are collateralized by substantially all of our and our subsidiaries personal property and other assets, other than our intellectual property. The Loan Agreement includes a minimum cash covenant of $12.5 million that has applied commencing on September 30, 2020, subject to reduction upon satisfaction of certain conditions as set forth in the Loan Agreement. As of December 31, 2020, the conditions set forth in the Loan Agreement were met. The cash covenant of $12.5 million was waived. In addition, the Loan Agreement includes customary affirmative and restrictive covenants and representations and warranties, including a covenant against the occurrence of a "change in control," financial reporting obligations, and certain limitations on indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), collateral, investments, distributions, transfers, mergers or acquisitions, taxes, corporate changes, and deposit accounts. The Loan Agreement also includes customary events of default, including payment defaults, breaches of covenants following any applicable cure period, the occurrence of certain events that could reasonably be expected to have a "material adverse effect" as set forth in the Loan Agreement, cross acceleration to third-party indebtedness and certain events relating to bankruptcy or insolvency. Upon the occurrence of an event of default, a default interest rate of an additional 5.0% may be applied to the outstanding principal balance, and Hercules may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement.

At-the-Market Offering Program

In April 2017, we entered into a sales agreement with Cowen, under which we had the ability issue and sell shares of our common stock having aggregate sales proceeds of up to $50.0 million from time to time, or the 2017 ATM Program. Shares sold pursuant to the sales agreement were sold pursuant to a shelf registration statement on Form S-3 (Registration No. 333-217172), which was declared effective on April 20, 2017. The proceeds from the offerings, if any, were used for general corporate purposes, including expenditures for research and development of our drug products. In 2019, prior to the effectiveness of the 2019 ATM Program, we sold 140,819 shares of common stock, with net proceeds of $0.9 million.

In August 2019, we entered into a new sales agreement with Cowen under which we had the ability to issue and sell shares of our common stock having aggregate sales proceeds of up to $50.0 million from time to time pursuant to the ATM program, or the 2019 ATM Program. Cowen was not required to sell any specific amount but acted as our sales agent using commercially reasonable efforts consistent with their normal trading and sales practices. This agreement replaced the sales agreement signed in April 2017. Shares sold pursuant to the sales agreement were to be sold pursuant to a shelf registration statement on Form S-3 (Registration No. 333-233564), which was declared effective on September 10, 2019. Our common stock would be sold at prevailing market prices at the time of the sale; and as a result, prices may vary. We agreed to pay Cowen up to 3% of the gross proceeds from any common stock sold through the sales agreement. In the fourth quarter of 2020, the 2019 ATM Program was cancelled in connection with the public offering in December 2020.

Future Funding Requirements

Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, third-party clinical research and development services, clinical costs, legal and other regulatory expenses and general overhead costs. We have based our estimates on assumptions that may prove to be incorrect, and we could use our capital resources sooner than we currently expect.

Additionally, the process of testing drug candidates in clinical trials is costly, and the timing of progress in these trials is uncertain. We cannot estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates or whether, or when, we may achieve profitability. Our future capital requirements will depend on many factors, including:

- the initiation, progress, timing, costs and results of clinical trials of our product candidates;
- the outcome, timing and cost of seeking and obtaining regulatory approvals from the FDA and comparable foreign regulatory authorities, including the potential for such authorities to require that we perform more trials than we currently expect;

- the cost to establish, maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with licensing, preparing, filing, prosecuting, defending and enforcing any patents or other intellectual property rights;
- market acceptance of our product candidates;
- the cost and timing of selecting, auditing and developing manufacturing capabilities, and potentially validating manufacturing sites for commercial-scale manufacturing;
- the cost and timing for obtaining pricing and reimbursement, which may require additional trials to address pharmacoeconomic benefit;
- the cost of establishing sales, marketing and distribution capabilities for our product candidates if any product candidate receives regulatory approval and we determine to commercialize it ourselves;
- the costs of acquiring, licensing or investing in additional businesses, products, product candidates and technologies;
- the diversion of healthcare resources away from the conduct of clinical trials as a result of the ongoing COVID-19 pandemic, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- the interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel, quarantines or social distancing protocols imposed or recommended by federal or state governments, employers and others in connection with the ongoing COVID-19 pandemic;
- the cost of disruption to our supply chain and operations, and associated delays in the manufacturing and supply of our products, whichwould adversely impact our ability to continue our clinical trial operations;
- the effect of competing technological and market developments; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems, as we grow our company..

We have no products approved for commercial sale and have not generated any product revenues from product sales to date. Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings and additional funding from license and collaboration arrangements. Except for any obligations of our collaborators to reimburse us for research and development expenses or to make milestone or royalty payments under our agreements with them, we will not have any committed external source of liquidity.

We have incurred losses and cumulative negative cash flows from operations since our inception. As of December 31, 2020, we had an accumulated deficit of $568.6 million. We anticipate that we will continue to incur significant losses for at least the next several years. We expect that our research and development and general and administrative expenses will continue to increase. As a result, we will need additional capital to fund our operations, which we may raise through a combination of the sale of equity, debt financings, or other sources, including potential collaborations. To the extent that we raise additional capital through the future sale of equity or debt, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing common stockholders. If we raise additional funds through collaboration arrangements in the future, we may have to relinquish valuable rights to our technologies, future revenue streams or drug candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Cash Flows

The following is a summary of cash flows:

(in thousands)	Years Ended December 31, 2020	2019	2018
Net cash used in operating activities	$ (71,260)	$ (50,612)	$ (68,531)
Net cash provided by (used in) investing activities	(142,530)	12,781	51,398
Net cash provided by financing activities	304,424	28,570	15,729
Net (decrease) increase in cash and cash equivalents	$ 90,634	$ (9,261)	$ (1,404)

Net Cash Used in Operating Activities

Net cash used in operating activities for the year ended December 31, 2020 was $71.3 million and primarily consisted of our net loss of $73.2 million adjusted for non-cash items including stock-based compensation of $9.1 million, non-cash interest expense associated with the term loan of $0.4 million, non-cash operating lease expense of $0.4 million, an investment amortization of $0.1 million and a net decrease in operating assets and liabilities of $7.9 million. The significant items in the decrease in operating assets and liabilities include a decrease in prepaid expenses and other assets of $4.3 million, a decrease in accounts payable of $2.7 million, and a decrease in deferred revenue of $1.5 million partially offset by increases in accrued expenses and other liabilities of $0.6 million.

Net cash used in operating activities for the year ended December 31, 2019 was $50.6 million and primarily consisted of our net loss of $56.0 million adjusted for non-cash items including stock-based compensation of $6.0 million and a net increase in operating assets and liabilities of $0.1 million. The significant items in the increase in operating assets and liabilities include an increase in prepaid expenses and other assets of $0.3 million and a decrease in deferred revenue of $1.5 million partially offset by increases in accounts payable of $4.7 million and decease in accrued expenses and other liabilities of $3.4 million.

Net Cash (Used in) Provided by Investing Activities

Net cash used in investing activities for the year ended December 31, 2020 was $142.5 million and was primarily due to the purchase of $278.9 million of available-for-sale marketable securities partially offset by $136.4 million in proceeds from the maturities of available-for-sale marketable securities.

Net cash provided by investing activities for the year ended December 31, 2019 was $12.8 million and was primarily due to the purchase of $104.0 million of available-for-sale marketable securities offset by $116.8 million in proceeds from the maturities of available-for-sale marketable securities.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the year ended December 31, 2020 was $304.4 million and was primarily due to the $242.8 million of proceeds from issuances of common stock, $34.9 million of proceeds from a direct placement offering, $19.7 million of proceeds from the term loan, and $7.0 million of proceeds from stock option exercises and ESPP purchases.

Net cash provided by financing activities for the year ended December 31, 2019 was $28.6 million and was primarily due to the $27.4 million of proceeds from a direct placement offering, the $0.8 million of proceeds from the 2017 ATM Program, and the $0.4 million of proceeds from stock option exercises and ESPP purchases.

Contractual Obligations and Commitments

The following table summarizes our significant contractual obligations as of December 31, 2020:

(in thousands)	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Term loan (1)	$ 24,474	$ 4,244	$ 20,230	$ —	$ —
Operating leases for office space (2)	453	394	59	—	—
Operating lease for office equipment (3)	1	1	—	—	—
Capital lease for office equipment (4)	5	4	1	—	—
	$ 24,933	$ 4,643	$ 20,290	$ —	$ —

(1) Amounts include the estimated interest under our Term loan based on the interest rates in effect as of December 31, 2020.

(2) In September 2016, we entered into a new five-year operating lease for office space in Waltham, Massachusetts, with a lease commencement date of March 1, 2017. In December 2015, we entered into a 62-month building lease for office space in New York, New York, which commenced on January 1, 2016. The minimum lease payments above do not include any related common area maintenance charges or real estate taxes. In February 2021, we extended the lease for a period of 18 months at $15,000 per month.

(3) In February 2016, we entered into a five-year non-cancelable operating lease for office equipment. In January 2021, we extended the lease by 12 months.

(4) In April 2018, we entered into a four-year non-cancelable lease for office equipment, which is accounted for as a capital lease. The leased asset is included in property, plant and equipment, at cost.

The contractual obligations table does not include any potential contingent payments upon the achievement by us of clinical, regulatory and commercial events, as applicable, or royalty payments we may be required to make under license or collaboration agreements we have entered into with various entities pursuant to which we have in-licensed certain intellectual property. See “Business—Collaborations,” “Business—License Agreements” and “Business—In-Licensed Intellectual Property” for additional information. The table also excludes potential payments we may be required to make under manufacturing agreements as the timing of when these payments will actually be made is uncertain and the payments are contingent upon the initiation and completion of future activities.

We also have employment agreements with executive officers and certain other key employees that would require us to make severance payments to them if we terminate their employment without cause or the they resign for good cause. The payments are contingent upon the occurrence of various future events, and the amounts payable under these provisions depend upon the level of compensation at the time of termination of employment, are therefore not calculable at this time, and, as a result, we have not included any such amounts in the above table.

Net Operating Loss and Research and Development Tax Credit Carryforwards

At December 31, 2020, we had federal and state tax net operating loss carryforwards of approximately $96.1 million and $41.0 million, respectively. The federal and state net operating loss carryforwards begin to expire at various dates starting in 2025. Any federal net operating loss incurred in 2018 and in future years may now be carried forward indefinitely pursuant to the Tax Cuts and Jobs Act of 2017. At December 31, 2020, we had available income tax credits of approximately $5.3 million, with $3.3 million attributable to Federal R&D Credits and $2.0 million attributable to state R&D Credits, which are available to reduce future income taxes, if any. These income tax credits begin to expire in 2021.

Utilization of the net operating losses and credits may be subject to a substantial annual limitation due to ownership change limitations provided by the Internal Revenue Code of 1986, as amended. The annual limitation may result in the expiration of our net operating losses and credits before we can use them. We have recorded a valuation allowance on all of our deferred tax assets, including our deferred tax assets related to our net operating loss and research and development tax credit carryforwards.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and may remain an emerging growth company for up to five years. 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:

- reduced disclosure about our executive compensation arrangements;
- no non-binding stockholder advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We have taken advantage of reduced reporting burdens in this Annual Report on Form 10-K. In particular, in this Annual Report on Form 10-K, we have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenues as of the end of any fiscal year, if we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission, or SEC, or if we issue more than $1.0 billion of non-convertible debt over a three-year period. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The market risk inherent in our financial instruments and in our financial position represents the potential loss arising from adverse changes in interest rates. As of December 31, 2020, we had cash and cash equivalents of $115.2 million, consisting of overnight investments, interest-bearing money market funds and highly rated corporate bonds and short-term investments of $177.8 million, consisting of commercial paper, highly rated corporate bonds and treasuries. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. The primary objectives of our investment activities are to ensure liquidity and to preserve principal while at the same time maximizing the income we receive from our marketable securities without significantly increasing risk. We have established guidelines regarding approved investments and maturities of investments, which are designed to maintain safety and liquidity. Due to the short-term maturities of our cash equivalents and the low risk profile of our short-term investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents and short-term investments. We have the ability to hold our investments until maturity, and therefore, we would not expect our operating results or cash flows to be affected to any significant degree by the effect of a change in market interest rates on our investment portfolio.

We also have exposure to market risk on our Loan Agreement with Hercules. Our Loan Agreement accrues interest from its date of issue at a variable interest rate equal to greater of (i) 9.85% and (ii) 5.10% plus the Wall Street Journal prime rate. As of December 31, 2020, $20.0 million was outstanding under the Loan Agreement. The effect of a 100 basis points adverse change in market interest rates on our 2020 Loan Payable, in excess of applicable minimum floors, on our interest expense would be approximately $0.5 million.

We do not believe that inflation and changing prices had a significant impact on our results of operations for any periods presented herein.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements, together with the report of our independent registered public accounting firm, appear in this Annual Report on Form 10-K beginning on page F-1.

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

None.

Item 9A. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated, as of the end of the period covered by this Annual Report on Form 10-K, the effectiveness of our disclosure controls and procedures. Based on that evaluation of our disclosure controls and procedures as of December 31, 2020, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures as of such date are effective at the reasonable assurance level. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act 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. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2020.

Attestation Report of the Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm due to an exemption established by the JOBS Act for "emerging growth companies."

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that our employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

The information required by this item is incorporated by reference to the information set forth in the sections titled “Information About Our Board of Directors,” “Executive Officers” and “The Board of Directors and Its Committees” in our 2021 Proxy Statement.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the information set forth in the section titled “Executive Officer and Director Compensation” in our 2021 Proxy Statement.

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

The information required by this item is incorporated by reference to the information set forth in the section titled “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” in our 2021 Proxy Statement.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is incorporated by reference to the information set forth in the section titled “The Board of Directors and Its Committees – Board Independence” and “Certain Relationships and Related Party Transactions” in our 2021 Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to the information set forth in the section titled “Independent Registered Public Accounting Firm Fees” and “Pre-Approval Policies and Procedures” contained in Proposal 2 in our 2021 Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statements and Schedules

(a)(1) Financial Statements.

The response to this portion of Item 15 is set forth under Item 8 hereof.

(a)(2) Financial Statement Schedules.

All schedules have been omitted because they are not required or because the required information is given in the Consolidated Financial Statements or Notes thereto.

(a)(3) Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-37708), as filed with the SEC on March 8, 2016).
3.2	Amended and Restated Bylaws of the Company (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-37708), as filed with the SEC on March 8, 2016).
4.1	Specimen Common Stock Certificate of the Company (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1/A (File No. 333-208861), as filed with the SEC on February 20, 2016).
4.2	Form of Pre-Funded Warrant to purchase Common Stock issued pursuant to the Exchange Agreement between the Company and Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P. and Biotechnology Value Trading Fund OS, L.P., dated June 18, 2018 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-37708), as filed with the SEC on June 20, 2018).
4.3	Form of Pre-Funded Warrant issued pursuant to the securities purchase agreement between the Company and Certain Purchasers, dated March 26, 2019 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 001-37708), as filed with the SEC on March 29, 2019).
4.4	Form of Pre-Funded Warrant issued pursuant to the securities purchase agreement between the Company and Certain Purchasers, dated January 30, 2020 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-37708), as filed with the SEC on February 4, 2020).
4.5	Description of Capital Stock (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K (File No. 001-37708), as filed with the SEC on March 5, 2020).
10.1*	2007 Stock Plan (incorporated herein by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.2*	2007 Stock Plan Amendment, dated as of March 8, 2013 (incorporated herein by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.3*	2007 Stock Plan Amendment, dated as of July 10, 2013 (incorporated herein by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).

Exhibit No.	Description
10.4*	2007 Stock Plan Amendment, dated as of January 23, 2014 (incorporated herein by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.5*	2007 Stock Plan Amendment, dated as of December 17, 2014 (incorporated herein by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.6*	2007 Stock Plan Amendment, dated as of May 28, 2015 (incorporated herein by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.7*	2007 Stock Plan Amendment, dated as of August 20, 2015 (incorporated herein by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.8*	Form of Incentive Stock Option Agreement under 2007 Stock Plan (incorporated herein by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.9*	Form of Non-Statutory Stock Option Agreement under 2007 Stock Plan (incorporated herein by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.10*	2015 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-8 (File No. 333-210412), as filed with the SEC on March 25, 2016).
10.11*	Form of Incentive Stock Option Agreement under 2015 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.12*	Form of Non-Qualified Option Agreement under 2015 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.13*	Form of Stock Unit Agreement under 2015 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on August 6, 2020).
10.14*	Form of Deferred Settlement Stock Unit Agreement under 2015 Omnibus Incentive Plan.
10.15*	2015 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 4.16 to the Company's Registration Statement on Form S-8 (File No. 333-210412), as filed with the SEC on March 25, 2016).
10.16*	Amended and Restated Executive Employment Agreement by and between the Company and Briggs W. Morrison, M.D., dated as of April 27, 2020 (incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 7, 2020).
10.17*	Amended and Restated Executive Employment Agreement by and between the Company and Michael A. Metzger, dated as of April 27, 2020 (incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 7, 2020).
10.18*	Amended and Restated Executive Employment Agreement by and between the Company and Michael L. Meyers, M.D., Ph.D., dated as of April 27, 2020 (incorporated herein by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 7, 2020).

Exhibit No.	Description
10.19*	Executive Employment Agreement by and between the Company and Daphne Karydas, dated as of July 6, 2020 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on November 5, 2020).
10.20*	Non-employee Director Compensation Policy, as amended, dated as of February 12, 2020 (incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 7, 2020).
10.21*	Form of Indemnification Agreement by and between the company and each of its directors and officers (incorporated herein by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.22†	License, Development and Commercialization Agreement by and between the company and Bayer Schering Pharma AG, dated as of March 26, 2007 (incorporated herein by reference to Exhibit 10.22 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.23†	First Amendment to the License, Development and Commercialization Agreement by and between the company and Bayer Pharma AG, dated as of October 13, 2012 (incorporated herein by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.24	Second Amendment to the License, Development and Commercialization Agreement by and between the company and Bayer Pharma AG, dated as of February 1, 2013 (incorporated herein by reference to Exhibit 10.24 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.25†	Third Amendment to the License, Development and Commercialization Agreement by and between the company and Bayer Pharma AG, dated as of October 9, 2013 (incorporated herein by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.26†	Letter Agreement by and between the company and Bayer Pharma AG, dated as of September 18, 2014 (incorporated herein by reference to Exhibit 10.26 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.27†	Clinical Trial Agreement by and between the company and Eastern Cooperative Oncology Group, dated as of March 14, 2014 (incorporated herein by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.28†	Amendment No. 1 to Clinical Trial Agreement by and between the company and ECOG-ACRIN Cancer Research Group, dated as of January 30, 2015 (incorporated herein by reference to Exhibit 10.28 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.29†	Amendment No. 2 to Clinical Trial Agreement by and between the company and ECOG-ACRIN Cancer Research Group, dated as of July 31, 2015 (incorporated herein by reference to Exhibit 10.37 to the Company's Registration Statement on Form S-1/A (File No. 333-208861), as filed with the SEC on February 22, 2016).
10.30†	Amendment No. 3 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated as of April 20, 2016 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on August 15, 2016).

Exhibit No.	Description
10.31†	Amendment No. 4 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated as of April 20, 2016 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on August 15, 2016).
10.32†	Amendment No. 5 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated as of April 20, 2016 (incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on August 15, 2016).
10.33†	Amendment No. 6 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated as of April 25, 2016 (incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on August 15, 2016).
10.34†	Amendment No. 7 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated January 9, 2017 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 9, 2017).
10.35†	Amendment No. 8 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated January 18, 2017 (incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 9, 2017).
10.36†	Amendment No. 9 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated November 22, 2017 (incorporated herein by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K (File No. 001-37708), as filed with the SEC on March 8, 2018).
10.37†	Amendment No. 10 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated October 15, 2018 (incorporated herein by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K (File No. 001-37708), as filed with the SEC on March 7, 2019).
10.38†	Amendment No. 11 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated July 1, 2019 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on November 7, 2019).
10. 39†	Amendment No. 12 to Clinical Trial Agreement by and between the Company and ECOG-ACRIN Cancer Research Group, dated May 12, 2020 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on August 6, 2020).
10.40†	License, Development and Commercialization Agreement by and between the company and Kyowa Hakko Kirin Co., Ltd., dated December 19, 2014 (incorporated herein by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.41†	Side Letter by and between the company and Kyowa Hakko Kirin Co., Ltd., dated December 19, 2014 (incorporated herein by reference to Exhibit 10.34 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).

Exhibit No.	Description
10.42†	Amendment #1 to License, Development and Commercialization Agreement by and between the company and Kyowa Hakko Kirin Co., Ltd., dated September 18, 2015 (incorporated herein by reference to Exhibit 10.39 to the Company's Registration Statement on Form S-1/A (File No. 333-208861), as filed with the SEC on February 22, 2016).
10.43†	Amendment #2 to License, Development and Commercialization Agreement by and between the company and Kyowa Hakko Kirin Co., Ltd., dated January 16, 2017 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 9, 2017).
10.44†	License Agreement by and between the Company and UCB Biopharma Sprl, dated as of July 1, 2016 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001- 37708), as filed with the SEC on October 7, 2016).
10.45†	Side Agreement by and between the Company and UCB Biopharma Sprl, dated March 8, 2017 (incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 9, 2017).
10.46†	Amendment No. 1 to License Agreement by and between the Company and UCB Biopharma Sprl, dated as of July 9, 2019 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on November 7, 2019).
10.47	Third Amended and Restated Investors' Rights Agreement by and among the company and the parties thereto, dated as of August 21, 2015 (incorporated herein by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
10.48†	License Agreement by and between the Company and Vitae Pharmaceuticals, Inc., dated as of October 13, 2017 (incorporated herein by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K (File No. 001-37708), as filed with the SEC on March 8, 2018).
10.49†	Amendment No. 1 to License Agreement by and between the Company and Vitae Pharmaceuticals, Inc., dated as of January 25, 2019 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 8, 2019).
10.50	Exchange Agreement by and between the Company and Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P. and Biotechnology Value Trading Fund OS, L.P., dated June 18, 2018 (incorporated herein by reference to Exhibit 10.1 to the Company's Periodic Report on Form 8-K (File No. 001-37708), as filed with the SEC on June 20, 2018).
10.51	Loan and Security Agreement dated February 7, 2020 between Syndax Pharmaceuticals, Inc. and Hercules Capital, Inc. (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-37708), as filed with the SEC on May 7, 2020).

Exhibit No.	Description
21.1	Subsidiaries of the Registrant (incorporated herein by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1 (File No. 333-208861), as filed with the SEC on January 4, 2016).
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Power of Attorney (included on the signature page to this report).
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of the Principal Financial Officer and Principal Accounting Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1+	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(b) or 15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Indicates a management contract or compensatory plan.

\+ Furnished herewith and not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

† Confidential treatment has been granted for certain portions of this exhibit. These portions have been omitted and filed separately with the SEC.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 of 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.

SYNDAX PHARMACEUTICALS, INC.

Date: March 11, 2021

By: /s/ Briggs W. Morrison, M.D.
Briggs W. Morrison, M.D.
Chief Executive Officer

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Briggs W. Morrison, M.D. and Luke J. Albrecht, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue thereof.

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.

Signature	Title	Date
/s/ Briggs W. Morrison, M.D. Briggs W. Morrison, M.D.	Chief Executive Officer and Director (Principal Executive Officer)	March 11, 2021
/s/ Daphne Karydas Daphne Karydas	Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)	March 11, 2021
/s/ Michael A. Metzger Michael A. Metzger	Chief Operating Officer and Director	March 11, 2021
/s/ Dennis G. Podlesak Dennis G. Podlesak	Chairman of the Board of Directors	March 11, 2021
/s/ Pierre Legault Pierre Legault	Director	March 11, 2021
/s/ Fabrice Egros, PharmD, Ph.D. Fabrice Egros, PharmD, Ph.D.	Director	March 11, 2021
/s/ Keith A. Katkin Keith A. Katkin	Director	March 11, 2021
/s/ Jennifer Jarrett Jennifer Jarrett	Director	March 11, 2021
/s/ William Meury William Meury	Director	March 11, 2021

Syndax Pharmaceuticals, Inc.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the stockholders and Board of Directors of Syndax Pharmaceuticals, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Syndax Pharmaceuticals, Inc. and its subsidiaries (the “Company”) as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive loss, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2020, 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 as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

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/ Deloitte & Touche LLP

Boston, Massachusetts
March 11, 2021

We have served as the Company’s auditor since 2008.

SYNDAX PHARMACEUTICALS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 115,243	$ 24,609
Restricted cash	115	-
Short-term investments	177,822	35,166
Prepaid expenses and other current assets	5,684	2,556
Total current assets	298,864	62,331
Property and equipment, net	192	281
Right-of-use asset	290	716
Other assets	1,267	197
Total assets	$ 300,613	$ 63,525
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,508	$ 6,178
Accrued expenses and other current liabilities	11,246	10,195
Current portion of deferred revenue	1,517	1,517
Current portion of right-of-use liability	316	478
Current portion of term loan	2,285	—
Total current liabilities	18,872	18,368
Long-term liabilities:		
Deferred revenue, less current portion	11,617	13,133
Right-of-use liability, less current portion	101	419
Term loan, less current portion	17,834	—
Other long-term liabilities	1	5
Total long-term liabilities	29,553	13,557
Total liabilities	48,425	31,925
Commitments (Note 16)		
Stockholders' equity:		
Preferred stock, $0.001 par value, 10,000,000 shares authorized; 0 shares outstanding at December 31, 2020 and December 31, 2019, respectively	—	—
Common stock, $0.0001 par value, 100,000,000 shares authorized; 47,881,223 and 27,140,484 shares outstanding at December 31, 2020 and December 31, 2019, respectively	5	3
Additional paid-in capital	820,815	527,067
Accumulated other comprehensive loss	(4)	—
Accumulated deficit	(568,628)	(495,470)
Total stockholders' equity	252,188	31,600
Total liabilities and stockholders' equity	$ 300,613	$ 63,525

The accompanying notes are an integral part of these consolidated financial statements.

SYNDAX PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Years Ended December 31,		
	2020	2019	2018
Revenues:			
License fees	$ 1,517	$ 1,517	$ 1,517
Total revenues	1,517	1,517	1,517
Operating expenses:			
Research and development	50,435	42,994	60,106
General and administrative	22,505	16,062	17,287
Total operating expenses	72,940	59,056	77,393
Loss from operations	(71,423)	(57,539)	(75,876)
Other income (expense):			
Interest expense	(2,357)	—	—
Interest income	841	1,571	1,942
Other (expense) income, net	(219)	(79)	(27)
Total other income (expense)	(1,735)	1,492	1,915
Net loss	$ (73,158)	$ (56,047)	$ (73,961)
Net loss attributable to common stockholders	$ (77,064)	$ (56,047)	$ (73,961)
Net loss per share attributable to common stockholders—basic and diluted	$ (1.87)	$ (1.84)	$ (2.92)
Weighted-average common shares outstanding—basic and diluted	41,308,242	30,490,783	25,371,511

The accompanying notes are an integral part of these consolidated financial statements.

SYNDAX PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Years Ended December 31,		
	2020	2019	2018
Net loss	$ (73,158)	$ (56,047)	$ (73,961)
Other comprehensive loss:			
Unrealized gains (losses) on marketable securities, net of tax	(4)	25	118
Comprehensive loss	$ (73,162)	$ (56,022)	$ (73,843)

The accompanying notes are an integral part of these consolidated financial statement

SYNDAX PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share and per share data)

	Common Stock $0.0001 Par Value		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance—January 1, 2018	24,390,033	$ 2	$ 470,571	$ (143)	$ (366,111)	$ 104,319
Proceeds from "At-the-market" offering, net of offering cost of $67	2,114,169	—	15,497	—	—	15,497
Proceeds from exercise of stock options	7,850	—	26	—	—	26
Stock issuance due to warrant exercise, cashless	299,215	—	—	—	—	—
Stock purchase under ESPP	24,684	—	—	—	—	—
Stock-based compensation expense	—	—	6,201	—	—	6,201
Unrealized gains on short-term investments	—	—	—	118	—	118
Employee withholdings ESPP	—	—	198	—	—	198
Cumulative effect adjustment of adoption ASU 2014-09	—	—	—	—	649	649
Retirement of common stock in exchange for common stock warrant	(2,000,000)	—	(16,780)	—	—	(16,780)
Issuance of common stock warrant in exchange for retirement of common stock	—	—	16,780	—	—	16,780
Net loss	—	—	—	—	(73,961)	(73,961)
Balance—December 31, 2018	24,835,951	$ 2	$ 492,493	$ (25)	$ (439,423)	$ 53,047
Proceeds from "At-the-market" offering, net of $34 offering expense	140,819	—	830	—	—	830
Proceeds from direct offering, net of $1,571 in common stock warrants, $98 offering expenses	2,095,039	1	10,901	—	—	10,902
Proceeds from pre-funded common stock warrant from direct offering, net of $1,875 in common stock warrants, $93 offering expenses	—	—	13,032	—	—	13,032
Issuance of common stock warrant with direct offering	—	—	3,446	—	—	3,446
Stock purchase under ESPP	42,818	—	—	—	—	—
Stock-based compensation expense	—	—	6,005	—	—	6,005
Unrealized gains on short-term investments	—	—	—	25	—	25
Employee withholdings ESPP	—	—	182	—	—	182
Proceeds from exercise of stock options	25,857	—	178	—	—	178
Net loss	—	—	—	—	(56,047)	(56,047)
Balance—December 31, 2019	27,140,484	3	$ 527,067	$ —	$ (495,470)	$ 31,600
Proceeds from direct offering, net of $93 offering expenses	3,036,719	—	24,201	—	—	24,201
Proceeds from pre-funded common stock warrant from direct offering, net of $41 offering expenses	—	—	10,665	—	—	10,665
Proceeds from direct offering, net of $7,132 offering expenses	6,388,889	1	107,867	—	—	107,868
Proceeds from direct offering, net of $8,770 offering expenses	6,250,000	1	134,980	—	—	134,981
Deemed dividend from repricing Series 1 and 2 warrants	—	—	3,906	—	—	3,906
Repricing Series 1 and 2 warrants	—	—	(3,906)	—	—	(3,906)
Stock purchase under ESPP	33,706	—	—	—	—	—
Pre-funded warrant exercise	2,280,318	—	—	—	—	—
Stock-based compensation expense	—	—	9,057	—	—	9,057
Unrealized losses on short-term investments	—	—	—	(4)	—	(4)
Exercise of Series 1 and Series 2 warrants	1,995,941	—	—	—	—	—
Employee withholdings ESPP	—	—	345	—	—	345
Proceeds from exercise of stock options	755,166	—	6,633	—	—	6,633
Net loss	—	—	—	—	(73,158)	(73,158)
Balance—December 31, 2020	47,881,223	$ 5	$ 820,815	$ (4)	$ (568,628)	$ 252,188

The accompanying notes are an integral part of these consolidated financial statements.

SYNDAX PHARMACEUTICALS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,		
	2020	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (73,158)	$ (56,047)	$ (73,961)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	89	92	78
Amortization and accretion of investments	(130)	(780)	(558)
Non-cash operating lease expense	426	359	—
Non-cash interest expense	389	—	—
Stock-based compensation	9,057	6,005	6,201
Other	1	—	11
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	(4,314)	(52)	1,033
Accounts payable	(2,670)	4,739	(792)
Deferred revenue	(1,517)	(1,517)	(1,517)
Accrued expenses and other liabilities	567	(3,411)	974
Net cash used in operating activities	(71,260)	(50,612)	(68,531)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	—	—	(187)
Purchases of short-term investments	(278,937)	(104,018)	(78,844)
Proceeds from sales and maturities of short-term investments	136,407	116,799	130,429
Net cash provided by (used in) investing activities	(142,530)	12,781	51,398
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock in follow on public offerings, net	242,849	—	—
Proceeds from issuance of common stock in at-the-market offering, net	—	830	15,497
Proceeds from issuance of common stock in direct placement offering, net	34,866	27,380	—
Proceeds from term loan agreement, net	19,730	—	—
Proceeds from Employee Stock Purchase Plan	345	182	198
Proceeds from exercise of stock options	6,633	178	26
Other	1	—	8
Net cash provided by financing activities	304,424	28,570	15,729
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	90,634	(9,261)	(1,404)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—beginning of year	24,724	33,985	35,389
CASH, CASH EQUIVALENTS AND RESTRICTED CASH—end of year	$ 115,358	$ 24,724	$ 33,985

	Years Ended December 31,		
	2020	**2019**	**2018**
		(In thousands)	
Cash and cash equivalents	$ 115,243	$ 24,609	$ 33,769
Restricted cash included in current and noncurrent assets	115	115	216
Cash, cash equivalents and restricted cash	$ 115,358	$ 24,724	$ 33,985

Supplemental disclosures of cash flow information (Note 17).

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business

Syndax Pharmaceuticals, Inc. ("the Company") is a clinical stage biopharmaceutical company developing an innovative pipeline of cancer therapies. The Company is developing SNDX-5613, targeting the binding interaction of menin with the mixed lineage leukemia 1 (MLL1) protein for the treatment of MLL-rearranged, or MLLr, acute leukemias and nucleophosmin 1, or NPM1, mutant acute myeloid leukemia (AML), as well as axatilimab, a monoclonal antibody that blocks the colony stimulating factor 1, or CSF-1 receptor. The Company has deprioritized the development of entinostat, a once-weekly, oral, small molecule, Class I HDAC inhibitor, to focus resources on advancing the remainder of our pipeline. The Company plans to continue to leverage the technical and business expertise of its management team and scientific collaborators to license, acquire and develop additional cancer therapies to expand its pipeline.

Since its inception, the Company has devoted its efforts principally to research and development and raising capital. The Company is subject to risks common to companies in the development stage, including, but not limited to, successful development of therapeutics, obtaining additional funding, protection of proprietary therapeutics, compliance with government regulations, fluctuations in operating results, dependence on key personnel and collaborative partners, and risks associated with industry changes. The Company's long-term success is dependent upon its ability to successfully develop and market its product candidates, expand its oncology drug pipeline, earn revenue, obtain additional capital when needed, and ultimately, achieve profitable operations. The Company anticipates that it will be several years before any of its product candidates is approved, if ever, and the Company begins to generate revenue from sales of such product candidates. Accordingly, management expects to incur substantial losses on the ongoing development of its product candidates and does not expect to achieve positive cash flow from operations for the foreseeable future, if ever. As a result, the Company will continue to require additional capital to move forward with its business plan. While certain amounts of this additional capital were raised in the past, there can be no assurance that funds necessary beyond these amounts will be available in amounts or on terms sufficient to ensure ongoing operations.

The Company's management believes that the cash, cash equivalents and short-term investments balances as of December 31, 2020, should enable the Company to maintain its planned operations for at least twelve months from the date these financial statements were issued. The Company's ability to fund all of its planned operations internally beyond that date, including the completion of its ongoing and planned clinical trial activities, may be substantially dependent upon whether the Company can obtain sufficient funding on terms acceptable to the Company. Proceeds from additional capital transactions would allow the Company to accelerate and/or expand its planned research and development activities. In the event that sufficient funds were not available, the Company may be required to delay or reduce expenditures to conserve cash, which could involve scaling back or curtailing development and general and administrative activities.

With the global spread of the ongoing COVID-19 pandemic in 2020, the Company has implemented business continuity plans designed to address and mitigate the impact of the COVID-19 pandemic on its business. The Company anticipates that the COVID-19 pandemic could have an impact on the clinical development timelines for one or more of its clinical programs. The extent to which the COVID-19 pandemic impacts the Company's business, clinical development, manufacturing of clinical and commercial drug substance and drug product, and regulatory efforts, the corporate development objectives and the value of and market for the Company's common stock, will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in the United States, Europe and other countries, and the effectiveness of actions taken globally to contain and treat the disease. The global economic slowdown, the overall disruption of global healthcare systems and the other risks and uncertainties associated with the pandemic could have a material adverse effect on its business, financial condition, results of operations and growth prospects.

In addition, the Company is subject to other challenges and risks specific to its business and ability to execute on the strategy, as well as risks and uncertainties common to companies in the pharmaceutical industry with

development and commercial operations, including, without limitation, risks and uncertainties associated with: obtaining regulatory approval of the Company's late-stage product candidate; delays or problems in the supply of the Company's products, loss of single source suppliers or failure to comply with manufacturing regulations; identifying, acquiring or in-licensing additional products or product candidates; pharmaceutical product development and the inherent uncertainty of clinical success; and the challenges of protecting and enhancing the Company's intellectual property rights; complying with applicable regulatory requirements. In addition, to the extent the ongoing COVID-19 pandemic adversely affects the Company's business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties discussed above.

2. Basis of Presentation

The Company has prepared the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

In 2011, the Company established a wholly owned subsidiary in the United Kingdom. There have been no activities for this entity to date. In 2014, the Company established a wholly owned U.S. subsidiary, Syndax Securities Corporation. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

3. Summary of Significant Accounting Policies

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of costs and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis. The Company's actual results may differ from these estimates under different assumptions or conditions.

Management anticipates that the COVID-19 pandemic will have an impact on the clinical and pre-clinical development timelines for the Company's clinical and pre-clinical programs. Estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require the exercise of judgment. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information is obtained and are recognized in the consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's financial statements.

Cash Equivalents

Cash equivalents include all highly liquid investments maturing within 90 days or less from the date of purchase. Cash equivalents include money market funds, corporate debt securities, U.S. government agency notes, and overnight deposits.

Restricted Cash

The Company classifies as restricted cash all cash pledged as collateral to secure long-term obligations and all cash whose use is otherwise limited by contractual provisions. Amounts are reported as non-current unless restrictions are expected to be released in the next 12 months.

Short-Term Investments

Short-term investments include marketable securities with maturities of less than one year or where management's intent is to use the investments to fund current operations or to make them available for current

operations. All investments in marketable securities are classified as available-for-sale and are reported at fair value with unrealized gains and losses excluded from earnings and reported net of tax in accumulated other comprehensive income, which is a component of stockholders' equity. Unrealized losses that are determined to be other-than-temporary, based on current and expected market conditions, are recognized in earnings. Declines in fair value determined to be credit related are charged to earnings. The cost of marketable securities sold is determined by the specific identification method.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions regarding resource allocation and assessing performance. The Company has one operating segment.

Concentrations of Credit Risk

Cash and cash equivalents, restricted cash, and short-term investments are financial instruments that potentially subject the Company to concentrations of credit risk. Substantially all of the Company's cash, cash equivalents, and short-term investments were deposited in accounts at two financial institutions, and at times, such deposits may exceed 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. The Company's available-for-sale investments primarily consist of government money market funds, corporate debt securities, commercial paper, credit card asset-backed securities and overnight deposits and potentially subject the Company to concentrations of credit risk.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets (three to five years). Assets under capital leases are amortized over the shorter of their useful lives or lease term using the straight-line method. Major replacements and improvements are capitalized, while general repairs and maintenance are expensed as incurred.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Company compares the carrying amounts of the assets to their undiscounted expected future cash flows. If this comparison indicates that there is impairment, the amount of impairment is calculated as the difference between the carrying value and fair value. To date, no such impairments have been recognized.

Debt Issuance Cost

Debt issuance costs consist of payments made to secure commitments under certain debt financing arrangements. These amounts are recognized as interest expense over the period of the financing arrangement using the effective interest method. If the financing arrangement is cancelled or forfeited, or if the utility of the arrangement to the Company is otherwise compromised, these costs are recognized as interest expense immediately. The Company's consolidated financial statements present debt issuance costs related to a recognized debt liability as a direct reduction from the carrying amount of that debt liability.

Derivative Financial Instruments

The Company accounts for derivative financial instruments as either equity or liabilities in accordance with Accounting Standards Codification Topic 815, *Derivatives and Hedging*, based on the characteristics and provisions of each instrument. Embedded derivatives are required to be bifurcated from the host instruments and recorded at fair value if the derivatives are not clearly and closely related to the host instruments on issuance date. The Company did not have any material embedded derivatives that required bifurcation upon issuance or as of December 31, 2020.

Revenue Recognition

The Company has a license agreement with Kyowa Kirin Co., Ltd. ("KKC"), under which the Company granted KKC an exclusive license to develop and commercialize entinostat in Japan and Korea (the "KKC License Agreement"). The KKC License Agreement is discussed further in Note 4.

The Company enters into license agreements for the development and commercialization of its product candidates. License agreements may include non-refundable upfront payments, contingent payments based on the occurrence of specified events under the Company's license arrangements, partial or complete reimbursement of research and development expenses, license fees and royalties on sales of entinostat if they are successfully approved and commercialized. The Company's performance obligations under the license agreements may include the transfer of intellectual property rights in the form of licenses, obligations to provide research and development services and related materials and participation on certain development and/or commercialization committees.

Revenue is recognized when, or as, performance obligations are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or services to a customer ("transaction price"). To the extent that the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount method. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available.

The Company assesses the promises to determine if they are distinct performance obligations. Once the performance obligations are determined, the transaction price is allocated based on a relative standalone selling price basis. Milestone payments and royalties are typically considered variable consideration at the outset of the contract and are recognized in the transaction price either upon occurrence or when the constraint of a probable reversal is no longer applicable.

Licenses of intellectual property: If the license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenues from non-refundable, up-front fees allocated to the license when the license is transferred to the customer and the customer is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, up-front fees. Arrangements containing licenses to the Company's intellectual property typically provide for a know-how transfer period. These arrangements may or may not also include rights to future updates of that intellectual property and related know-how. Revenues from non-refundable, up-front fees allocated to the licenses are recognized as the license is transferred to the customer and the customer is able to use and benefit from the license. This generally takes place over the related know-how transfer period, or if applicable, over the term of transfer of future updates to the intellectual property.

Development Milestone Payments: At the inception of each arrangement that includes development milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are generally not considered probable of being achieved until those approvals are received. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of such development milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect license fees and earnings in the period of adjustment. For development milestones related to the KKC Agreement, the Company does not take a substantive role or control the research, development or commercialization of any products generated by KKC. Therefore, the Company is not able to reasonably estimate when, if at all, any development milestone payments may be payable to the Company. As such, the development milestone payments associated with the KKC Agreement involve a substantial degree of uncertainty and risk that they may never be received.

Commercial Milestone Payments and Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of commercial sales, and the license is deemed to be the predominant item to which the royalties or commercial milestones relate, the Company will recognize revenue at the later of when the related sales occur or when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). To date no commercial milestone payments or royalties have been achieved.

When no performance obligations are required of the Company, or following the completion of the performance obligation period, such amounts are recognized as revenue upon transfer of control of the goods or services to the customer. Generally, all amounts received or due other than sales-based milestones and royalties are classified as license fees. Sales-based milestones and royalties will be recognized as royalty revenue at the later of when the related sales occur or when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Deferred revenue arises from amounts received in advance of the culmination of the earnings process and is recognized as revenue in future periods as performance obligations are satisfied. Deferred revenue expected to be recognized within the next twelve months is classified as a current liability. Upfront payment contract liabilities resulting from the Company's license agreements do not represent a financing component as the payment is not financing the transfer of goods or services, and the technology underlying the licenses granted reflects research and development expenses already incurred by the Company.

Research and Development

Research and development costs are expensed as incurred. Research and development expenses include payroll and personnel expenses, consulting costs, external contract research and development expenses, and allocated overhead, including rent, equipment depreciation, and utilities. Research and development costs that are paid in advance of performance are capitalized as a prepaid expense and amortized over the service period as the services are provided. The Company expenses upfront license payments related to acquired technologies that have not yet reached technological feasibility and have no alternative future use.

In instances where the Company enters into cost-sharing arrangements, all research and development costs reimbursed by the collaborators are accounted for as reductions to research and development expense. During the year ended December 31, 2020, the Company incurred no external costs related to cost-sharing collaborations. During the year ended December 31, 2019, the Company incurred $2.0 million in external costs related to cost-sharing collaborations, of which $1.0 million has been recorded as a reduction to research and development expense. During the year ended December 31, 2018, the Company incurred $4.7 million in external costs related to cost-sharing collaborations, of which $2.4 million has been recorded as a reduction to research and development expense.

Clinical Trial Costs

Clinical trial costs are a component of research and development expenses. The Company accrues and expenses clinical trial activities performed by third parties based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or other information provided to us by our vendors.

Income Taxes

The Company records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the Company's financial statement carrying amounts and the tax bases of assets and liabilities and for loss and credit carryforwards using enacted tax rates expected to be in effect in the years in which the differences reverse. A valuation allowance is provided to reduce the net deferred tax assets to the amount that will more likely than not be realized. The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes.

Guarantees and Indemnifications

As permitted under Delaware law, the Company indemnifies its officers, directors, and employees for certain events or occurrences that happen by reason of the relationship with, or position held at, the Company. The Company has standard indemnification arrangements under office leases (as described in Note 14) that require it to indemnify the landlord against all costs, expenses, fines, suits, claims, demands, liabilities, and actions directly resulting from any breach, violation, or nonperformance of any covenant or condition of the Company's lease. Through December 31, 2020, the Company had not experienced any losses related to these indemnification obligations and no claims were outstanding. The Company does not expect significant claims related to these indemnification obligations, and consequently, concluded that the fair value of these obligations is negligible, and no related reserves were established.

Stock-Based Compensation

The Company accounts for all stock option awards granted to employees and non-employees using a fair value method. Stock-based compensation is measured at the grant date fair value of the stock option grants and is recognized over the requisite service period of the awards (usually the vesting period) on a straight-line basis. For equity awards that have a performance condition, the Company recognizes compensation expense based on its assessment of the probability that the performance condition will be achieved. The Company accounts for forfeitures as they occur.

Recently Issued and Adopted Accounting Pronouncements

The Company has evaluated recently issued and adopted accounting pronouncements and has concluded that that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

4. Revenue from Contracts with Customers

On December 19, 2014 (the "Effective Date"), the Company entered into the KKC License Agreement, under which the Company granted KKC an exclusive license to develop and commercialize entinostat in Japan and Korea. Under the terms of the KKC License Agreement, the Company will be responsible for the manufacture and supply of the products during the development activities. In addition to the license and manufacturing obligations, the Company is obligated to provide KKC access to know-how and regulatory information the Company may develop over the life of the entinostat patent. Lastly, to the extent additional intellectual property is developed during the

term of the agreement, KKC will receive the right to the intellectual property when and if available. KKC will conduct the development, regulatory approval filings, and commercialization activities of entinostat in Japan and Korea. KKC paid the Company $25.0 million upfront, which included a $7.5 million equity investment and a $17.5 million non-refundable cash payment. In addition, to the extent certain development and commercial milestones are achieved, KKC will be required to pay the Company up to $75.0 million in milestone payments over the term of the license agreement. The term of the agreement commenced on the Effective Date and, unless earlier terminated in accordance with the terms of the agreement, will continue on a country-by-country and product-by-product basis, until the later of: (i) the date all valid claims of the last effective patent among the Company's patents expires or is abandoned, withheld, or is otherwise invalidated in such country; and (ii) 15 years from the date of the first commercial sale of a product in the Japan or Korea.

The equity purchase and the up-front payment of the license fee were accounted for separately. The Company allocated the amount of consideration equal to the fair value of the shares on the Effective Date, which resulted in $7.7 million of proceeds allocated to the equity purchase and the remaining consideration of $17.3 million allocated to the up-front license fee.

In October 2017, the Company announced that KKC enrolled the first Japanese patient into a local pivotal study of entinostat for the treatment of hormone receptor positive, human epidermal growth factor receptor 2 negative breast cancer. In accordance with the terms of the license agreement, KKC paid the Company a $5.0 million milestone payment which the Company received in December 2017.

The Company determined that the performance obligations associated with the KKC License Agreement include (i) the combined license, rights to access and use materials and data, and rights to additional intellectual property, and (ii) the clinical supply obligation. All other goods or services promised to KKC are immaterial in the context of the agreement. Under ASC 606, the identification of the clinical supply obligation as a distinct performance obligation separate and apart from the license performance obligation resulted in a change in the performance period. The start of the performance period under ASC 606 was determined to be the contract inception date, December 19, 2014. The clinical supply was identified as a separate performance obligation under ASC 606 as (i) the Company is not providing a significant service of integration whereby the clinical supply and other promises are inputs into a combined output, (ii) the clinical supply does not significantly modify or customize the other promises nor is it significantly modified or customized by them, and (iii) the clinical supply is not highly interdependent or highly interrelated with the other promises in the agreement as KKC could choose not to purchase the clinical supply from the Company without significantly affecting the other promised goods or services. The Company further concluded that the clinical supply represented an immaterial performance obligation and therefore the entire $17.3 million allocated to the upfront payment was allocated to the combined license and will be recognized ratably over the performance period, representing contract inception though 2029. In 2017, KKC achieved a development milestone, and was required to pay the Company $5.0 million. The Company is recognizing the development milestone consideration over the performance period coinciding with the license to intellectual property. As the Company determined that its performance obligations associated with the KKC Agreement at contract inception were not distinct and represented a single performance obligation, and that the obligations for goods and services provided would be completed over the performance period of the agreement, any payments received by the Company from KKC, including the upfront payment and progress-dependent development and regulatory milestone payments, are recognized as revenue using a time-based proportional performance model over the contract term (December 2014 through 2029) of the collaboration, within license fees. To date no commercial milestone payments or royalties have been achieved.

Contract liabilities consisted of deferred revenue, as presented on the consolidated balance sheet, as of December 31, 2020. Deferred revenue related to the KKC License Agreement was $13.1 million as of December 31, 2020 and will be recognized over the remainder of the contract term. The Company will continue to monitor the impact of the results of E2112 on the KKC License Agreement. As of the date of these financial statements the agreement remains in force.

5. Leases
Leases

The Company accounts for leases in accordance with ASC 842, Leases, and determines whether an arrangement is a lease at inception. Operating lease right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease agreements with lease and non-lease components are accounted for separately. For leases that do not provide an implicit rate, the Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with an initial term of 12 months or less are not recorded on the balance sheet as the Company has elected to apply the short-term lease exemption. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company identified two existing long-term building leases on the adoption date of ASC 842 that are classified as operating leases. In September 2016, the Company entered into a five-year operating lease for 12,207 square feet of office space in Waltham, Massachusetts, with a lease commencement date of March 1, 2017. In December 2015, the Company entered into a 62-month operating lease for 4,039 square feet of space in New York, New York, which commenced on January 1, 2016. The remaining lease terms as of December 31, 2020 for the facility in Waltham, Massachusetts and New York, New York, were 14 months and 2 months, respectively. As of December 31, 2020, the consolidated balance sheet includes a $0.3 million operating lease ROU asset and a $0.4 million ROU liability. The Company used a weighted average discount rate of 14% to calculate its lease obligations, and an increase or decrease in the rate does not have a significant impact on the ROU asset or ROU liability. The ROU asset is amortized on a straight-line basis over the remainder of the lease term. For the year ended December 31, 2020, the Company recorded approximately $425,000 in operating lease expense and made approximately $597,000 in lease payments.

In February 2021, the Company signed an 18-month extension to the lease for the New York office, with aggregate payments of $270,000, with a lease commencement date of March 1, 2021.

Future minimum lease payments under the Company's operating leases, were as follows:

Maturity of lease liabilities ***(in thousands)***	**As of December 31, 2020**	**As of December 31, 2019**
2020	$ —	$ 585
2021	394	394
2022	59	59
Thereafter	—	—
Total lease payments	$ 453	$ 1,038
Less: imputed interest	(36)	(141)
Total operating lease liability	$ 417	$ 897

Future minimum lease payments under the Company's capital leases as of December 31, 2020 and 2019, were $5,000 and $9,000, respectively.

6. Net Loss per Share Attributable to Common Stockholders

Basic net loss attributable to common stockholders per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding for the period. Because the Company has reported a net loss for the three years ended December 31, 2020, 2019, and 2018, diluted net loss per common share is the same as basic net loss per common share for those periods. The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company (in thousands, except per share data):

	Years Ended December 31,		
	2020	2019	2018
Numerator--basic and diluted:			
Net loss	$ (73,158)	$ (56,047)	$ (73,961)
Deemed dividend due to warrant reset	(3,906)	—	—
Net loss attributable to common stockholders--basic and diluted	$ (77,064)	$ (56,047)	$ (73,961)
Net loss per share—basic and diluted	$ (1.87)	$ (1.84)	$ (2.92)
Denominator—basic and diluted:			
Weighted-average common shares used to compute net loss per share—basic and diluted	41,308,242	30,490,783	25,371,511

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported (in common stock equivalent shares):

	December 31,		
	2020	2019	2018
Options to purchase common stock	6,379,235	6,057,011	4,252,983
Restricted stock units (RSUs)	18,500	—	—
Common stock warrants	—	4,595,039	—
ESPP shares	16,382	15,223	29,736

As discussed in Note 12, in June 2018, the Company signed an exchange agreement with an investor under which the investor exchanged 2,000,000 shares of common stock for 2,000,000 pre-funded warrant shares. Further, in March 2019, the Company sold an additional 2,500,000 pre-funded warrant shares. The pre-funded warrants are exercisable into shares of common stock for $0.0001 per share. The shares of common stock into which the pre-funded warrants may be exercised are considered outstanding for the purposes of computing earnings per share. In January 2020, the Company sold 3,036,719 shares of common stock at a price of $8.00 per share and pre-funded warrants to purchase 1,338,287 shares of our common stock. During the year ended December 31, 2020, 2,280,335 pre-funded warrants were exchanged for shares of common stock in a cashless exercise. As of December 31, 2020, 3,557,952 pre-funded warrants were outstanding.

7. Significant Agreements

Vitae Pharmaceuticals, Inc.

In October 2017, the Company entered into a license agreement (the “Allergan License Agreement”) with Vitae Pharmaceuticals, Inc., a subsidiary of Allergan (“Allergan”), under which Allergan granted the Company an exclusive, sublicensable, worldwide license to a portfolio of preclinical, orally available, small molecule inhibitors of the interaction of menin with Mixed Lineage Leukemia (“MLL”) protein (the “Menin Assets”). The Company made a nonrefundable upfront payment of $5.0 million to Allergan in the fourth quarter of 2017. Additionally, subject to the achievement of certain milestone events, the Company may be required to pay Allergan up to $99.0 million in one-time development and regulatory milestone payments over the term of the Allergan License Agreement. In the event that the Company or any of its affiliates or sublicensees commercializes the Menin Assets, the Company will also be obligated to pay Allergan low single to low double-digit royalties on sales, subject to reduction in certain circumstances, as well as up to an aggregate of $70.0 million in potential one-time, sales-based

milestone payments based on achievement of certain annual sales thresholds. Under certain circumstances, the Company may be required to share a percentage of non-royalty income from sublicensees, subject to certain deductions, with Allergan. The Company is solely responsible for the development and commercialization of the Menin Assets. Each party may terminate the Allergan License Agreement for the other party's uncured material breach or insolvency; and the Company may terminate the Allergan License Agreement at will at any time upon advance written notice to Allergan. Allergan may terminate the Allergan License Agreement if the Company or any of its affiliates or sublicensees institutes a legal challenge to the validity, enforceability, or patentability of the licensed patent rights. Unless terminated earlier in accordance with its terms, the Allergan License Agreement will continue on a country-by-country and product-by-product basis until the later of: (i) the expiration of all of the licensed patent rights in such country; (ii) the expiration of all regulatory exclusivity applicable to the product in such country; and (iii) 10 years from the date of the first commercial sale of the product in such country.

As of the date of the Allergan License Agreement, the asset acquired had no alternative future use nor had it reached a stage of technological feasibility. As the processes or activities that were acquired along with the license do not constitute a "business," the transaction has been accounted for as an asset acquisition. As a result, in 2017, the upfront payment of $5.0 million was recorded as research and development expense in the consolidated statements of operations. In June 2019, the Company achieved certain development and regulatory milestones. As a result, in June 2019, the Company recorded $4.0 million as research and development expense. The amount was paid in 2020.

UCB Biopharma Sprl

In July 2016, the Company entered into a license agreement (the "UCB License Agreement") with UCB Biopharma Sprl ("UCB"), under which UCB granted to the Company a worldwide, sublicenseable, exclusive license to UCB6352, which the Company refers to as SNDX-6352 or axatilimab, an IND-ready anti-CSF-1R monoclonal antibody. The Company made a nonrefundable upfront payment of $5.0 million to UCB in the third quarter of 2016. Additionally, subject to the achievement of certain milestone events, the Company may be required to pay UCB up to $119.5 million in one-time development and regulatory milestone payments over the term of the UCB License Agreement. In the event that the Company or any of its affiliates or sublicensees commercializes SNDX-6352, the Company will also be obligated to pay UCB low double-digit royalties on sales, subject to reduction in certain circumstances, as well as up to an aggregate of $250.0 million in potential one-time, sales-based milestone payments based on achievement of certain annual sales thresholds. Under certain circumstances, the Company may be required to share a percentage of non-royalty income from sublicensees, subject to certain deductions, with UCB. The Company will be solely responsible for the development and commercialization of SNDX-6352, except that UCB is performing a limited set of transitional chemistry, manufacturing and control tasks related to SNDX-6352. Each party may terminate the UCB License Agreement for the other party's uncured material breach or insolvency; and the Company may terminate the UCB License Agreement at will at any time upon advance written notice to UCB. UCB may terminate the UCB License Agreement if the Company or any of its affiliates or sublicensees institutes a legal challenge to the validity, enforceability, or patentability of the licensed patent rights. Unless terminated earlier in accordance with its terms, the UCB License Agreement will continue on a country-by-country and product-by-product basis until the later of: (i) the expiration of all of the licensed patent rights in such country; (ii) the expiration of all regulatory exclusivity applicable to the product in such country; and (iii) 10 years from the date of the first commercial sale of the product in such country.

As of the date of the UCB License Agreement, the asset acquired had no alternative future use nor had it reached a stage of technological feasibility. As the processes or activities that were acquired along with the license do not constitute a "business," the transaction has been accounted for as an asset acquisition. As a result, in 2016, the upfront payment of $5.0 million was recorded as research and development expense in the consolidated statements of operations. In July 2020, the Company achieved certain development and regulatory milestones. As a result, in July 2020, the Company recorded $2.0 million as research and development expense, which has been fully paid.

Eastern Cooperative Oncology Group

In March 2014, the Company entered into the "ECOG Agreement with Eastern Cooperative Oncology Group, a contracting entity for the Eastern Cooperative Oncology Group—American College of Radiology Imaging Network Cancer Research Group ("ECOG-ACRIN"), that describes the parties' obligations with respect to the NCI-

sponsored pivotal Phase 3 clinical trial of entinostat. Under the terms of the ECOG Agreement, ECOG-ACRIN will perform this clinical trial in accordance with the clinical trial protocol and a mutually agreed scope of work. The Company will provide a fixed level of financial support for the clinical trial through an upfront payment of $0.7 million and a series of payments of up to $1.0 million each that are comprised of milestone payments through the completion of enrollment and time-based payments through the completion of patient monitoring post-enrollment. In addition, the Company is obligated to supply entinostat and placebo to ECOG-ACRIN for use in the clinical trial. From the second quarter of 2016 through the fourth quarter of 2018, the Company has entered into a number of amendments to the agreement to provide for additional study activities resulting in an increase of the contractual obligation of $5.3 million. The Company has agreed to provide this additional financial support to fund the additional activities required to ensure that the E2112 clinical trial will satisfy FDA registration requirements.

In May 2020, the Company announced that the E2112 trial did not achieve the primary endpoint of demonstrating a statistically significant overall survival benefit over hormone therapy alone. As a result, the Company has decided to deprioritize the entinostat program to focus resources on advancing the remainder of its pipeline. As of December 31, 2020, the Company's aggregate payment obligations under this agreement are approximately $24.7 million; and its estimated remaining payment obligations under the agreement are approximately $3.2 million, which are estimated to be paid over a period of approximately one year. As of December 31, 2020, the Company has accrued $1.6 million related to the ECOG Agreement.

Data and inventions from the Phase 3 clinical trial are owned by ECOG-ACRIN. The Company has access to the data generated in the clinical trial, both directly from ECOG-ACRIN under the ECOG Agreement as well as from the NCI. Additionally, ECOG-ACRIN has granted the Company a non-exclusive royalty-free license to any inventions or discoveries that are derived from entinostat as a result of its use during the clinical trial, along with a first right to negotiate an exclusive license to any of these inventions or discoveries. Either party may terminate the ECOG Agreement in the event of an uncured material breach by the other party or if the U.S. Food and Drug Administration ("FDA") or National Cancer Institute ("NCI") withdraws the authorization to perform the clinical trial in the United States. The parties may jointly terminate the ECOG Agreement if the parties agree that safety-related issues support termination of the clinical trial. The Company accounts for these expenses according to the progress of the clinical trial as measured by patient enrollment and the timing of various aspects of the clinical trial. The Company determines accrual estimates through financial models,taking into account discussion with applicable personnel and ECOG-ACRIN as to the progress of consummation of the clinical trial or the services completed.

Bayer Pharma AG (formerly known as Bayer Schering Pharma AG)

In March 2007, the Company entered into a license agreement (the "Bayer Agreement") with Bayer Schering Pharma AG ("Bayer") for a worldwide, exclusive license to develop and commercialize entinostat and any other products containing the same active ingredient. Under the terms of the Bayer Agreement, the Company paid a nonrefundable up-front license fee of $2.0 million and is responsible for the development and marketing of entinostat. The Company recorded the $2.0 million license fee as research and development expense during the year ended December 31, 2007, as it had no alternative future use. The Company will pay Bayer royalties on a sliding scale based on net sales, if any, and make future milestone payments to Bayer of up to $150.0 million in the event that certain specified development and regulatory goals and sales levels are achieved.

8. Property and Equipment, net

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

	December 31,	
	2020	2019
Equipment	$ 256	$ 256
Leasehold improvements	167	167
Furniture and fixtures	134	134
Office and computer equipment	21	21
Office equipment under capital lease	13	13
Total property and equipment	591	591
Accumulated depreciation	(399)	(310)
Property and equipment, net	$ 192	$ 281

9. Fair Value Measurements

The carrying amounts of cash and cash equivalents, restricted cash, accounts payable, and accrued expenses approximated their estimated fair values due to the short-term nature of these financial instruments. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value are performed in a manner to maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the market date for identical unrestricted assets or liabilities.

Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

During the years presented, the Company has not changed the manner in which it values assets and liabilities that are measured at fair value using Level 3 inputs. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the years ended December 31, 2020, 2019 and 2018.

A summary of the assets and liabilities carried at fair value in accordance with the hierarchy defined above is as follows (in thousands):

		Fair Value Measurements Using		
	Total Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2020				
Assets:				
Cash equivalents	$ 115,243	$ 110,246	$ 4,997	$ —
Short-term investments	177,822	—	177,822	—
Total assets	$ 293,065	$ 110,246	$ 182,819	$ —
December 31, 2019				
Assets:				
Cash equivalents	$ 24,609	$ 23,439	$ 1,170	$ —
Short-term investments	35,166	—	35,166	—
Total assets	$ 59,775	$ 23,439	$ 36,336	$ —

Cash equivalents of $110.2 million as of December 31, 2020 and $23.4 million as of December 31, 2019 consisted of overnight investments and money market funds and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Cash equivalents of $5.0 million as of December 31, 2020 and $1.2 million as of December 31, 2019 consisted of highly rated corporate bonds and commercial paper and are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and fair value is determined through the use of models or other valuation methodologies.

Short-term investments of $177.8 million as of December 31, 2020 and $35.2 million as of December 31, 2019, consisted of commercial paper, highly rated corporate bonds, credit card asset back securities and US Treasuries and are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and fair value is determined through the use of models or other valuation methodologies.

The short-term investments are classified as available-for-sale securities. As of December 31, 2020, the remaining contractual maturities of the available-for-sale securities were less than 12 months, and the balance in the Company's accumulated other comprehensive income was comprised solely of activity related to the Company's available-for-sale securities. There were no realized gains or losses recognized on the sale or maturity of available-for-sale securities during the three years ended December 31, 2020. As a result, the Company did not reclassify any amounts out of accumulated other comprehensive income for the same periods. The Company has a limited number of available-for-sale securities in insignificant loss positions as of December 31, 2020, which the Company does not intend to sell and has concluded it will not be required to sell before recovery of the amortized cost for the investment at maturity.

The following table summarizes the available-for-sale securities (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
December 31, 2020				
Commercial paper	$ 154,176	$ 13	$ (16)	$ 154,173
Corporate bonds	22,617	2	(3)	22,616
US treasury	6,030			6,030
	$ 182,823	$ 15	$ (19)	$ 182,819
December 31, 2019				
Commercial paper	$ 15,675	$ 5	$ —	$ 15,680
Corporate bonds	18,361	—	(5)	$ 18,356
Asset back securities	2,300	—	—	2,300
	$ 36,336	$ 5	$ (5)	$ 36,336

10. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31,	
	2020	2019
Short-term deposits	$ 4,683	$ 1,297
Prepaid insurance	427	214
Other	317	347
Interest receivable on investments	175	116
Prepaid clinical supplies	58	166
Reimbursable costs	24	416
Total prepaid expenses and other current assets	$ 5,684	$ 2,556

11. Accrued Expenses and Other Current Liabilities

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

	December 31,	
	2020	2019
Accrued clinical costs	$ 7,132	$ 6,726
Accrued compensation and related costs	3,213	2,800
Accrued professional fees	373	403
Other	528	266
Total accrued expenses	$ 11,246	$ 10,195

12. Common Stock

In connection with the closing of the Company's IPO, the Company filed an amended and restated certificate of incorporation and adopted amended and restated bylaws; and pursuant to the amended and restated certificate of incorporation, the Company is authorized to issue 100,000,000 shares of common stock. The holders of each share of common stock are entitled to one vote per share held and are entitled to receive dividends, if and when declared by the Board, and to share ratably in the Company's assets available for distribution to stockholders, in the event of liquidation.

In April 2017, the Company entered into a sales agreement with Cowen under which the Company may issue and sell shares of our common stock having aggregate sales proceeds of up to $50.0 million from time to time through Cowen, acting as agent, in a series of one or more ATM equity offerings (the "2017 ATM Program"). Since inception of the ATM program in 2017, the Company has sold 2,403,409 shares of common stock pursuant to the ATM program, at an average price of $7.82 per share for gross proceeds of $18.8 million, resulting in net proceeds of $18.2 million after deducting sales commissions and offering expenses. The 2017 ATM Program was replaced by the 2019 ATM Program.

In August 2019, the Company entered into a new sales agreement with Cowen and Company, LLC ("Cowen") under which the Company may issue and sell shares of its common stock having aggregate sales proceeds of up to $50.0 million from time to time through Cowen, acting as agent, in a series of one or more at-the-market ("ATM") equity offerings (the "2019 ATM Program"). Cowen is not required to sell any specific amount, but acts as the Company's sales agent using commercially reasonable efforts consistent with its normal trading and sales practices. Shares sold pursuant to the sales agreement will be sold pursuant to a shelf registration statement on Form S-3 (Registration No. 333-233564), which was declared effective on September 10, 2019. The Company's common stock will be sold at prevailing market prices at the time of the sale; and as a result, prices may vary. The Company pays Cowen up to 3% of the gross proceeds from any common stock sold through this sales agreement. In 2019, prior to the effectiveness of the 2019 ATM Program, the Company sold 140,819 shares of common stock under the 2017 ATM program for net proceeds of $0.8 million. No shares of common stock have been sold under the 2019 ATM program. In conjunction with the December 2020 offering, the 2019 ATM Program was cancelled.

In March 2019, the Company issued 2,095,039 shares of its common stock and pre-funded warrants to purchase 2,500,000 shares of common stock (the "Pre-Funded Warrants") to certain investors in a registered direct offering. The Pre-Funded Warrants are exercisable immediately upon issuance at an exercise price of $0.0001 per share and have a term of 20 years. The Company sold the shares of common stock and Pre-Funded Warrants together with two series of warrants, Series 1 Warrants and Series 2 Warrants, to purchase an aggregate of 4,595,039 shares of the Company's common stock (the "Series Warrants"). The offering price for the securities was $6.00 per share (or $5.9999 for each Pre-Funded Warrant). The aggregate gross proceeds to the Company from this offering were $27.6 million, excluding any proceeds the Company may receive upon exercise of the Pre-Funded Warrants and Series Warrants and offering costs of $0.2 million. No underwriter or placement agent participated in the offering.

The Series Warrants are immediately exercisable. Each Series 1 Warrant has an initial exercise price of $12.00 per share of common stock and each Series 2 Warrant has an initial exercise price of $18.00 per share of common stock, in each case subject to certain adjustments (as described below). The Series Warrants expire on the earlier of (i) 90 days following the Company's confirmation to holders of the Company's release of positive data confirming

the achievement of the specified primary endpoint of overall survival benefit in the E2112 clinical trial in breast cancer patients, or (ii) December 31, 2020.

If, prior to the expiration date of the Series Warrant, the Company sells additional capital stock or derivative securities convertible into or exercisable for capital stock (other than Exempted Securities as defined by the Series Warrant) in one or more related transactions primarily for the purpose of raising capital at a Weighted-Average Price (as described below) below $12.00 per share, then the initial exercise price of the Series Warrants will be automatically reset upon exercise to an exercise price (the "Adjusted Exercise Price") that is the midpoint between the initial exercise price and the lowest Weighted-Average Price per share at which the Company sells capital stock or derivative securities convertible into or exercisable for capital stock in a subsequent offering prior to the exercise date; provided, however, that the Adjusted Exercise Price will not be reduced below $6.00 per share. The Weighted-Average Price shall be calculated as the weighted-average common stock equivalent price of the equity securities sold in such transaction(s) (excluding any derivative securities with an exercise or conversion price that is above the closing sale price as of the time of pricing such offering(s)). In no event will the exercise price for the Series Warrants be adjusted more than once pursuant to this adjustment mechanism.

In January 2020, the Company sold 3,036,719 shares of common stock, par value $0.0001 per share ("Common Stock") and Pre-Funded Warrants to purchase 1,338,287 shares of common stock. The offering price for the securities was $8.00 per share or $7.9999 for each pre-funded warrant. As a result of this offering, the exercise price of Series 1 and Series 2 Warrants outstanding reset from $12.00 per share to $10.00 per share and from $18.00 per share to $13.00, respectively. Upon completion of the January 2020 offering, 5,838,287 pre-funded warrants were outstanding. In May 2020 and October 2020, a total of 2,280,335 pre-funded warrants were exercised through cashless exercise. As of December 31, 2020, 3,557,952 pre-funded warrants remain outstanding.

The Pre-Funded Warrants and the Series Warrants may not be exercised by the holder to the extent that the holder, together with its affiliates, would beneficially own, after such exercise more than 9.99% of the shares of the Company's common stock then outstanding (subject to the right of the holder to increase or decrease such beneficial ownership limitation upon notice to the Company, provided that such limitation cannot exceed 19.99%) and provided that any increase in the beneficial ownership limitation shall not be effective until 61 days after such notice is delivered.

The Series Warrants were classified as a component of permanent equity and were recorded at the issuance date using a relative fair value allocation method. The Series Warrants are equity classified because they are freestanding financial instruments that are legally detachable and separately exercisable from the equity instruments, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, and permits the holders to receive a fixed number of common shares upon exercise. In addition, such warrants do not provide any guarantee of value or return. The Company valued the Series Warrants at issuance using the Black Scholes option pricing model and determined the fair value of the 4,595,039 Series Warrants at $3.4 million. The key inputs to the valuation model included the weighted average volatility of 89.1% and the weighted average expected term of 1.4 years. During 2020, holders of Series 1 warrants and Series 2 warrants exercised 4,595,039 Series Warrants in exchange for 1,995,941 shares of the Company's common stock. As of December 31, 2020, all Series Warrants have been exercised.

On June 18, 2018, the Company signed an exchange agreement with Biotechnology Value Fund and certain affiliated funds ("BVF") under which BVF exchanged 2,000,000 shares of common stock for 2,000,000 Pre-Funded Warrant shares. The Company recorded the issuance of the pre-funded warrants and the retirement of the common stock at fair value within additional paid-in capital. BVF can exercise the Pre-Funded Warrants at an exercise price per share equal to $0.0001 per share and the Pre-Funded Warrants expire 20 years from issuance. Per the terms of the warrant agreement, the outstanding Pre-Funded Warrants may not be exercised if the holder's ownership of the Company's common stock would exceed 9.99 percent following such exercise.

In May 2020, the Company sold 6,388,889 shares of common stock, par value $0.0001 per share, at $18.00 per share, with net proceeds of approximately $107.9 million.

In December 2020, the Company sold 6,250,000 shares of common stock, par value $0.0001 per share, at $23.00 per share, with net proceeds of approximately $135.0 million.

The Company has reserved for future issuance the following shares of common stock related to the potential warrant exercise, exercise of stock options, and the employee stock purchase plan:

	December 31, 2020
Common stock issuable under pre-funded warrants	3,557,952
Options to purchase common stock	6,974,018
Employee Stock Purchase Plan	1,073,288
Total	11,605,258

13. Stock-Based Compensation

In September 2015, the Company's board of directors adopted its 2015 Omnibus Incentive Plan ("2015 Plan"), which was subsequently approved by its stockholders and became effective upon the closing of the IPO on March 8, 2016. The 2015 Plan replaced the 2007 Stock Plan ("2007 Plan") and allows for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, unrestricted stock, stock units, dividend equivalent rights, performance awards, annual incentive awards, and other equity-based awards to the Company's executives and other employees, non-employee members of the board of directors, and consultants of the Company. Any options or awards outstanding under the Company's 2007 Plan remain outstanding and effective. Any shares of common stock related to awards outstanding under the 2007 Plan that thereafter terminate by expiration, forfeiture, cancellation or otherwise without the issuance of such shares will be added to, and included in, the 2015 Plan reserve amount. The Company initially reserved 1,750,000 shares of its common stock for the issuance of awards under the 2015 Plan. As of December 31, 2020, there were 576,283 shares available for issuance under the 2015 Plan.

The 2015 Plan provides that the number of shares reserved and available for issuance under the 2015 Plan will automatically increase each January 1, beginning on January 1, 2017, by 4% of the outstanding number of shares of common stock on the immediately preceding December 31 or such lesser number of shares as determined by the Company's board of directors. On January 1, 2021, the shares available for issuance under the 2015 Plan were increased to 2,491,531.

The Company recognized stock-based compensation expense related to the issuance of stock option awards to employees and non-employees and related to the Employee Stock Purchase Plan in the consolidated statements of operations as follows (in thousands):

	Years Ended December 31,		
	2020	2019	2018
Research and development	$ 2,400	$ 2,061	$ 1,910
General and administrative	6,657	3,944	4,291
Total	$ 9,057	$ 6,005	$ 6,201

Stock Options

As of December 31, 2020, there was $14.3 million of unrecognized compensation cost related to employee and non-employee unvested stock options and RSU's granted under the 2007 and 2015 Plans, which is expected to be recognized over a weighted-average remaining service period of 2.7 years. Stock compensation costs have not been capitalized by the Company. As of December 31, 2020, there was $0.4 million of unrecognized compensation cost related to performance-based options, and $13.9 million of unrecognized compensation expense related to service-based options.

Our stock-based awards are subject to either service or performance-based vesting conditions. Compensation expense related to awards to employees, directors and non-employees with service-based vesting conditions is recognized on a straight-line basis based on the grant date fair value over the associated service period of the award, which is generally the vesting term. Compensation expense related to awards to employees with performance-based vesting conditions is recognized based on the grant date fair value over the requisite service period using the straight-line method to the extent achievement of the performance condition is probable.

In 2017, the Company granted 60,000 options with performance conditions, 13,333 of which have vested in 2019, and 6,667 of which were cancelled as of December 31, 2019. On January 1, 2021, the Company determined that a second performance had not been achieved. As a result of this, the Company cancelled 20,000 options. In the years ended December 31, 2020, 2019 and 2018, the Company recorded approximately $9,000, $88,000 and $142,000, respectively, of stock compensation expense associated with these awards.

In 2019, the Company granted to certain employees 583,000 stock options that contain performance-based vesting criteria, primarily related to the achievement of certain clinical and regulatory development milestones related to product candidates. Recognition of stock-based compensation expense associated with these performance-based stock options commences when the performance condition is considered probable of achievement, using management's best estimates, which consider the inherent risk and uncertainty regarding the future outcomes of the milestones.

In the fourth quarter of 2020 one of the performance milestones was achieved and of the associated 194,331 stock options, 64,777 stock options vested. The remaining options will vest in 2021 and 2022. The Company recorded approximately $207,000 and $181,000 of stock compensation expense associated with these awards for the years ended December 31, 2020 and 2019, respectively. For the remaining milestones, achievement of the performance conditions was not met. Therefore no expense has been recognized related to these awards for the year ended December 31, 2020, and 388,669 options were cancelled in 2020.

In July 2020, in connection with the retirement of a certain employee, the Company modified the terms of this individual's historical stock option awards. As a result of the modifications, the Company recognized approximately $1.0 million of incremental stock compensation expense during the period.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model with the weighted-average assumptions noted in the table below. Expected volatility for the Company's common stock was determined based on an average of the historical volatility of a peer group of similar public companies. The Company estimated the expected term of its employee stock options using the "simplified" method, whereby, the expected term equals the average of the vesting term and the original contractual term of the option. The contractual life of the option was used for the estimated life of the non-employee grants. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future. The risk-free interest rate for periods within the expected life of the option is based upon the U.S. Treasury yield curve in effect at the time of grant. The Company accounts for forfeitures when they occur. The grant date fair values of options issued to employees and non-employees were estimated using the Black-Scholes option-pricing model with the following assumptions:

	Years Ended December 31,		
	2020	2019	2018
Expected term (in years)	5.97	5.97	5.90
Volatility rate	81.59%	76.95%	76.28%
Risk-free interest rate	1.20%	2.29%	2.69%
Expected dividend yield	0.00%	0.00%	0.00%

A summary of employee and non-employee option activity under the Company's equity award plans is presented below (in thousands, except share data):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding—January 1, 2020	6,057,011	$ 8.50	7.2	$ 6,306
Granted	1,635,125	$ 11.91		
Exercised	(755,166)	$ 8.78		
Canceled, forfeited or expired	(557,735)	$ 7.82		
Outstanding—December 31, 2020	6,379,235	$ 9.40	7.1	$ 81,940
Exercisable—December 31, 2020	4,016,424	$ 8.84	6.2	$ 53,828
Options vested, exercisable or expected to vest—December 31, 2020	6,352,568	$ 9.39	7.1	$ 81,668

The weighted-average grant date fair value of options granted during the years ended December 31, 2020, 2019 and 2018, was $7.88, $4.81, and $6.17 per share, respectively. The fair value is being expensed over the vesting period of the options (usually three to four years) on a straight-line basis as the services are being provided.

There were 755,166 options exercised for the year ended December 31, 2020, resulting in total proceeds of $6.6 million; 25,857 options exercised for the year ended December 31, 2019, resulting in total proceeds of $178,000; and 7,850 options exercised for the year ended December 31, 2018, resulting in total proceeds of $26,000. The intrinsic value of options exercised during the years ended December 31, 2020, 2019 and 2018 was $7.1 million, $9,000, and $0.1 million, respectively. In accordance with the Company's policy, the shares were issued from a pool of shares reserved for issuance under the 2007 and 2015 Plans.

Restricted Stock Units

During the year ended December 31, 2020, the Company granted 18,500 shares of the Company's restricted stock units. The shares are scheduled to vest in equal annual tranches over a four-year period on the anniversary date of the related grant. The fair value of these shares totaled $194,000 at the grant date, representing a weighted-average grant date fair value per share of $10.48.

Employee Stock Purchase Plan

In September 2015, the Company's Board adopted the Employee Stock Purchase Plan (the "ESPP"), which was subsequently approved by the Company's stockholders in February 2016 and became effective upon the closing of the IPO on March 8, 2016. The ESPP authorizes the initial issuance of up to a total of 250,000 shares of common stock to the Company's employees. The Company issued 33,706 and 42,818 shares during 2020 and 2019, respectively. On January 1, 2021, the shares of common stock reserved for issuance under the ESPP was increased to 1,323,288. Under the terms of the ESPP, eligible employees can elect to acquire shares of the Company's common stock through periodic payroll deductions during a series of six month offering periods. Purchases under the ESPP are effected on the last business day of each offering period at a 15% discount to the lower of closing price on that day or the closing price on the first day of the offering period.

The ESPP is considered a compensatory plan with the related compensation cost expensed over the six-month offering period. For the years ended December 31, 2020, 2019 and 2018 the Company recorded stock-based compensation expense related to the ESPP of $203,000, $113,000 and $132,000 respectively.

Employee Benefit Plan

The Company has a Section 401(k) defined contribution savings plan for its employees. The plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. Company contributions to the plan may be made at the discretion of the Board. For the years ended December 31, 2020, 2019 and 2018, the Company made $250,000, $119,000 and $126,000 contributions to the plan, respectively.

14. Loan Payable

In February 2020, the Company entered into a loan and security agreement (the "Loan Agreement") with Hercules Capital, Inc. ("Hercules"), which provided for aggregate maximum borrowings of up to $30.0 million, consisting of (i) a term loan of up to $20.0 million, which was funded on February 7, 2020 (the "Initial Advance"), and (ii) subject to Hercules' investment committee approval, an additional term loan of up to $10.0 million, available for borrowing from February 7, 2020 to December 15, 2020 (the "Tranche 2 Advance"). The Company elected not to draw the additional term of $10.0 million. Borrowings under the Loan Agreement bear interest at an annual rate equal to the greater of (i) 9.85% or (ii) 5.10% plus the Wall Street Journal prime rate. As of December 31, 2020, the Company's interest rate under the Loan Agreement was 9.85%.

The Company is obligated to make monthly interest-only payments through October 1, 2021. After the interest-only payment period, borrowings under the Loan Agreement are repayable in equal monthly payments of principal and accrued interest until the maturity date of the loan, which is September 1, 2023. At the Company's option, the Company may prepay all, but not less than all, of the outstanding borrowings, subject to a prepayment premium equal to (i) 2.0% of the principal amount outstanding if the prepayment occurs during the first year following the applicable loan being funded, (ii) 1.5% of the principal amount outstanding if the prepayment occurs during the second year following the applicable loan being funded, and (iii) 1.0% of the principal amount outstanding at any time thereafter but prior to the Maturity Date. In addition, the Company paid a $100,000 facility charge upon closing, which is being expensed over the term of the debt and will pay a $50,000 facility charge in connection with the Tranche 2 Advance. The Loan Agreement also provides for a final payment, payable upon maturity or the repayment in full of all obligations under the agreement, of up to 4.99% of the aggregate principal amount of the Term Loan Advances (as defined in the Loan Agreement). The final payment will be accrued over the term of the debt.

Borrowings under the Loan Agreement are collateralized by substantially all of the Company's and its subsidiaries personal property and other assets, other than its intellectual property. The Loan Agreement includes a minimum cash covenant of $12.5 million that has applied since October 1, 2020, subject to reduction upon satisfaction of certain conditions as set forth in the Loan Agreement. As of December 31, 2020, the conditions set forth in the Loan Agreement were met. The cash covenant of $12.5 million was waived. In addition, the Loan Agreement includes customary affirmative and restrictive covenants and representations and warranties, including a covenant against the occurrence of a "change in control," financial reporting obligations, and certain limitations on indebtedness, liens (including a negative pledge on intellectual property and other assets), investments, distributions (including dividends), collateral, investments, distributions, transfers, mergers or acquisitions, taxes, corporate changes, and deposit accounts. The Loan Agreement also includes customary events of default, including payment defaults, breaches of covenants following any applicable cure period, the occurrence of certain events that could reasonably be expected to have a "material adverse effect" as set forth in the Loan Agreement, cross acceleration to third-party indebtedness and certain events relating to bankruptcy or insolvency. Upon the occurrence of an event of default, a default interest rate of an additional 5.0% may be applied to the outstanding principal balance, and Hercules may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement.

In connection with the Loan Agreement, the Company was required to enter into separate deposit account control agreements with the lender in order to perfect the lender's security interest in the cash collateral in the Company's operating accounts. In the event of a default under the Loan Agreement, the lender would have the right to take control of the operating accounts and restrict the Company's access to the operating accounts and the funds therein.

During the year ended December 31, 2020, the Company recognized $2.2 million of interest expense related to the Initial Advance pursuant to the Loan Agreement.

As of December 31, 2020, the Company's maturities of principal obligations under its long-term debt are as follows:

	Amount
2021	$ 2,285
2022	9,727
2023	7,988
Total principal outstanding	20,000
Amortized final fee	306
Unamortized debt issuance costs	(187)
Total	20,119
Term loan, current portion	2,285
Term loan, less current portion	$ 17,834

15. Income Taxes

The Company has not recorded any net tax provision for the periods presented due to the losses incurred and the need for a full valuation allowance on deferred tax assets. The difference between the income tax expense at the U.S. federal statutory rate and the recorded provision is primarily due to the valuation allowance provided on all deferred tax assets. The Company's loss before income tax for the periods presented was generated entirely in the United States.

A reconciliation of the provision for income taxes computed at the statutory federal income tax rate to the provision for income taxes as reflected in the financial statements is as follows:

	Years Ended December 31,		
	2020	2019	2018
Income tax computed at federal statutory rate	21.0%	21.0%	21.0%
State taxes, net of federal benefit	1.8%	2.1%	2.2%
General business credit carryovers	0.9%	0.9%	0.8%
Non-deductible expenses	0.0%	-0.8%	-0.4%
Change in valuation allowance	-23.7%	-22.8%	-23.4%
Other	0.0%	-0.4%	-0.2%
	0.0%	0.0%	0.0%

The significant components of the Company's deferred tax are as follows (in thousands):

	Years Ended December 31,	
	2020	2019
Deferred tax assets (liabilities):		
Net operating loss carryforwards	$ 22,794	$ 16,410
Research and development credits	4,856	4,156
Capitalized start-up and other costs	28,854	25,716
Capitalized research and development costs	35,632	29,736
Deferred revenue	2,989	3,334
Equity based compensation	5,117	4,211
Accruals	1,657	828
Other temporary differences	29	25
Deferred tax assets before valuation allowance	101,928	84,416
Valuation allowances	(101,928)	(84,416)
Net deferred tax assets	$ —	$ —

The Company has provided a valuation allowance for the full amount of the net deferred tax assets as the realization of the deferred tax assets is not determined to be more likely than not. The valuation allowance increased by $17.5 million and $12.8 million in 2020 and 2019, respectively, due to the increase in deferred tax assets, primarily due to net operating loss carryforwards and capitalized research and development costs.

As of December 31, 2020, the Company had approximately $96.1 million and $41.0 million in federal and state Net Operating Losses ("NOLs"), respectively, which begin to expire at various dates starting in 2024. As of December 31, 2020, the Company had federal and state research credits of $3.3 million and $2.0 million, respectively, which begin to expire in 2022.

Realization of future tax benefits is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carryforward period. Under the Internal Revenue Code provisions, certain substantial changes in the Company's ownership, including the sale of the Company or significant changes in ownership due to sales of equity, may have limited, or may limit in the future, the amount of net operating loss carryforwards or tax credits which could be used annually to offset future taxable income. The Company completed an analysis through December 31, 2020 and determined that on March 30, 2007, August 21, 2015 and May 4, 2020 ownership changes had occurred. The Company may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. As a result, its ability to use its pre-change NOLs or tax credits to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020. Among the business provisions, the CARES Act provided for various payroll tax incentives, changes to net operating loss carryback and carryforward rules, business interest expense limitation increases, and bonus depreciation on qualified improvement property. Additionally, the Consolidated Appropriations Act of 2021 was signed on December 27, 2020 which provided additional COVID relief provisions for businesses. The Company has evaluated the impact of the both Acts and has determined that any impact is not material to its financial statements.

As of December 31, 2020, and 2019, the Company had uncertain tax positions of $0.2 million related to research and development credits, which reduce the deferred tax assets with a corresponding decrease to the valuation allowance. The Company has elected to recognize interest and penalties related to income tax matters as a component of income tax expense, of which no interest or penalties were recorded for the years ended December 31, 2020 and 2019. The Company expects none of the unrecognized tax benefits to decrease within the next 12 months related to expired statutes or settlement with the taxing authorities. Due to the Company's valuation allowance as of December 31, 2020, none of the Company's unrecognized tax benefits, if recognized, would affect the effective tax rate.

A reconciliation of the Company's unrecognized tax benefits is as follows (in thousands):

	Years Ended December 31,		
	2020	2019	2018
Unrecognized tax benefit--beginning of year	$ 163	$ 163	$ 163
Decreases related to prior period positions	—	—	—
Unrecognized tax benefit--end of year	$ 163	$ 163	$ 163

The Company files tax returns in the United States, Massachusetts, California, New Jersey, New York, Rhode Island and Pennsylvania. All tax years since inception (October 11, 2005) remain open to examination by major tax jurisdictions to which the Company is subject, as carryforward attributes generated in years past may still be adjusted upon examination by the Internal Revenue Service or state tax authorities if they have or will be used in a future period. The Company is currently not under examination by the Internal Revenue Service or any other jurisdictions for any tax years.

16. Commitments

License Agreements

NovaMedica—In August 2013, in connection with the third tranche of its Series B-1 financing, the Company entered into a Technology Transfer Agreement (the "Tech Transfer Agreement") with Domain Russia Investments Limited ("DRI"). Pursuant to the Tech Transfer Agreement, in exchange for nominal payment, the Company assigned to DRI certain patent applications and granted to DRI a license to develop and commercialize entinostat in certain Eastern European countries (the "Covered Territory"). The Company concurrently entered into a sublicense agreement with DRI (the "DRI Sublicense") and a sublicense agreement (the "NovaMedica Sublicense") with NovaMedica LLC ("NovaMedica"), which is jointly owned by Rusnano Medinvest LLC and DRI. Pursuant to the DRI Sublicense, the Company granted to DRI an exclusive sublicense to develop, manufacture and commercialize entinostat in the Russian Federation. Pursuant to the NovaMedica Sublicense, the Company granted to NovaMedica an exclusive sublicense to develop, manufacture and commercialize entinostat in the rest of the Covered Territory. Immediately thereafter, the Company, DRI and NovaMedica executed an assignment and assumption agreement, pursuant to which the assigned patents and all of DRI's rights and obligations under the Tech Transfer Agreement and the DRI Sublicense were transferred to NovaMedica. Under the Tech Transfer Agreement, in certain cases, the Company is required to assist NovaMedica, and NovaMedica is required to reimburse the Company for any out-of-pocket expenses incurred in providing this assistance, including travel-related expenses.

Eddingpharm—In April 2013, the Company entered into a License and Development Agreement (the "Eddingpharm License Agreement") and a Series B-1 purchase agreement (the "Eddingpharm Purchase Agreement") with Eddingpharm International Company Limited ("Eddingpharm"). Under the terms of the Eddingpharm License Agreement, Eddingpharm, in exchange for rights to develop and commercialize entinostat in China and certain other Asian countries, purchased $5.0 million of Series B-1 and agreed to make certain contingent milestone and royalty payments based on revenue targets. In certain cases, the Company is required to assist Eddingpharm, and Eddingpharm is required to reimburse the Company for any out-of-pocket expenses incurred in providing this assistance, including reimbursement for person-hours above a certain cap.

17. Supplemental Cash Flow Information

	Years Ended December 31,		
	2020	2019	2018
	(In thousands)		
Supplemental Disclosures of Cash Flow Information			
Interest paid	$ 1,631	$ —	$ —
Supplemental Disclosures of Non-Cash Investing and Financing Activities:			
Issuance costs included in accounts payable and accrued expenses	$ 43	$ —	$ —

The adoption of ASC 842, "Leases", resulted in the recording of a lease asset and a lease liability of approximately $1.3 million as of January 1, 2019.

18. Related-Party Transactions

The Company's chief executive officer and member of the board of directors is also an Executive Partner at MPM Asset Management, LLC, which holds an investment in the Company's common stock.

19. Quarterly financial information (unaudited)

The following table contains quarterly financial information for 2020 and 2019. The Company believes that the following information reflects all normal recurring adjustments necessary for a fair statement of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	Three Months Ended 2020			
In thousands, except per share data	March 31	June 30	September 30	December 31
License fees	$ 379	$ 379	$ 379	$ 380
Operating expenses:				
Research and development	9,562	10,943	14,408	15,522
General and administrative	5,917	6,046	5,824	4,718
Total expenses	15,479	16,989	20,232	20,240
Loss from operations	(15,100)	(16,610)	(19,853)	(19,860)
Other income	(136)	(452)	(584)	(563)
Net loss	$ (15,236)	$ (17,062)	$ (20,437)	$ (20,423)
Net loss per share attributable to common stockholders	$ (19,142)	$ (17,062)	$ (20,437)	$ (20,423)
Net loss per share attributable to common stockholders—basic and diluted	$ (0.56)	$ (0.42)	$ (0.46)	$ (0.44)
Weighted-average shares--basic and diluted	34,328,640	40,609,205	44,156,808	46,054,850

	Three Months Ended 2019			
In thousands, except per share data	March 31	June 30	September 30	December 31
License fees	$ 379	$ 379	$ 379	$ 380
Operating expenses:				
Research and development	11,279	12,290	9,923	9,502
General and administrative	3,911	3,463	3,605	5,083
Total expenses	15,190	15,753	13,528	14,585
Loss from operations	(14,811)	(15,374)	(13,149)	(14,205)
Other income	509	458	320	205
Net loss	$ (14,302)	$ (14,916)	$ (12,829)	$ (14,000)
Net loss per share attributable to common stockholders—basic and diluted	$ (0.53)	$ (0.47)	$ (0.41)	$ (0.44)
Weighted-average shares--basic and diluted	27,023,466	31,605,279	31,630,639	31,640,484

EXHIBIT 10.14

SYNDAX PHARMACEUTICALS, INC.
2015 OMNIBUS INCENTIVE PLAN

STOCK UNIT AGREEMENT – DEFERRED SETTLEMENT

Syndax Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), hereby grants Stock Units denominated in shares of its common stock, par value $0.0001 per share (this "**Award**"), to the Grantee named below, subject to the vesting and other conditions set forth below. Additional terms and conditions of the grant are set forth in this cover sheet and in the attachment (collectively, the "**Agreement**"), and in the Company's 2015 Omnibus Incentive Plan (as amended from time to time, the "**Plan**").

Name of Grantee: _____

Number of Stock Units: _____

Grant Date: _____

Vesting Start Date: _____

Vesting Schedule:

By your signature below, you agree to all of the terms and conditions described in the Agreement and in the Plan, a copy of which is also attached. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this or Agreement should appear to be inconsistent with the Plan.

Grantee _____ Date: _____
(Signature)

Company: _____ Date: _____
(Signature)

Name: _____

Title: _____

Attachment

This is not a share certificate or a negotiable instrument.

SYNDAX PHARMACEUTICALS, INC.
2015 OMNIBUS INCENTIVE PLAN

FORM OF STOCK UNIT AGREEMENT

Stock Units

This Agreement evidences an award of stock units for Shares in the number set forth on the cov vesting and other conditions set forth in the Agreement and in the Plan (the "**Stock Units**").

Transfer of Stock Units

The Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise operation of law or otherwise, nor may the Stock Units be made subject to execution, attachment attempt to do any of these things, this Award will immediately become forfeited.

Issuance and Vesting of Stock Units; Issuance of Shares of Stock

The Company will issue your Stock Units in the name set forth on the cover sheet. The Stock Ur bookkeeping entries representing the right to receive one share of Stock upon vesting and settlem

Your rights under the Stock Units and this Agreement will vest in accordance with the vestin cover sheet so long as you continue in Service on the vesting dates set forth on the cover sheet.

No additional shares of Stock will vest after your Service has terminated for any reason.

Delivery

The Company will issue the Shares to which the then-vested Stock Units relate as set forth in t aggregate number of vested Shares will be rounded to the nearest whole number, and you can number of Shares covered by this grant. One share will be issued for each Stock Unit that has first to occur of the following (such date, the "**Settlement Date**") or such later date that is not l the calendar year in which the Settlement Date occurs, except as may be required pursuant to t "**Tax Consequences**":

- the date of your "separation from service" (as defined under Treasury Regulation Secti regard to any alternative definitions therein, a "**Separation from Service**");
- the date of your "disability" (as defined under Treasury Regulation Section 1.409A-3(i)(4))
- the date of your death; or
- the date of a change in control of the Company that also would constitute a "change in c under Treasury Regulation Section 1.409A-3(i)(5), a "**409A Change in Control**").

Change in Control

Notwithstanding the vesting schedule set forth above, upon the consummation of a Change in become 100% vested (i) if it is not assumed, or equivalent stock units are not substituted for this or its successor, or (ii) if assumed or substituted for, upon your Involuntary Termination wit following the consummation of the Change in Control. For the avoidance of doubt, the provisi section entitled "Delivery" shall still apply.

"**Involuntary Termination**" means termination of your Service by reason of (i) your invo Company or its successor for reasons other than Cause; or (ii) your voluntary resignation for G any applicable employment or severance agreement, plan, or arrangement between you and the following (a) a substantial adverse alteration in your title or responsibilities from those in effec Change in Control; (b) a reduction in your annual base salary as of immediately prior to the Ch same may be increased from time to time) or a material reduction in your annual target immediately prior to the Change in Control; or (c) the relocation of your principal place of emplo than 35 miles from your principal place of employment as of the Change in Control or the Comp based anywhere other than such principal place of employment (or permitted relocation thereof) on the Company's business to an extent substantially consistent with your business travel oblig prior to the Change in Control. To qualify as an "Involuntary Termination" you must provide any of the foregoing occurrences within 90 days of the initial occurrence and the Company wil such occurrence. To the extent not remedied, you must terminate employment within 60 days fo the 30 day cure period for such occurrence to constitute an Involuntary Termination.

Forfeiture of Unvested Stock Units

Unless the termination of your Service triggers accelerated vesting or other treatment of your St terms of this Agreement, the Plan, or any other written agreement between the Company or a will automatically forfeit to the Company all of the unvested Stock Units in the event your S reason.

Forfeiture of Rights

If you should take actions in violation or breach of or in conflict with any agreement prohibiting or clients of the Company or any Affiliate or any confidentiality obligation with respect to the C the Company has the right to cause an immediate forfeiture of your rights to this Award, immediately expire.

Leaves of Absence

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* l approved by the Company in writing if the terms of the leave provide for continued Service cre Service crediting is required by applicable law. Your Service terminates in any event when the a you immediately return to active employee work.

The Company may determine, in its discretion, which leaves count for this purpose, and when y all purposes under the Plan in accordance with the provisions of the Plan.

Evidence of Issuance

The issuance of the shares of Stock delivered in settlement of the Stock Units evidenced by evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, entry, direct registration or issuance of one or more Stock certificates.

Withholding Taxes

You agree as a condition of this Award that you will make acceptable arrangements to pay any that may be due as a result of the vesting of the Stock Units or receipt of shares of Stock in settle In the event that the Company or any Affiliate determines that any federal, state, local or fo payment is required relating to the vesting of the Stock Units or receipt of shares of Stock ari Company or any Affiliate will have the right to require such payments from you, or withhold payments due to you from the Company or any Affiliate (including withholding the delivery of deliverable under this Agreement).

Retention Rights

This Agreement and Award evidenced hereby do not give you the right to be retained in the Se any Affiliate, as applicable, in any capacity. Unless otherwise specified in a Service agreement o between the Company or any Affiliate and you, reserves the right to terminate your Service reason.

Stockholder Rights

You, or your estate or heirs, have no rights as a stockholder of the Company until the shares o upon settlement of this Award and either a certificate evidencing your shares of Stock have beer entry has been made on the Company's books. No adjustments are made for dividends, distribu applicable record date occurs before your certificate is issued (or an appropriate book entry is m in the Plan.

This Award will be subject to the terms of any applicable agreement of merger, liquidation or re the Company is subject to such corporate activity.

Clawback

This Award is subject to mandatory repayment by you to the Company to the extent you are subject to any Company "clawback" or recoupment policy that requires the repayment by compensation paid by the Company to you in the event that you fail to comply with, or violate, of such policy.

If the Company is required to prepare an accounting restatement due to the material noncompliai result of misconduct, with any financial reporting requirement under the securities laws and you misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to preven grossly negligent in failing to prevent the misconduct, you will reimburse the Company the a settlement of this Award earned or accrued during the 12-month period following the first publ the Securities and Exchange Commission (whichever first occurred) of the financial docur material noncompliance.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, ot choice of law rule or principle that might otherwise refer construction or interpretation o substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated into the Agreement by reference.

Certain capitalized terms used in the Agreement are defined in the Plan, and have the meanin

This Agreement and the Plan constitute the entire understanding between you and the Compa Any prior agreements, commitments or negotiations concerning this grant are superseded; employment, consulting, confidentiality, non-solicitation and/or severance agreement between any Affiliate will supersede this Agreement with respect to its subject matter.

Data Privacy	To administer the Plan, the Company may process personal data about you. Such data includ information provided in this Agreement and any changes thereto, other appropriate personal and such as your contact information, payroll information and any other information that might be d Company to facilitate the administration of the Plan. By accepting this Award, you give explicit consent to the Company to process any such personal
Tax Consequences	This Award is intended to comply with Code Section 409A, and, accordingly, to the maximu Agreement will be interpreted and administered to be in compliance with Code Section 409A. I Units that vests hereunder is intended to constitute a "separate payment" for purposes of Code S "specified employee" for purposes of Code Section 409A upon your Separation from Service, shares, cash or other property that would otherwise be made on the date of your Separation fro first six months thereafter as a result of your Separation from Service) will not be made on the or and will instead be issued in a lump sum on the earlier of (i) the date that is six months and one Separation from Service or (ii) the date of your death, but if and only if such delay in the issua the imposition of taxation on you in respect of the shares, cash or property under Code Sectio anything to the contrary in the Plan or this Agreement, neither the Company, its Affiliates, the will have any obligation to take any action to prevent the assessment of any excise tax or pe Section 409A and neither the Company, its Affiliates, the Board nor the Committee will have an tax or penalty.

By signing the Agreement, you agree to all of the terms and conditions described above and in the Plan.

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement Nos. 333-210412, 333-220172, 333-226678, 333-233083, and 333-241654 on Form S-8 and Registration Statement No. 333-233564 on Form S-3 of our report dated March 11, 2021, relating to the financial statements of Syndax Pharmaceuticals, Inc. and subsidiaries appearing in this Annual Report on Form 10-K for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
March 11, 2021

Exhibit 31.1

CERTIFICATIONS

I, Briggs W. Morrison, M.D., certify that:

1. I have reviewed this Annual Report on Form 10-K of Syndax Pharmaceuticals, Inc.;

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

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

4. The registrant's other certifying officer(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)) 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 11, 2021

By: /s/ Briggs W. Morrison, M.D.
Briggs W. Morrison, M.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Daphne Karydas, certify that:

1. I have reviewed this Annual Report on Form 10-K of Syndax Pharmaceuticals, Inc.;

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

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

4. The registrant's other certifying officer(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)) 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 11, 2021

By: /s/ Daphne Karydas
Daphne Karydas
Chief Financial Officer
(Principal Financial Officer and Principal Accounting 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 on Form 10-K of Syndax Pharmaceuticals, Inc. (the "Company") for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his or her knowledge:

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

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

Date: March 11, 2021

By /s/ Briggs W. Morrison, M.D.
Briggs W. Morrison, M.D.
Chief Executive Officer

Date: March 11, 2021

By /s/ Daphne Karydas
Daphne Karydas
Chief Financial Officer