UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2022

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 No. 001-36483

VIRIDIAN THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-1187261**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

221 Crescent Street, Suite 401, Waltham, MA 02453
(Address, including zip code, of principal executive offices)

(617) 272-4600
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report): **N/A**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	VRDN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

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 o

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

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

As of May 9, 2022, there were 27,927,423 shares of the registrant's common stock outstanding.

VIRIDIAN THERAPEUTICS, INC.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements that involve substantial risks and uncertainties for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "plan," "expect," "predict," "potential," "opportunity," "goals," or "should," and similar expressions are intended to identify forward-looking statements. All statements contained in this Quarterly Report, other than statements of historical fact are forward-looking statements. You should not unduly rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors, including, without limitation, statements relating to:

- our future research and development activities, including clinical testing and the costs and timing thereof;
- our strategy, including clinical development of VRDN-001, VRDN-002 and other product candidates, and the clinical and commercial potential of our product candidates, if approved;
- the sufficiency of our cash resources;
- our ability to raise additional funding when needed;
- any statements concerning anticipated regulatory activities or licensing or collaborative arrangements;
- business interruptions resulting from the coronavirus disease ("COVID-19") outbreak or similar public health crises, which could cause a disruption in the development of our product candidates and adversely impact our business;
- our research and development and other expenses;
- our operations and legal risks;
- developments relating to our competitors and our industry, including competing product candidates and therapies; and
- any statement of assumptions underlying any of the foregoing.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, as described in greater detail in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, and under a similar heading in any other periodic or current report we may file with the Securities and Exchange Commission ("SEC") in the future. You are advised to consult any further disclosures we make on related subjects in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our website. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Quarterly Report, may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place

undue reliance on such forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement.

Unless otherwise mentioned or unless the context requires otherwise, all references in this Quarterly Report, to "Viridian," "Viridian Therapeutics," the "Company," "we," "us," and "our" or similar references refer to Viridian Therapeutics, Inc., and our consolidated subsidiaries.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 30,858	$ 42,299
Short-term investments	144,570	154,666
Prepaid expenses and other current assets	3,439	2,747
Unbilled revenue - related party	522	451
Total current assets	179,389	200,163
Property and equipment, net	691	375
Operating lease right-of-use asset	1,543	1,680
Other assets	1,542	1,491
Total assets	$ 183,165	$ 203,709
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,538	$ 2,329
Accrued liabilities	11,560	11,018
Current portion of deferred revenue - related party	288	289
Total current liabilities	14,386	13,636
Deferred revenue - related party	1,077	1,149
Other liabilities	1,060	1,208
Total liabilities	16,523	15,993
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, series A non-voting convertible preferred stock, $0.01 par value; 435,000 shares authorized; 212,566 and 260,437 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	96,442	118,164
Preferred stock, series B non-voting convertible preferred stock, $0.01 par value; 500,000 shares authorized; 23,126 shares issued and outstanding as of March 31, 2022 and December 31, 2021	15,669	15,669
Common stock, $0.01 par value; 200,000,000 shares authorized; 27,169,422 and 23,924,004 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	272	239
Additional paid-in capital	439,187	412,101
Accumulated other comprehensive loss	(935)	(157)
Accumulated deficit	(383,993)	(358,300)
Total stockholders' equity	166,642	187,716
Total liabilities and stockholders' equity	$ 183,165	$ 203,709

See accompanying notes to these condensed consolidated financial statements.

VIRIDIAN THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Revenue:		
Collaboration revenue - related party	$ 216	$ 1,451
Operating expenses:		
Research and development	17,746	13,806
General and administrative	8,359	6,160
Total operating expenses	26,105	19,966
Loss from operations	(25,889)	(18,515)
Other income:		
Interest and other income	196	55
Net loss	(25,693)	(18,460)
Change in unrealized loss on investments	(778)	(13)
Comprehensive loss	$ (26,471)	$ (18,473)
Net loss	$ (25,693)	$ (18,460)
Net loss per share, basic and diluted	$ (0.98)	$ (2.91)
Weighted-average shares used to compute basic and diluted net loss per share	26,126,092	6,336,347

See accompanying notes to these condensed consolidated financial statements.

VIRIDIAN THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	Preferred Stock				Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Series A		Series B							
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2021	260,437	$ 118,164	23,126	$ 15,669	23,924,004	$ 239	$ 412,101	$ (157)	$(358,300)	$ 187,716
Issuance of common stock upon the conversion of convertible preferred stock	(47,871)	(21,722)	—	—	3,191,555	33	21,689	—	—	—
Issuance of common stock for exercises of stock options	—	—	—	—	47,735	—	667	—	—	667
Issuance of common stock for cash under employee stock purchase plan	—	—	—	—	6,128	—	71	—	—	71
Share-based compensation expense	—	—	—	—	—	—	4,659	—	—	4,659
Change in unrealized loss on investments	—	—	—	—	—	—	—	(778)	—	(778)
Net loss	—	—	—	—	—	—	—	—	(25,693)	(25,693)
Balance as of March 31, 2022	212,566	$ 96,442	23,126	$ 15,669	27,169,422	$ 272	$ 439,187	$ (935)	$(383,993)	$ 166,642

	Preferred Stock				Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Series A		Series B							
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	398,487	$ 180,801	—	$ —	4,231,135	$ 42	$ 218,089	$ (8)	$(278,887)	$ 120,037
Issuance of common stock upon the conversion of convertible preferred stock	(43,664)	(19,811)	—	—	2,911,071	29	19,782	—	—	—
Issuance of common stock upon exercises of warrants	—	—	—	—	56,935	1	939	—	—	940
Issuance of common stock for exercises of stock options and vesting of restricted stock units	—	—	—	—	31,249	—	307	—	—	307
Issuance of common stock for cash under employee stock purchase plan	—	—	—	—	980	—	12	—	—	12
Share-based compensation expense	—	—	—	—	—	—	3,175	—	—	3,175
Change in unrealized loss on investments	—	—	—	—	—	—	—	(13)	—	(13)
Net loss	—	—	—	—	—	—	—	—	(18,460)	(18,460)
Balance as of March 31, 2021	354,823	$ 160,990	—	$ —	7,231,370	$ 72	$ 242,304	$ (21)	$(297,347)	$ 105,998

See accompanying notes to these condensed consolidated financial statements.

VIRIDIAN THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	$ (25,693)	$ (18,460)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	4,659	3,175
Depreciation and amortization	40	33
Amortization of premiums and discounts on available-for-sale securities	274	232
Other	47	(5)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(740)	(3,622)
Unbilled revenue - related party	(71)	1,382
Deferred revenue - related party	(72)	(149)
Accounts payable	31	2,715
Accrued and other liabilities	483	3,160
Net cash used in operating activities	(21,042)	(11,539)
Cash flows from investing activities:		
Purchases of short-term investments	(5,192)	(56,652)
Proceeds from maturities of short-term investments	14,234	67,539
Purchase of property and equipment, net	(179)	(15)
Net cash provided by investing activities	8,863	10,872
Cash flows from financing activities:		
Proceeds from the issuance of common stock upon exercises of warrants	—	940
Proceeds from issuance of common stock upon the exercise of stock options	667	307
Proceeds from the issuance of common stock for cash under employee stock purchase plan	71	12
Net cash provided by financing activities	738	1,259
Net increase (decrease) in cash and cash equivalents	(11,441)	592
Cash and cash equivalents at beginning of period	42,299	45,897
Cash and cash equivalents at end of period	$ 30,858	$ 46,489
Supplemental disclosure of cash flow information		
Purchase of property and equipment in accounts payable	$ 177	$ —

See accompanying notes to these condensed consolidated financial statements.

VIRIDIAN THERAPEUTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. DESCRIPTION OF BUSINESS

Viridian Therapeutics, Inc., a Delaware corporation (the "Company" or "Viridian"), is a biotechnology company advancing new treatments for patients suffering from serious diseases that are underserved by today's therapies. The Company's most advanced program, VRDN-001, is a differentiated monoclonal antibody targeting insulin-like growth factor-1 receptor ("IGF-1R"), a clinically and commercially validated target for the treatment of thyroid eye disease ("TED"). The Company's second product candidate, VRDN-002, is a distinct anti-IGF-1R antibody that incorporates half-life extension technology, and is designed to be administered as a convenient, low-volume, subcutaneous injection. TED is a debilitating autoimmune disease that causes inflammation and fibrosis within the orbit of the eye which can cause double vision, pain, and potential blindness. Patients with severe disease often require multiple remedial surgeries to the orbit, eye muscles and eyelids. In addition to developing therapies for TED, the Company is executing a similar strategic approach to identify opportunities in other rare and/or serious disease indications.

Liquidity

The accompanying condensed consolidated financial statements have been prepared on a basis that assumes the Company is a going concern and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from any uncertainty related to its ability to continue as a going concern. The Company has funded its operations to date principally through proceeds received from the sale of the Company's common stock, its Series A Preferred Stock, Series B Preferred Stock, and other equity securities, debt financings, license fees, and reimbursements received under collaboration agreements. Since its inception and through March 31, 2022, the Company has generated an accumulated deficit of $384.0 million. The Company expects to continue to generate operating losses for the foreseeable future.

The Company has no products approved for commercial sale, has not generated any revenue from product sales, and cannot guarantee when or if it will generate any revenue from product sales. Substantially all of the Company's operating losses resulted from expenses incurred in connection with its research and development programs and from general and administrative costs associated with its operations. The Company expects to incur significant expenses and operating losses for at least the next several years as it continues the development of, and seeks regulatory approval for, its product candidates. It is expected that operating losses will fluctuate significantly from quarter to quarter and year to year due to timing of development programs and efforts to achieve regulatory approval.

As of March 31, 2022, the Company had approximately $175.4 million in cash, cash equivalents, and short-term investments. As of the issuance date of these condensed consolidated financial statements, the Company expects that its current resources will be sufficient to fund its operations for at least the next twelve months from the issuance of these financial statements.

The Company will continue to require additional capital in order to continue to finance its operations. The amount and timing of future funding requirements will depend on many factors, including the pace and results of the Company's clinical development efforts, equity financings, entering into license and collaboration agreements, and issuing debt or other financing vehicles. The Company's ability to secure additional capital is dependent upon a number of factors, some of which are outside of the Company's control, including success in developing its technology and drug product candidates, operational performance, and market conditions, including those resulting from the ongoing COVID-19 pandemic.

Failure to raise capital as and when needed, on favorable terms or at all, would have a negative impact on the Company's financial condition and its ability to develop its product candidates. Changing circumstances may cause the Company to consume capital significantly faster or slower than currently anticipated. If the Company is unable to acquire additional capital or resources, it will be required to modify its operational plans. The estimates included herein are based on assumptions that may prove to be wrong, and the Company could exhaust its available financial resources sooner than currently anticipated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), for interim financial reporting and as required by Regulation S-X, Rule 10-01. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC"), and Accounting Standards Update ("ASU"), or the Financial Accounting Standards Board ("FASB").

In the opinion of management, all adjustments, consisting of normal recurring accruals and revisions of estimates, considered necessary for a fair presentation of the unaudited condensed consolidated financial statements have been included. Interim results for the three months ended March 31, 2022, are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2022, or any other future period.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's subsidiaries have no employees or operations. All intercompany balances and transactions have been eliminated in consolidation. Management has determined that the Company operates in one segment, which is the business of developing and commercializing novel therapeutics. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's consolidated financial statements and the accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission on March 11, 2022 (the "2021 Annual Report on Form 10-K"). The Company's management performed an evaluation of its activities through the date of filing of these unaudited condensed consolidated financial statements and concluded that there are no subsequent events requiring disclosure, other than as disclosed.

Risk and Uncertainties – Impact of the COVID-19 Pandemic

The Company is subject to risks and uncertainties as a result of the ongoing COVID-19 pandemic. The virus continues to spread globally and the impact of this pandemic has been and may continue to be extensive in many aspects of society, which has resulted in and may continue to result in significant disruptions to the global economy, as well as businesses and capital markets around the world.

The spread of COVID-19 has caused the Company to modify its business practices, including implementing an optional work-from-home policy for all employees who are able to perform their duties remotely and modified travel restrictions for employee travel pursuant to certain company guidelines, and it expects to continue to take actions as the Company determines are in the best interests of its employees, the patients it serves, and other business partners in light of COVID-19. Potential impacts to the Company's business include temporary closures of its facilities or those of its vendors, disruptions or restrictions on its employees' ability to travel, disruptions to or delays in ongoing laboratory experiments and operations, and the potential diversion of healthcare resources away from the conduct of clinical trials to focus on pandemic concerns, manufacturing delays or disruptions, and its ability to raise capital. As of March 31, 2022, there have been no material impacts

to the Company as a result of the COVID-19 pandemic. The Company continually assesses the impacts of COVID-19 and the extent to which the pandemic may materially impact the Company's financial condition, liquidity, or results of operations in the future is uncertain.

Going Concern

At each reporting period, the Company evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Company is required to make certain additional disclosures if it concludes substantial doubt exists and it is not alleviated by the Company's plans or when its plans alleviate substantial doubt about the Company's ability to continue as a going concern.

The Company's evaluation entails, among other things, analyzing the results of the Company's clinical development efforts, license and collaboration agreements as well as the entity's current financial condition including conditional and unconditional obligations anticipated within a year, and related liquidity sources at the date the financial statements are issued. This is reflected in the Company's prospective operating budgets and forecasts and compared to the current cash and cash equivalent balance.

Use of Estimates

The Company's condensed consolidated financial statements are prepared in accordance with U.S. GAAP, which requires it to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, the accrual for clinical trial costs and other outsourced research and development expenses, and the valuation of share-based awards. Although these estimates are based on the Company's knowledge of current events and actions it may take in the future, actual results may ultimately differ from these estimates and assumptions.

Revenue Recognition

The Company accounts for revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

The Company enters into collaboration agreements and certain other agreements that are within the scope of ASC 606, under which the Company licenses, may license, or grants an option to license rights to certain of the Company's product candidates and performs research and development services in connection with such agreements. The terms of these agreements typically include payment of one or more of the following: non-refundable, up-front fees; reimbursement of research and development costs; developmental, clinical, regulatory, and commercial sales milestone payments; and royalties on net sales of licensed products.

In accordance with ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

To determine the appropriate amount of revenue to be recognized, for agreements within the scope of ASC 606, the Company performs the following five steps: (i) identification of the goods or services within the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct within the terms of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the identified performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company only applies the five-step model to contracts when it is probable that the Company will collect consideration it is entitled to in exchange for the goods or services it transfers to the customer.

The promised goods or services in the Company's agreements typically consist of a license, or option to license, rights to the Company's intellectual property or research and development services. Performance obligations are promises in a contract to transfer a distinct good or service to the customer and are considered distinct when (i) the customer can benefit from the good or service on its own or together with other readily available resources and (ii) the promised good or service is separately identifiable from other promises in the contract. In assessing whether promised goods or services are distinct, the Company considers factors such as the stage of development of the underlying intellectual property, the capabilities of the customer to develop the intellectual property on its own or whether the required expertise is readily available, and whether the goods or services are integral or dependent to other goods or services in the contract.

The Company estimates the transaction price based on the amount expected to be received for transferring the promised goods or services in the contract. The consideration may include fixed consideration or variable consideration. At the inception of each agreement that includes variable consideration, the Company evaluates the amount of potential payment and the likelihood that the payments will be received. The Company utilizes either the most likely amount method or expected value method to estimate the amount expected to be received based on which method best predicts the amount expected to be received. The amount of variable consideration that is included in the transaction price may be constrained and is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period.

The Company's contracts often include development and regulatory milestone payments that are assessed under the most likely amount method and constrained if it is probable that a significant revenue reversal would occur. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of such development and clinical 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 collaboration and other research and development revenue in the period of adjustment.

For agreements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). To date, the Company has not recognized any royalty revenue resulting from any of the Company's collaboration or strategic alliance agreements.

The Company allocates the transaction price based on the estimated standalone selling price. The Company must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. The Company utilizes key assumptions to determine the stand-alone selling price, which may include other comparable transactions, pricing considered in negotiating the transaction, and the estimated costs. Variable consideration is allocated specifically to one or more performance obligations in a contract when the terms of the variable consideration relate to the satisfaction of the performance obligation and the resulting amounts allocated are consistent with the amounts the Company would expect to receive for the satisfaction of each performance obligation.

The consideration allocated to each performance obligation is recognized as revenue when control is transferred for the related goods or services. For performance obligations which consist of licenses and 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. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

The Company receives payments from its customers based on billing schedules established in each contract. Up-front payments and fees are recorded as deferred revenue upon receipt or when due until the Company performs its obligations under these arrangements. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional.

Research and Development

Research and development costs are expensed as incurred in performing research and development activities. The costs include employee-related expense including salaries, benefits, share-based compensation, restructuring charges, fees for acquiring and maintaining licenses under third-party license agreements, consulting fees, costs of research and development activities conducted by third parties on the Company's behalf, costs to manufacture or have manufactured clinical trial materials, laboratory supplies, depreciation, and facilities and overhead costs. The Company records research and development expense in the period in which the Company receives or takes ownership of the applicable goods or when the applicable services are performed. In circumstances where amounts have been paid in excess of costs incurred, the Company records a prepaid expense.

The Company records up-front and milestone payments to acquire and retain contractual rights to licensed technology as research and development expenses when incurred if there is uncertainty in the Company receiving future economic benefit from the acquired contractual rights. The Company considers future economic benefits from acquired contractual rights to licensed technology to be uncertain until such a drug candidate is approved for sale by the U.S. Food and Drug Administration or when other significant risk factors are abated.

Clinical Trial and Preclinical Study Accruals

The Company makes estimates of accrued expenses as of each balance sheet date in its condensed consolidated financial statements based on certain facts and circumstances at that time. The Company's accrued expenses for clinical trials and preclinical studies are based on estimates of costs incurred for services provided by clinical research organizations, manufacturing organizations, and other providers. Payments under the Company's agreements with external service providers depend on a number of factors, such as site initiation, patient screening, enrollment, delivery of reports, and other events. In accruing for these activities, the Company obtains information from various sources and estimates the level of effort or expense allocated to each period. Adjustments to the Company's research and development expenses may be necessary in future periods as its estimates change.

Share-Based Compensation

The Company accounts for share-based compensation expense to employees and non-employees based on the fair value of each stock option or award on the date of the grant. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options. The use of the Black-Scholes option-pricing model requires the Company to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected life of the option, risk-free interest rates and expected dividend yields of the common stock. The Company recognizes share-based compensation expense for awards with service-based conditions using the straight-line method over the requisite service period, net of any actual forfeitures.

Cash and Cash Equivalents

All highly-liquid investments that have maturities of 90 days or less at the date of purchase are classified as cash equivalents. Cash equivalents are reported at cost, which approximates fair value due to the short maturities of these instruments.

Investments

The Company has designated its investments as available-for-sale securities and accounts for them at their respective fair values. The securities are classified as short-term or long-term based on the nature of the securities and their availability to meet current operating requirements. Securities that are readily available for use in current operations are classified as short-term available-for-sale securities and are reported as a component of current assets in the accompanying condensed consolidated balance sheets.

Securities that are classified as available-for-sale are measured at fair value, including accrued interest, with temporary unrealized gains and losses reported as a component of stockholders' equity until their disposition. The Company reviews available-for-sale securities at the end of each period to determine whether they remain available-for-sale based on its then-current intent. The cost of securities sold is based on the specific identification method.

The securities are subject to a periodic impairment review. An impairment charge would occur when a decline in the fair value of the investments below the cost basis is judged to be other-than-temporary.

Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. 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 must maximize the use of observable inputs and minimize the use of observable in puts. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs utilizes observable inputs other than Level 1 prices, such as quoted prices, for similar assets or liabilities, quoted market prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.
- Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

Certain of the Company's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate their fair value due to the short-term nature of their maturities, such as cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses.

The Company accounts for warrants to purchase its common stock pursuant to ASC Topic 470, *Debt*, and ASC Topic 480, *Distinguishing Liabilities from Equity*, and classifies warrants for common stock as liabilities or equity. The warrants classified as liabilities are reported at their estimated fair value (see Note 3. *Fair Value Measurements*) and any changes in fair value are reflected in interest and other expense. The warrants classified as equity are reported at their estimated fair value with no subsequent remeasurement. The Company's outstanding warrants are discussed in more detail in Note 8. *Warrants*.

Fair Value of Financial Instruments

Certain of the Company's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate their fair value due to the short-term nature of their maturities, such as cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses.

The Company accounts for warrants to purchase its stock pursuant to ASC Topic 470, *Debt*, and ASC Topic 480, *Distinguishing Liabilities from Equity*, and classifies warrants for common stock as liabilities or equity. The warrants classified as liabilities are reported at their estimated fair value and any changes in fair value are reflected in interest and other expense. The warrants classified as equity are reported at their estimated fair value with no subsequent remeasurement. The Company's outstanding warrants are discussed in more detail in Note 8. *Warrants*.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, which include short-term investments that have maturities of less than three months. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts. The Company invests its excess cash primarily in deposits and money market funds held with one financial institution.

Property and Equipment

The Company carries its property and equipment at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three to five years. Leasehold improvements are amortized over the shorter of the life of the lease (including any renewal periods that are deemed to be reasonably assured) or the estimated useful life of the assets. Construction in progress is not depreciated until placed in service. Repairs and maintenance costs are expensed as incurred and expenditures for major improvements are capitalized.

Operating Lease Right-of-Use Asset

The Company determines if an arrangement is, or contains, a lease at contract inception and during modifications or renewal of existing leases. Operating lease assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company has recorded operating lease assets and liabilities pursuant to the guidance in Accounting Standards Update ("ASU") No. 2016-02*, Leases (Topic 842),* and subsequent amendments to the initial guidance: ASU No. 2017-13, ASU No. 2018-10, and ASU No. 2018-11 (collectively, "ASC 842"). These operating lease assets and liabilities are recognized at the commencement date of the lease based upon the present value of lease payments over the lease term. The lease payments used to determine the Company's operating lease assets may include lease incentives, stated rent increases, and escalation clauses and are recognized in the Company's operating lease assets in the Company's condensed consolidated balance sheets. The Company's operating leases are reflected in operating lease right-of-use asset and operating lease liability within accrued and other liabilities in the Company's condensed consolidated balance sheets. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Short-term leases, defined as leases that have a lease term of 12 months or less at the commencement date, are excluded from this treatment and are recognized on a straight-line basis over the term of the lease. Refer to Note 6. *Commitments and Contingencies - Lease Obligations* for additional information related to the Company's operating leases.

Convertible Preferred Stock

The Company records shares of non-voting convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs. The Company has applied the guidance in ASC 480-10-S99-3A, *SEC Staff Announcement: Classification and Measurement of Redeemable Securities*, and at issuance classified the Series A Preferred Stock outside of stockholders' equity because, if convertibility of Series A Preferred Stock into common stock was not approved by the stockholders, the Series A Preferred Stock would be redeemable at the option of the holders for cash equal to the closing price of the common stock on last trading day prior to the holder's redemption request. On December 31, 2020, the stockholders approved the convertibility of the Series A Preferred Stock into common stock and as such, the Company reclassified the Series A Preferred Stock to permanent equity. In September 2021, the Company issued Series B Preferred Stock with conversion rights which the Company has classified as permanent equity.

Impairment of Long-Lived Assets

The Company assesses the carrying amount of its property and equipment whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. No impairment charges were recorded during the three months ended March 31, 2022 and 2021.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period without consideration of common stock equivalents. Since the Company was in a loss position for all periods presented, diluted net loss per share is the same as basic net loss per share for all periods, as the inclusion of all potential common shares outstanding is antidilutive.

Comprehensive Loss

Comprehensive loss is comprised of net loss and adjustments for the change in unrealized gains and losses on investments. Unrealized accumulated comprehensive gains or losses are reflected as a separate component in the condensed consolidated statements of changes in stockholders' equity.

Income Taxes

The Company accounts for income taxes by using an asset and liability method of accounting for deferred income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is recorded to the extent it is more likely than not that a deferred tax asset will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

The Company's significant deferred tax assets are for net operating loss carryforwards, tax credits, accruals and reserves, and capitalized start-up costs. The Company has provided a valuation allowance for its entire net deferred tax assets since inception as, due to its history of operating losses, the Company has concluded that it is more likely than not that its deferred tax assets will not be realized.

The Company has no unrecognized tax benefits. The Company classifies interest and penalties arising from the underpayment of income taxes in the condensed consolidated statements of operations and comprehensive loss as general and administrative expenses. No such expenses have been recognized during the three months ended March 31, 2022 and 2021.

Warrants

Upon the issuance of warrants to purchase shares of common stock, the Company evaluates the terms of the warrant issue to determine the appropriate accounting and classification of the warrant issue pursuant to FASB ASC Topic 480, *Distinguishing Liabilities from Equity*, FASB ASC Topic 505, *Equity*, FASB ASC 815, *Derivatives and Hedging,* and ASC 718, *Compensation - Stock Compensation*. Warrants are classified as liabilities when the Company may be required to settle a warrant exercise in cash and classified as equity when the Company settles a warrant exercise in shares of its common stock.

Liability-classified warrants are valued at fair value at the date of issue and at each reporting date pursuant to FASB ASC 820, *Fair Value Measurement*, and are reflected as a warrant liability on the Company's condensed consolidated balance sheets. Any changes in the warrant liability during each reporting period would be reflected as other expense in the condensed consolidated statement of operations and comprehensive loss.

Segment Information

The Company operates in one operating segment and, accordingly, no segment disclosures have been presented herein. All equipment, leasehold improvements, and other fixed assets are physically located within the United States and all agreements with the Company's partners are denominated in U.S. dollars, except where noted.

Recent Accounting Pronouncements – To Be Adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company does not believe that the adoption of recently issued standards have or may have a material impact on the Company's consolidated financial statements or disclosures.

3. FAIR VALUE MEASUREMENTS

Investments

The following table provides details regarding the Company's short-term investments:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2022				
Money market funds	$ 30,758	$ —	$ —	$ 30,758
U.S. treasury securities	27,358	1	(252)	27,107
U.S. corporate paper and bonds	113,562	—	(639)	112,923
International corporate bond holdings	4,585	—	(45)	4,540
Total	$ 176,263	$ 1	$ (936)	$ 175,328
December 31, 2021				
Money market funds	$ 42,199	$ —	$ —	$ 42,199
U.S. treasury securities	22,215	—	(54)	22,161
U.S. corporate paper and bonds	128,005	6	(94)	127,917
International corporate bond holdings	4,603	—	(15)	4,588
Total	$ 197,022	$ 6	$ (163)	$ 196,865

The money market funds above are included in cash and cash equivalents on the Company's condensed consolidated balance sheets.

As of March 31, 2022, the Company considers the unrealized losses in its investment portfolio to be temporary in nature and not due to credit losses. The Company has the intent and ability to hold such investments until their recovery at fair value. The Company had zero and $4 thousand in realized gains in its available for sale securities during the three months ended March 31, 2022 and 2021, respectively. The contractual maturity dates of all of the Company's investments are all less than 24 months.

Fair Value Measurements

The following tables summarize the Company's assets and liabilities that are measured at fair value on a recurring basis:

(in thousands)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
March 31, 2022				
Assets:				
Cash equivalents:				
Money market funds	$ 30,758	$ —	$ —	$ 30,758
Short-term investments:				
U.S. treasury securities	—	27,109	—	27,109
U.S. corporate paper and bonds	—	112,923	—	112,923
International corporate bond holdings	—	4,538	—	4,538
Total cash equivalents and short-term investments	$ 30,758	$ 144,570	$ —	$ 175,328
December 31, 2021				
Assets:				
Cash equivalents:				
Money market funds	$ 42,199	$ —	$ —	$ 42,199
Short-term investments:				
U.S. treasury securities	—	22,161	—	22,161
U.S. corporate paper and bonds	—	127,917	—	127,917
International corporate bond holdings	—	4,588	—	4,588
Total cash equivalents and short-term investments	$ 42,199	$ 154,666	$ —	$ 196,865

4. ACCRUED LIABILITIES

Accrued liabilities consisted of the following:

	March 31, 2022	December 31, 2021
	(in thousands)	
Accrued outsourced clinical trials and preclinical studies	$ 8,647	$ 6,316
Accrued employee compensation and related taxes	1,548	3,652
Operating lease liability, short-term	579	520
Accrued legal fees and expenses	272	80
Accrued other professional service fees	131	140
Value of liability-classified stock purchase warrants	100	100
Other accrued liabilities	283	210
	$ 11,560	$ 11,018

5. COLLABORATION AGREEMENTS

License Agreement with Zenas BioPharma

In October 2020, the Company became party to a license agreement with Zenas BioPharma (Cayman) Limited ("Zenas BioPharma") to license technology comprising certain materials, patent rights, and know-how to Zenas BioPharma. Since February 2021, the Company has entered into several letter agreements with Zenas BioPharma pursuant to which the Company agreed to provide assistance to Zenas BioPharma with certain development activities, including manufacturing. The license agreement and subsequent letter agreements (collectively, the "Zenas Agreements") were negotiated with a single commercial objective and are treated as a combined contract for accounting purposes. Under the terms of the Zenas Agreements, the Company granted Zenas BioPharma an exclusive license to develop, manufacture, and commercialize certain IGF-1R directed antibody products for non-oncology indications in the greater area of China.

As consideration for the Zenas Agreements, the transaction price included upfront non-cash consideration and variable consideration in the form of payment for the Company's goods and services and milestone payments due upon the achievement of specified events. Under the Zenas Agreements, the Company can receive non-refundable milestone payments upon achieving specific milestone events during the contract term. Additionally, the Company may receive royalty payments based on a percentage of the annual net sales of any licensed products sold on a country-by-country basis in the greater area of China. The royalty percentage may vary based on different tiers of annual net sales of the licensed products made. Zenas BioPharma is obligated to make royalty payments to the Company for the royalty term in the Zenas Agreements.

The Zenas Agreements would qualify as a collaborative arrangement under the scope of Accounting Standards Codification, Topic 808, *Collaborative Arrangements* ("ASC 808"). While this arrangement is in the scope of ASC 808, the Company applied ASC 606 to account for certain aspects of this arrangement. The Company applied ASC 606 for certain activities within the arrangement associated with the Company's transfer of a good or service (i.e., a unit of account) that is part of the Company's ongoing major or central operations. The Company allocated the transaction price based on the relative estimated standalone selling prices of each performance obligation or, in the case of certain variable consideration, to one or more performance obligations. Research and development activities are priced generally at cost. The Company's license of goods and services to Zenas BioPharma during the contract term was determined to be a single performance obligation satisfied over time. The Company will recognize the transaction price from the license agreement over the Company's estimated period to complete its activities.

At the inception of the arrangement, the Company evaluated whether the milestones were considered probable of being reached and estimated the amount to be included in the transaction price using the most likely amount method. As it was not probable that a significant revenue reversal would not occur, none of the associated milestone payments were included in the transaction price at contract inception. For the sales-based royalties included in the arrangement, the license was deemed to be the predominant item to which the royalties relate. The Company will recognize royalty revenues at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). During the three months ended March 31, 2022 and 2021, the Company recognized $0.2 million and $1.5 million, respectively, of collaboration revenue related to the Zenas Agreements.

As of March 31, 2022, the Zenas Agreements are considered related party transactions because Fairmount Funds Management LLC beneficially owns more than 5% of the Company's common stock and is also a 5% or greater stockholder of Zenas BioPharma and has a seat on Zenas BioPharma's board of directors.

Antibody and Discovery Option Agreement with Paragon Therapeutics, Inc.

In January 2022, the Company and Paragon Therapeutics, Inc. ("Paragon") entered into an antibody and discovery option agreement (the "Paragon Agreement") under which the Company and Paragon will cooperate to develop one or more antibodies. Under the terms of the Paragon Agreement, Paragon will perform certain development activities in accordance with an agreed upon research plan, and the Company will pay Paragon agreed upon development fees in exchange for Paragon's commitment of the necessary personnel and resources to perform these activities. The Paragon Agreement stipulates a final deliverable to the Company comprising of a report summarizing the experiments and processes performed under the research plan (the "Final Deliverable").

Additionally, Paragon agreed to grant the Company an option for an exclusive license to all of Paragon's right, title and interest in and to certain antibody technology and the Final Deliverable, and a non-exclusive license to certain background intellectual property owned by Paragon solely to research, develop, make, use, sell, offer for sale and import of the licensed intellectual property and resulting products worldwide (each, an "Option" and together, the "Options"). Paragon also granted to the Company a limited, exclusive, royalty-free license, without the right to sublicense, to certain antibody technology and the Final Deliverable, and a non-exclusive, royalty-free license without the right to sublicense, under certain background intellectual property owned by Paragon, solely to evaluate the antibody technology and Option and for the purpose of allowing the Company to determine whether to exercise the Option with respect to certain programs. The Company may, at its sole discretion, exercise the Option with respect to specified programs at any time until the date that is 90 days after the Company's receipt of the Final Deliverable the applicable program, or such longer period as agreed upon by the parties ("Option Period") by delivering written notice of such exercise to Paragon. If the Company fails to exercise an Option prior to expiration of the applicable Option Period, such Option for such Program will terminate. In consideration for Paragon's grant of the Options to the Company, the Company paid to Paragon a non-refundable, non-creditable one-time fee of $2.5 million, which was recorded as research and development expense during the three months ended March 31, 2022. The non-refundable upfront fee is separate from any development costs or cost advance paid or owing with respect to the specified program.

As of March 31, 2022, the Paragon Agreement is considered a related party transaction because Fairmount Funds Management LLC beneficially owns more than 5% of the Company's capital stock and has two seats on the Company's board of directors, and beneficially owns more than 5% of Paragon, which is a joint venture between Fairmount Funds Management LLC and Fair Journey Biologics, and has appointed the sole director on Paragon's board of directors and has the contractual right to approve the appointment of any executive officers.

6. COMMITMENTS AND CONTINGENCIES

License Agreement with ImmunoGen, Inc.

In October 2020, the Company became party to a license agreement (the "ImmunoGen License Agreement") with Immunogen, Inc. ("ImmunoGen"), under which the Company obtained an exclusive, sublicensable, worldwide license to certain patents and other intellectual property rights to develop, manufacture, and commercialize certain products for non-oncology and non-radiopharmaceutical indications. In consideration for rights granted by ImmunoGen, the Company is obligated to make certain future development milestone payments of up to $48.0 million upon the achievement of specified clinical and regulatory milestones. In December 2021, the Company paid a $2.5 million milestone payment to ImmunoGen upon the submission of an Investigational New Drug ("IND") application for VRDN-001 with the U.S. Food and Drug Administration. Additionally, if the Company successfully commercializes any product candidate subject to the ImmunoGen License Agreement, it is responsible for royalty payments equal to a percentage in the mid-single digits of net sales and commercial milestone payments of up to $95.0 million. The Company is obligated to make any such royalty payments on a product-by-product and country-by-country basis from the first commercial sale of a specified product in each country until the later of (i) the expiration of the last patent claim subject to the ImmunoGen License Agreement in such country, (ii) the expiration of any applicable regulatory exclusivity obtained for each product in such country, or (iii) the 12th anniversary of the date of the first commercial sale of such product in such country.

License Agreements with Xencor, Inc.

In December 2021, the Company entered into a subsequent technology license agreement with Xencor (the "2021 Xencor License Agreement") for a non-exclusive license to certain antibody libraries developed by Xencor. Under the 2021 Xencor License Agreement, the Company received a one-year research license to review the antibodies and the right to select up to three antibodies for further development. In consideration for rights granted by Xencor, the Company issued 394,737 shares of its common stock to Xencor in December 2021. The shares were valued at $7.5 million and recorded as research and development expense during the year ended December 31, 2021. Under the terms of the 2021 Xencor License Agreement, if successful, for each licensed product, the Company would be obligated to make future milestone payments of up to $27.8 million, which includes development milestone payments of up to $4.8 million, special milestone payments of up to $3.0 million, and commercial milestone payments of up to $20.0 million. Additionally, for each licensed product that the Company successfully commercializes, it would be responsible for royalty payments equal to a percentage in the mid-single digits of net sales.

In December 2020, the Company entered into a license agreement (the "Xencor License Agreement") with Xencor, Inc. ("Xencor"), under which Xencor granted the Company rights to an exclusive, worldwide, sublicensable, non-transferable, royalty-bearing license to use specified Xencor technology for the research, development, manufacturing, and commercialization of therapeutic antibodies targeting IGF-1R indications. In consideration for rights granted by Xencor, the Company issued 322,407 shares of its common stock in December 2020. The shares were valued at $6.0 million and recorded as research and development expense in 2020. Under the terms of the Xencor License Agreement, the Company is obligated to make future development milestone payments of up to $30.0 million. Additionally, if the Company successfully commercializes any product candidate subject to the Xencor License Agreement, it is responsible for royalty payments equal to a percentage in the mid-single digits of net sales and commercial milestone payments of up to $25.0 million. The Company is obligated to make any such royalty payments on a product-by-product and country-by-country basis from the first commercial sale of products containing the licensed technology in each country until the later of (i) the expiration of the last patent claim subject to the Xencor License Agreement in such country, (ii) the expiration of any applicable regulatory exclusivity obtained, or (iii) the 12th anniversary of the date of the first commercial sale.

Lease Obligations

The Company is party to a multi-year, non-cancelable lease agreement for its Colorado-based office and lab space. The lease agreement includes rent escalation clauses through the lease term and a Company option to extend the lease term for up to three terms of three years each. Minimum base lease payments under the lease agreement, including the impact of tenant improvement allowances, are recognized on a straight-line basis over the full term of the lease. The lease term was amended in March 2021 to extend the lease maturity date to December 31, 2024. Upon adoption of ASC 842 and upon subsequent modification of the lease in 2020 and in March 2021, the Company recognized a right-of-use asset and corresponding lease liability for the lease agreement of approximately $1.6 million by calculating the present value of lease payments, discounted at 6%, the Company's estimated incremental borrowing rate, over the 12 months expected remaining term.

In April 2021, the Company entered into a sublease with Cogent Biosciences, Inc. ("Cogent") for its Colorado-based office and lab space, which was subsequently amended in November 2021 to extend the term of the sublease. As of the sublease inception date, Fairmount Funds Management LLC beneficially owned more than 5% of the Company's common stock and Cogent's capital stock. Under the terms of the sublease, which expires in June 2022, Cogent will pay the Company an aggregate of $0.2 million in rent payments plus related taxes and lease operating costs. The sublease was negotiated based on market rates and is on terms that the Company believes are no less favorable than would have been reached with an unrelated third party.

In October 2020, the Company became party to a multi-year, non-cancelable lease agreement for its Massachusetts-based office space (the "Original Lease"). The Original Lease included rent escalation clauses through the lease term. Minimum base lease payments under the lease agreement are recognized on a straight-line basis over the full term of the lease. Upon assumption of the Original Lease, the Company recognized a right-of-use asset and corresponding lease liability for the Original Lease of $0.1 million by calculating the present value of lease payments, discounted at 6%, the Company's estimated incremental borrowing rate, over the expected remaining term. In July 2021, the Company amended the Original Lease to increase its Massachusetts-based office space (the "Amended Lease"). The office space leased under the Original Lease will expire in February 2023 and the additional office space leased under the Amended Lease will expire in October 2024.

Consolidated future minimum lease payments as of March 31, 2022, were approximately $1.8 million through 2025. As of March 31, 2022, the Company's operating lease obligations were reflected as short-term operating lease liabilities of $0.6 million within accrued liabilities and $1.1 million of long-term lease obligations as other liabilities in the Company's condensed consolidated balance sheets.

Amortization of the operating lease right-of-use assets, and corresponding reduction of operating lease obligations, amounted to $0.1 million for the three months ended March 31, 2022 and 2021, which was included in operating expense in the condensed consolidated statements of operations and comprehensive loss.

The Company is also required to pay for operating expenses related to the leased space, which were $51 thousand and $54 thousand for the three months ended March 31, 2022 and 2021, respectively. The operating expenses are incurred separately and were not included in the present value of lease payments.

7. CAPITAL STOCK

Common Stock

Under the Company's second restated certificate of incorporation, the Company is authorized to issue 205,000,000 shares of its stock, of which 200,000,000 shares have been designated as common stock and 5,000,000 shares have been designated as Preferred Stock, both with a par value of $0.01 per share. The number

of authorized shares of common stock may be increased or decreased by the affirmative vote of the holders of a majority of the Company's stock who are entitled to vote. Each share of common stock is entitled to one vote. The holders of common stock are entitled to receive dividends when and as declared or paid by its board of directors.

Common Stock Sales Agreements

Jefferies LLC

In November 2021, the Company entered into an Open Market Sale Agreement[SM] (the "November 2021 ATM Agreement") with Jefferies, relating to shares of its common stock. In accordance with the terms of the November 2021 ATM Agreement, the Company may offer and sell shares of its common stock having an aggregate offering price of up to $75.0 million from time to time at prices and on terms to be determined by market conditions at the time of offering, with Jefferies acting as its sales agent. Jefferies will receive a commission of 3.0% of the gross proceeds of any shares of common stock sold under the November 2021 ATM Agreement. As of March 31, 2022, no shares have been sold under the November 2021 ATM Agreement with Jefferies.

In April 2021, the Company entered into an Open Market Sale Agreement[SM] (the "April 2021 ATM Agreement") with Jefferies LLC ("Jefferies") under which the Company could offer and sell, from time to time at its sole discretion, shares of its common stock having an aggregate offering price of up to $50.0 million through Jefferies as its sales agent in an "at the market" offering. Jefferies will receive a commission equal to 3.0% of the gross sales proceeds of any common stock sold through Jefferies under the April 2021 ATM Agreement. The April 2021 ATM Agreement was replaced by the November 2021 ATM Agreement. Through December 31, 2021 (prior to its termination), the Company sold an aggregate of 2,551,269 shares of common stock pursuant to the terms of the April 2021 ATM Agreement, at a volume weighted-average price of $13.13 per share, for aggregate net proceeds of approximately $32.4 million, including commissions to Jefferies as sales agent.

Common Stock Purchase Agreement - Aspire Capital Fund, LLC

In December 2019, the Company entered into a common stock purchase agreement ("the Aspire Stock Purchase Agreement"), with Aspire Capital Fund, LLC ("Aspire Capital"), which provides that, subject to the terms, conditions, and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of shares of common stock over the 30-month term of the Aspire Stock Purchase Agreement.

Through December 31, 2020, the Company has sold to Aspire Capital 412,187 shares of common stock at a weighted-average price of $21.35 per share for aggregate net proceeds of $8.8 million. The Company did not sell any shares to Aspire Capital during the year ended December 31, 2021. As of March 31, 2022, the Company has the ability to sell an additional $10.2 million of shares of common stock to Aspire Capital. Under the Aspire Stock Purchase Agreement, the Company has the right, in its sole discretion, on any trading day selected by it, and within certain specified limitations, to present Aspire Capital with a purchase notice, directing Aspire Capital (as principal) to purchase up to 13,333 shares of common stock per business day at a per share price equal to the lesser of (i) the lowest sale price of common stock on the purchase date or (ii) the average of the three lowest closing sale prices for the common stock during the 10 consecutive business days ending on the business day immediately preceding the purchase date. The Company also has the right to require Aspire Capital to purchase up to an additional 30% of the trading volume of the shares for the next business day at a purchase price (the "VWAP Purchase Price"), equal to the lesser of: (i) the closing sale price of the shares on the purchase date, or (ii) ninety-seven percent (97%) of the next business day's volume weighted average-price (each such purchase, a "VWAP Purchase"). The Company shall have the right, in its sole discretion, to determine a maximum number of shares and set a minimum market price threshold for each VWAP Purchase. The Company can only require a VWAP Purchase if the Company has also submitted a regular purchase on the

notice date for the VWAP Purchase. There are no limits on the number of VWAP purchases that the Company may require.

The Aspire Stock Purchase Agreement may be terminated by the Company at any time, at the Company's discretion, without any cost to the Company. There are no limitations on use of proceeds, financial or business covenants, restrictions on future financings, rights of first refusal, participation rights, penalties, or liquidated damages in the Aspire Stock Purchase Agreement.

Common Stock Public Offering

2021 Public Offering

In September 2021, the Company entered into an underwriting agreement (the "2021 Underwriting Agreement") with Jeffries LLC, SVB Leerink LLC and Evercore Group, LLC (collectively, the "Underwriters") for the sale and issuance of 7,344,543 shares of common stock, which includes 1,159,089 shares of common stock issued in connection with the exercise in full by the underwriters of their option to purchase additional shares, at a public offering price of $11.00 per share and 23,126 shares of Series B Non-Voting Convertible Preferred Stock at a public offering price of $733.37 per share (collectively the "2021 Public Offering"). The aggregate gross proceeds to the Company from the 2021 Public Offering are approximately $97.7 million, before deducting underwriting discounts and commissions and estimated offering expenses payable by the Company.

Preferred Stock

Under the Company's second restated certificate of incorporation, the Company's board of directors has the authority to designate and issue up to 5,000,000 shares of preferred stock, at its discretion, in one or more classes or series and to fix the powers, preferences and rights, and the qualifications, limitations, or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, and liquidation preferences, without further vote or action by the Company's stockholders.

Series A Preferred Stock

Holders of Series A Preferred Stock are entitled to receive dividends on shares of Series A Preferred Stock equal, on an as-if-converted-to-Common-Stock basis, and in the same form as dividends actually paid on shares of the common stock. Except as otherwise required by law, the Series A Preferred Stock does not have voting rights. However, as long as any shares of Series A Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series A Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock, (ii) alter or amend the Certificate of Designation, (iii) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of Series A Preferred Stock, (iv) increase the number of authorized shares of Series A Preferred Stock, (v) at any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, consummate a Fundamental Transaction (as defined in the Certificate of Designation) or (vi) enter into any agreement with respect to any of the foregoing. The Series A Preferred Stock does not have a preference upon any liquidation, dissolution, or winding-up of the Company. Each share of Series A Preferred Stock is convertible into 66.67 shares of common stock at any time at the option of the holder thereof, subject to certain limitations, including that a holder of Series A Preferred Stock is prohibited from converting shares of Series A Preferred Stock into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own

more than a specified percentage (to be established by the holder between 4.99% and 19.99%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion.

As of December 31, 2021, there were 260,437 shares of Series A Preferred Stock outstanding. During the three months ended March 31, 2022, 47,871 shares of Series A Preferred Stock were converted into 3,191,555 shares of common stock. As of March 31, 2022 there were 212,566 shares of Series A Preferred Stock outstanding.

Series B Preferred Stock

Each share of Series B Preferred Stock is convertible into 66.67 shares of common stock, subject to certain limitations, including that a holder of Series B Preferred Stock is prohibited from converting shares of Series B Preferred Stock into shares of common stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (to be established by the holder between 4.9% and 19.9%) of the total number of shares of common stock issued and outstanding immediately after giving effect to such conversion. The powers, preferences, rights, qualifications, limitations, and restrictions applicable to the Series B Preferred Stock are set forth in the Certificate of Designation filed in connection with the Offering.

Holders of Series B Preferred Stock are entitled to receive dividends on shares of Series B Preferred Stock equal, on an as-if-converted-to-Common-Stock basis, and in the same form as dividends actually paid on shares of the common stock. Except as otherwise required by law, the Series B Preferred Stock does not have voting rights. However, as long as any shares of Series B Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series B Preferred Stock, (i) alter or change adversely the powers, preferences or rights given to the Series B Preferred Stock, (ii) alter or amend the Certificate of Designation, or (iii) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of Series B Preferred Stock. The Series B Preferred Stock does not have a preference upon any liquidation, dissolution, or winding-up of the Company. As of December 31, 2021, there were 23,126 shares of Series B Preferred Stock outstanding. No shares of Series B Preferred Stock were converted into common stock during the three months ended March 31, 2022.

8. WARRANTS

The following table presents information about the Company's outstanding warrants:

	Number of Underlying Shares (1)			
	March 31, 2022	December 31, 2021	Weighted-Average Exercise Price at March 31, 2022	Remaining Contractual Life at March 31, 2022
Liability-classified warrants				
Issued April 2017	781	781	$127.95	3.08
Equity-classified warrants				
Acquired October 2020	29,446	29,446	$0.01	8.49
Issued February 2020 (2)	388,796	388,796	$15.28	2.87
Issued November 2017	1,606	1,606	$0.41	2.63
Subtotal	419,848	419,848	$15.70	
Total warrants	420,629	420,629	$15.91	

(1) If the Company subdivides (by any stock split, stock dividend, recapitalization, or otherwise) its outstanding shares of its common stock into a smaller number of shares, the warrant exercise price is proportionately reduced and the number of shares under outstanding warrants is proportionately increased.

Additionally, if the Company combines (by combination, reverse stock split, or otherwise) its outstanding shares of common stock into a smaller number of shares, the warrant exercise price is proportionately increased and the number of shares under outstanding warrants is proportionately decreased.

(2) Subject to specified conditions, the Company may voluntarily reduce the warrant exercise price of the warrants issued in February 2020.

There were no warrants exercised during the three months ended March 31, 2022.

9. SHARE-BASED COMPENSATION

Equity Incentive Plans

The Company has grants outstanding under its 2008 Equity Incentive Plan (the "2008 Plan"), its amended and restated 2016 Equity Incentive Plan (the "2016 Plan"), and the Viridian 2020 Equity Incentive Plan (the "2020 Plan" and collectively with the 2008 Plan and the 2016 Plan, the "Equity Incentive Plans"). Additionally, beginning in July 2021, the Company granted stock options outside of its Equity Incentive Plans to certain employees to induce them to accept employment with the Company (the "Inducement Awards"). The terms and conditions of the Inducement Awards are substantially similar to those awards granted under the Company's Equity Incentive Plans.

As of March 31, 2022, the Company had the following balances by plan:

	Stock Options Outstanding	Shares Available for Issuance
Inducement Awards	720,000	—
2020 Plan	816,886	960,049
2016 Plan	3,264,312	30,289
2008 Plan	513	—
Total	4,801,711	990,338

Options granted under the Equity Incentive Plans and the Inducement Awards have an exercise price equal to the market value of the common stock at the date of grant and expire 10 years from the date of grant. Generally, options vest 25% on the first anniversary of the vesting commencement date and 75% ratably in equal monthly installments over the remaining 36 months. The Company has also granted options that vest in equal monthly or quarterly amounts over periods up to 48 months.

A summary of common stock option activity is as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2021	3,683,839	$16.94	8.94	$ 15,969
Granted	1,196,000	$18.54	—	—
Exercised	(47,735)	$13.98	—	—
Forfeited or expired	(30,393)	$20.68	—	—
Outstanding as of March 31, 2022	4,801,711	$17.34	9.05	$ 13,414
Outstanding as of March 31, 2022 - vested and expected to vest	4,801,711	$17.34	9.05	$ 13,414
Exercisable as of March 31, 2022	844,307	$17.00	7.99	$ 4,293

Fair Value Assumptions

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options granted under its equity compensation plans. The Black-Scholes model requires inputs for risk-free interest rate, dividend yield, volatility, and expected lives of the options. Because the Company has a limited history of stock purchase and sale activity, expected volatility is based on historical data from public companies that are similar to the Company in size and nature of operations. The Company will continue to use similar entity volatility information until its historical volatility is relevant to measure expected volatility for option grants. The Company accounts for forfeitures as they occur. The risk-free rate for periods within the contractual life of each option is based on the U.S. Treasury yield curve in effect at the time of the grant for a period commensurate with the expected term of the grant. The expected term (without regard to forfeitures) for options granted represents the period of time that options granted are expected to be outstanding and is derived from the contractual terms of the options granted, and actual and expected option-exercise behaviors. The fair value of the underlying common stock is based on the closing price of the common stock on The Nasdaq Capital Market at the date of grant.

Stock Options Granted

The weighted-average grant-date fair value of options granted during the three months ended March 31, 2022 and 2021 was $13.43 and $19.56, respectively. The fair value was determined by the Black-Scholes option pricing model using the following weighted-average assumptions:

	Three Months Ended March 31,	
	2022	2021
Expected term, in years	5.81	5.90
Expected volatility	88.0%	126.2%
Risk-free interest rate	1.63%	0.6%
Expected dividend yield	—%	—%
Weighted average exercise price	$18.54	$22.33

Employee Stock Purchase Plan

The 2016 Employee Stock Purchase Plan (“ESPP”) allows qualified employees to purchase shares of common stock at a price equal to 85% of the lower of: (i) the closing price at the beginning of the offering period or (ii)

the closing price at the end of the offering period. New six-month offering periods begin each August 22 and February 22. As of March 31, 2022, the Company had 316,437 shares available for issuance, and 20,178 cumulative shares had been issued under the ESPP.

Share-Based Compensation Expense

Share-based compensation related to all equity awards issued pursuant to the Equity Incentive Plans, Inducement Plan, and for shares to be issued under the ESPP for the purchase periods active during each respective period is included in the condensed consolidated statements of operations and comprehensive loss as follows:

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Research and development	$ 1,545	$ 1,111
General and administrative	3,114	2,064
Total share-based compensation expense	$ 4,659	$ 3,175

As of March 31, 2022, the Company had $56.3 million of total unrecognized employee and non-employee share-based compensation costs, which the Company expects to recognize over a weighted-average remaining period of 3.18 years.

10. NET LOSS PER SHARE

Basic net loss per share is computed by dividing the net loss available to common stockholders by the weighted-average number of common stock outstanding. Diluted net loss per share is computed similarly to basic net loss per share except that the denominator is increased to include the number of additional shares of common stock that would have been outstanding if the potential shares of common stock had been issued and if the additional shares of common stock were dilutive. Diluted net loss per share is the same as basic net loss per share of common stock, as the effects of potentially dilutive securities are antidilutive.

Potentially dilutive securities include the following:

	March 31,	
	2022	2021
Series A Preferred Stock (as converted to shares of common stock)	14,171,775	23,656,049
Series B Preferred Stock (as converted to shares of common stock)	1,541,810	—
Options to purchase common stock	4,801,711	3,153,624
Warrants to purchase common stock	420,629	441,545
Total	20,935,925	27,251,218

11. SUBSEQUENT EVENTS

Loan and Security Agreement

On April 1, 2022, the Company entered into a loan and security agreement (the “Hercules Loan and Security Agreement”) among the Company, certain of its subsidiaries from time to time party thereto (together with the Company, collectively, the “Borrower”), Hercules Capital, Inc. (“Hercules”) and certain other lenders (the “Lenders”). Under the Hercules Loan and Security Agreement, the Lenders provided the Company with access

to a term loan with an aggregate principal amount of up to $75.0 million, in four tranches (collectively the "Term Loan"), consisting of (1) an initial tranche of $25.0 million, available to the Company through June 15, 2023; (2) a second tranche of $10.0 million, subject to the achievement of certain regulatory milestones, available through June 15, 2023; (3) a third tranche of $15.0 million, subject to the achievement of certain regulatory milestones, available through March 15, 2024; and (4) a fourth tranche of $25.0 million, subject to approval by the Lenders' investment committee(s), available through December 15, 2024. Upon signing the Company drew an initial principal amount of $5.0 million.

The Term Loan bears interest at a floating per annum rate equal to the greater of (i) 7.45% and (ii) 4.2% above the Prime Rate, provided that the Term Loan interest rate shall not exceed a per annum rate of 8.95%. Interest is payable monthly in arrears on the first day of each month. The Company is obligated to make interest-only payments through April 1, 2024. If certain development milestones are met, then the interest-only period will be extended to October 1, 2024, or under a second extension if additional development milestones are met, to April 1, 2025. The obligations of the Borrower under the Loan Agreement are secured by substantially all of the assets of the Borrower, excluding the Borrower's intellectual property.

Second Amendment to Massachusetts Based Office Space Lease

On April 13, 2022, the Company entered into a second amendment to the Original Lease of its Massachusetts-based office space (the "Second Amendment"). The Second Amendment makes certain modifications to both the Original Lease and Amended Lease, including (i) the addition of 2,432 square feet of office space in the same building (the "Expansion Premises"), (ii) the termination of the 1,087 square feet of leased space under the Original Lease seven days after the delivery of the Expansion Premises, and (iii) the extension of the expiration date of the 3,284 square feet of leased space under the Amended Lease to four years from the delivery of the Expansion Premises (the "Lease Term").

Under the Second Amendment, the Company has the option to extend the Lease Term for an additional period of three years (the "Option Term"), upon notice to the Landlord. The Second Amendment provides for annual base rent for the Expansion Premises of approximately $0.4 million during the Lease Term. The Company is also obligated to pay the Landlord certain costs, taxes and operating expenses.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with our condensed consolidated financial statements and the related notes thereto included in Part I, Item 1 of this Quarterly Report and our consolidated financial statements and related notes thereto for the year ended December 31, 2021 included in our Annual Report on Form 10-K filed with the SEC on March 11, 2022 ("2021 Annual Report on Form 10-K"). This discussion and other parts of this report contain forward-looking statements reflecting our current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, intentions, and beliefs. See "Forward-Looking Statements" for a discussion of the uncertainties, risks, and assumptions associated with these statements. Actual results and the timing of events could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" included elsewhere in this Quarterly Report.

Overview and Recent Developments

We are a biotechnology company advancing new treatments for patients with serious diseases that are underserved by today's therapies. Marketed therapies often leave room for improvements in efficacy, safety, and/or dosing convenience. We believe that first-generation drugs rarely represent optimal solutions, and that the potential exists to develop alternatives that improve patient outcomes, moderate side effects, enhance quality of life, ease access and augment market competition. Our business model is to identify product opportunities in indications for which clinical trial data demonstrating compelling proof of concept for a targeted mechanism of action already exists, but the competitive evolution of product profiles and number of entrants appears incomplete. We intend to prioritize indications that fast-follower and bio superior competition could create significant medical benefit for patients.

We are developing two product candidates, VRDN-001 and VRDN-002, to treat patients who suffer from thyroid eye disease ("TED"). Our most advanced product candidate, VRDN-001, is a differentiated humanized monoclonal antibody that binds and blocks the insulin-like growth factor-1 receptor ("IGF-1R") with subnanomolar affinity. This mechanism of action is clinically and commercially validated for the treatment of TED. Our ongoing first clinical trial for VRDN-001 is a Phase 1/2 proof of concept study that includes multiple randomized, placebo-controlled cohorts of TED patients. This clinical trial is designed to assess the potential for VRDN-001 to provide rapid improvements of signs and symptoms of TED at six weeks, after two intravenous ("IV") infusions of VRDN-001. We expect to announce top line proof of concept clinical data from two patient cohorts in the third quarter of 2022.

Dose escalation and healthy volunteer enrollment is complete, and we continue to enroll TED patients at sites in the U.S. and Canada. Each TED cohort includes eight patients randomized in a 3:1 ratio to receive VRDN-001 or placebo. The first cohort is evaluating two infusions of 10 mg/kg VRDN-001; the second cohort is evaluating two infusions of 20 mg/kg VRDN-001.

The healthy volunteer portion of the trial includes doses of 3 mg/kg, 10 mg/kg and 20 mg/kg in 13 subjects. No drug related adverse events associated with hyperglycemia, hearing loss or muscle spasms have been reported to date. Other adverse events have been generally comparable to placebo; to date, there have been no infusion reactions or serious adverse events. Interim data for plasma levels of IGF-1, a biomarker for target engagement, show a rapid increase that saturated after the first infusion at levels that were similar for all doses tested, including 3 mg/kg. Based on these results we now plan to enroll a cohort of TED patients at a dose of 3 mg/kg following the completion of the 10 mg/kg and 20 mg/kg cohorts in this trial. We expect to report top-line data from the 3 mg/kg cohort in the fourth quarter of 2022.

VRDN-002 is a distinct, next-generation IGF-1R antibody incorporating half-life extension technology and is designed to support administration as a convenient, low-volume, subcutaneous injection for the treatment of TED. In March 2022, we announced dosing of the first subject in a first-in-human Phase 1 clinical trial

evaluating VRDN-002. This is a single ascending dose clinical trial to explore safety, tolerability, pharmacokinetics and pharmacodynamics of intravenously administered VRDN-002 at doses of 3 mg/kg, 10 mg/kg, and 20 mg/kg in up to 16 healthy volunteers. We have completed dose escalation and expect to announce top line data from this Phase 1 trial in the third quarter of 2022. Results from this Phase 1 trial will confirm the feasibility of a low-volume subcutaneous dosing paradigm for TED patients; we are planning a subcutaneous proof of concept trial in TED patients as the next step in VRDN-002 development. We believe a low- volume subcutaneous injection would improve convenience for patients and physicians, mitigate treatment burdens, and expand the settings of care for TED therapies.

In addition to developing therapies for TED, we are executing a similar strategic approach to identify opportunities to develop fast-follower therapies in other serious and/or rare disease indications. Our pipeline expansion is focused on additional opportunities that leverage validated mechanisms and technologies in therapeutic areas underserved by today's available medicines. The most advanced of these programs is VRDN-004, a therapeutic monoclonal antibody program currently in discovery stage for an undisclosed rare disease. VRDN-005 is a second discovery-stage program for another undisclosed indication in which we believe patient care can be advanced with a novel therapeutic monoclonal antibody.

The COVID-19 Pandemic

The on-going COVID-19 pandemic continues to cause disruption throughout the United States and worldwide. We could be materially and adversely affected by the risks, or the public perception of the risks, related to the COVID-19 pandemic or any other epidemic, pandemic or public health crisis. Such risks include, but are not limited to, potential disruptions to our supply chain that may limit our ability to manufacture drug product for our clinical trials, and delays to our planned or future clinical trials. The ultimate extent of the impact of any epidemic, pandemic or other public health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other public health crisis and actions taken to contain or prevent the further spread, among others. While our business has not been materially impacted by the COVID-19 pandemic to date, we cannot predict whether our business, financial condition and results of operations will be affected by the COVID-19 pandemic in the future.

Financial Operations Overview

Revenue

Our revenue has historically consisted primarily of up-front payments for licenses, milestone payments, and payments for other research and development services earned under license and collaboration agreements as well as for amounts earned under certain grants we have been awarded.

In October 2020, we became party to a license agreement with Zenas BioPharma. Since February 2021, we have entered into several letter agreements with Zenas BioPharma in which we agreed to provide assistance to Zenas BioPharma with certain development activities, including manufacturing. Under the terms of the Zenas Agreements, we granted Zenas BioPharma an exclusive license to develop, manufacture, and commercialize certain IGF-1R directed antibody products for non-oncology indications in the greater area of China in exchange for upfront non-cash consideration and non-refundable milestone payments upon achieving specific milestone events during the contract term. Additionally, we may receive royalty payments based on a percentage of the annual net sales of any licensed products sold on a country-by-country basis in the greater area of China. The royalty percentage may vary based on different tiers of annual net sales of the licensed products made. Zenas BioPharma is obligated to make royalty payments to us for the royalty term in the Zenas Agreements.

In the future, we expect to continue to generate revenue from a combination of license fees and other up-front payments, payments for research and development services, milestone payments, product sales, and royalties in connection with strategic alliances. We expect that any revenue we generate could fluctuate from quarter to quarter as a result of the timing of our achievement of development and commercial milestones, the timing and amount of payments relating to such milestones, and the extent to which any of our product candidates are approved and successfully commercialized by us or our strategic alliance collaborators, if any. If we or our strategic alliance collaborators, if any, fail to develop product candidates in a timely manner or to obtain regulatory approval for them, then our ability to generate future revenue, and our results of operations and financial position would be adversely affected.

Research and Development Expenses

Research and development expenses consist of costs incurred for the research and development of our therapeutic programs and product candidates, which include:

- employee-related expenses, including salaries, severance, retention, benefits, insurance, and share-based compensation expense;
- expenses incurred under agreements with clinical research organizations ("CROs"), investigative sites that conduct our clinical trials, and other clinical trial-related vendors, and consultants;
- the costs of acquiring, developing, and manufacturing and testing clinical and preclinical materials, including costs incurred under agreements with contract manufacturing organizations ("CMOs");
- costs associated with non-clinical activities and regulatory operations;
- license fees and milestone payments related to the acquisition and retention of certain licensed technology and intellectual property rights; and
- facilities, depreciation, market research, and other expenses, which include allocated expenses for rent and maintenance of facilities, depreciation of leasehold improvements and equipment, and laboratory supplies.

We make non-refundable advance payments for goods and services that will be used in future research and development activities. These payments are recorded as expense in the period in which we receive or take ownership of the goods or when the services are performed.

We record up-front and milestone payments to acquire and retain contractual rights to in-licensed technology and intellectual property rights as research and development expenses when incurred if there is uncertainty in our receiving future economic benefit from the acquired contractual rights. We consider future economic benefits from acquired contractual rights to licensed technology to be uncertain until such a drug candidate is approved by the U.S. Food and Drug Administration ("FDA,") or when other significant risk factors are abated.

Our research and development expenses may increase if we initiate new clinical trials. The process of conducting clinical trials and preclinical studies necessary to obtain regulatory approval is costly and time consuming. We, or our strategic alliance collaborators, if any, may never succeed in achieving marketing approval for any of our product candidates. The probability of success for each product candidate may be affected by numerous factors, including clinical data, preclinical data, competition, manufacturability, and commercial viability of our product candidates.

Successful development of future product candidates is highly uncertain and may not result in approved products. Completion dates and completion costs can vary significantly for each future product candidate and

are difficult to predict. We anticipate we will make determinations as to which programs to pursue and how much funding to direct to each program on an ongoing basis in response to our ability to maintain or enter into new strategic alliances with respect to each program or potential product candidate, the scientific and clinical success of each future product candidate, and ongoing assessments as to each future product candidate's commercial potential. We will need to raise additional capital and may seek additional strategic alliances in the future in order to advance our various programs.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefits, including share-based compensation, and severance and retention benefits related to our finance, accounting, human resources, legal, business development, and other support functions, professional fees for auditing, tax, and legal services, as well as insurance, board of director compensation, consulting, and other administrative expenses.

Other Income, net

Other income consists primarily of interest income, net of fees, and various income items of a non-recurring nature. We earn interest income from interest-bearing accounts, money market funds, and short-term investments.

Critical Accounting Policies and Estimates

There were no changes to our critical accounting policies as disclosed in our 2021 Annual Report on Form 10-K during the three months ended March 31, 2022. Our significant accounting policies are disclosed in Note 2. *Summary of Significant Accounting Policies* to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

Results of Operations

Comparison of the Three Months Ended March 31, 2022 and 2021.

	Three Months Ended March 31,		
	2022	2021	Increase (Decrease)
	(in thousands)		
Collaboration revenue - related party	$ 216	$ 1,451	$ (1,235)
Research and development expenses	17,746	13,806	3,940
General and administrative expenses	8,359	6,160	2,199
Other income, net	196	55	141

Revenue

Revenue was $0.2 million for the three months ended March 31, 2022, as compared to $1.5 million for the three months ended March 31, 2021. Revenue for both the three months ended March 31, 2022 and 2021 was attributable to our collaboration agreement with Zenas BioPharma. The $1.2 million decrease in revenue is due to the timing of activities performed under the collaboration agreement.

Research and Development Expenses

Research and development expenses were $17.7 million during the three months ended March 31, 2022, compared to $13.8 million during the three months ended March 31, 2021. The $3.9 million increase in research and development expenses is primarily attributable to an increase of $1.3 million in personnel related costs,

including share-based compensation, due to an increase in headcount; an increase of $2.3 million in license fees due to the $2.5 million fee paid to Paragon Therapeutics, Inc. during the three months ended March 31, 2022; an increase of $1.9 million in clinical trial expenses related to our lead product candidates, VRDN-001 and VRDN-002; and an increase of $0.3 million in consulting expenses. Offsetting this increases was a decrease of $2.0 million related to manufacturing activities and IND-enabling studies for both VRDN-001 and VRDN-002 that were incurred during the three months ended March 31, 2021.

General and Administrative Expenses

General and administrative expenses were $8.4 million during the three months ended March 31, 2022, compared to $6.2 million during the three months ended March 31, 2021. The $2.2 million increase in general and administrative expenses is due primarily to an increase of $0.5 million of personnel related expenses, including share-based compensation, due to an increase in headcount; an increase of $0.3 million in board of directors expenses, including share-based compensation; and increases of $1.0 million in professional expenses, including external consulting fees, legal and auditing costs.

Other Income, net

Other income, net was $0.2 million during the three months ended March 31, 2022 compared to $55 thousand during the three months ended March 31, 2021. Other income (expense), net for both periods is comprised of interest income earned on short-term investments as well as sub-lease income. The increase of $0.1 million was due primarily to higher interest income earned due to a higher balance of short-term investments, as well as an increase in sub-lease income.

Liquidity and Capital Resources

Summarized cash flows for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,		
	2022	2021	Increase (Decrease)
	(in thousands)		
Net cash provided by (used in):			
Operating activities	$ (21,042)	$ (11,539)	$ (9,503)
Investing activities	8,863	10,872	(2,009)
Financing activities	738	1,259	(521)
Total	$ (11,441)	$ 592	$ (12,033)

Operating Activities

Net cash used in operating activities was $21.0 million for the three months ended March 31, 2022, and primarily consisted of a net loss of $25.7 million, adjusted for non-cash items of $5.0 million (primarily share-based compensation of $4.7 million), and changes in working capital of $0.4 million.

Net cash used in operating activities was $11.5 million for the three months ended March 31, 2021, and primarily consisted of a net loss of $18.5 million, adjusted for non-cash items of $3.4 million (primarily share-based compensation of $3.2 million), and changes in working capital of $3.5 million.

Investing Activities

Net cash provided by investing activities was $8.9 million during the three months ended March 31, 2022, and consisted primarily of $9.0 million in net proceeds from maturities of short term investments, and slightly offset by $0.2 million in purchases of property and equipment.

Net cash provided by investing activities was $10.9 million during the three months ended March 31, 2021, and consisted of $10.9 million in net proceeds from maturities of short term investments.

Financing Activities

Net cash provided by financing activities was $0.7 million during the three months ended March 31, 2022, and consisted primarily of $0.7 million in proceeds from the exercise of stock options, and $0.1 million in proceeds from the issuance of common stock under our employee stock purchase plan.

Net cash provided by financing activities was $1.3 million for the three months ended March 31, 2021, and consisted primarily of $0.9 million of proceeds from the exercise of common stock warrants and $0.3 million in proceeds from the exercise of stock options.

Liquidity and Capital Resources

We have funded our operations to date principally through proceeds received from the sale of our common stock, our Series A Preferred Stock, our Series B Preferred Stock and other equity securities, debt financings, license fees, and reimbursements received under collaboration agreements. As of March 31, 2022, we had $175.4 million in cash, cash equivalents, and short-term investments. We expect that our current resources will enable us to fund our planned operations into 2024.

We have no products approved for commercial sale and have not generated any revenue from product sales. Since our inception and through March 31, 2022, we have generated an accumulated deficit of $384.0 million. Substantially all of our operating losses resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations.

We will continue to require substantial additional capital to continue the development of our product candidates, and potential commercialization activities, and to fund our ongoing operations. The amount and timing of future funding requirements will depend on many factors, including the pace and results of our clinical development efforts, equity financings, securing additional license and collaboration agreements, and issuing debt or other financing vehicles. Our ability to secure capital is dependent upon a number of factors, including success in developing our technology and product candidates. Failure to raise capital as and when needed, on favorable terms or at all, would have a negative impact on our financial condition and our ability to develop our product candidates. Changing circumstances may cause us to consume capital significantly faster or slower than we currently anticipate. If we are unable to acquire additional capital or resources, we will be required to modify our operational plans to complete future milestones. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available financial resources sooner than we currently anticipate. We may be forced to reduce our operating expenses and raise additional funds to meet our working capital needs, principally through the additional sales of our securities or debt financings or entering into strategic collaborations.

Our material cash requirements include obligations as of March 31, 2022, as well as resources required to fulfill our research and development activities and the effects that such obligations and activities are expected to have on our liquidity and cash flows in future periods. We expect that our operating losses will fluctuate significantly from quarter to quarter and year to year due to timing of our development activities and efforts to achieve regulatory approval.

If we raise additional funds through the issuance of debt, the obligations related to such debt could be senior to rights of holders of our capital stock and could contain covenants that may restrict our operations. Should additional capital not be available to us in the near term, or not be available on acceptable terms, we may be unable to realize value from our assets and discharge our liabilities in the normal course of business, which may, among other alternatives, cause us to further delay, substantially reduce, or discontinue operational activities to conserve our cash resources.

Loan and Security Agreement with Hercules Capital, Inc.

On April 1, 2022, we entered into a loan and security agreement (the "Hercules Loan and Security Agreement") among the Company, certain of our subsidiaries from time to time party thereto (together with the Company, collectively, the "Borrower"), Hercules Capital, Inc. ("Hercules") and certain other lenders (the "Lenders"). Under the Hercules Loan and Security Agreement, the Lenders provided us with access to a term loan with an aggregate principal amount of up to $75.0 million, in four tranches (collectively the "Term Loan"), consisting of: (1) an initial tranche of $25.0 million, available through June 15, 2023; (2) a second tranche of $10.0 million, subject to the achievement of certain regulatory milestones, available through June 15, 2023; (3) a third tranche of $15.0 million, subject to the achievement of certain regulatory milestones, available through March 15, 2024; and (4) a fourth tranche of $25.0 million, subject to approval by the Lenders' investment committee(s), available through December 15, 2024. The first tranche of $25.0 million will be available to us through June 15, 2023. Upon signing we drew an initial principal amount of $5.0 million.

The Term Loan bears interest at a floating per annum rate equal to the greater of (i) 7.45% and (ii) 4.2% above the Prime Rate, provided that the Term Loan interest rate shall not exceed a per annum rate of 8.95%. Interest is payable monthly in arrears on the first day of each month. We are obligated to make interest-only payments through April 1, 2024. If certain development milestones are met, then the interest-only period will be extended to October 1, 2024, or under a second extension if additional development milestones are met, to April 1, 2025. The obligations of the Borrower under the Loan Agreement are secured by certain assets of the Borrower, including substantially all of the assets of the Borrower, but excluding the Borrower's intellectual property.

ATM Agreements

In November 2021, we entered into an Open Market Sale Agreement[SM] (the "November 2021 ATM Agreement") with Jefferies LLC ("Jefferies") under which we can offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate offering price of up to $75.0 million through Jefferies as our sales agent in an "at the market" offering. Jefferies will receive a commission equal to 3.0% of the gross sales proceeds of any common stock sold through Jefferies under the November 2021 ATM Agreement. As of March 31, 2022, we have not sold any shares under the November 2021 ATM Agreement. As described below, we were previously a party to the April 2021 ATM Agreement (defined below) with Jeffries and the Cowen ATM Agreement (defined below) with Cowen and Company, LLC ("Cowen") during the years ended December 2021 and 2020, and those agreements are no longer in effect.

In April 2021, we entered into an Open Market Sale Agreement[SM] (the "April 2021 ATM Agreement") with Jefferies under which we could offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate offering price of up to $50.0 million through Jefferies as our sales agent in an "at the market" offering. Jefferies received a commission equal to 3.0% of the gross sales proceeds of any common stock sold through Jefferies under the April 2021 ATM Agreement. During the year ended December 31, 2021, we sold an aggregate of 2,551,269 shares of common stock pursuant to the terms of the April 2021 ATM Agreement, at a volume weighted-average price of $13.13 per share, for aggregate net proceeds of approximately $32.4 million, including initial expenses for executing the "at the market offering" and commissions to Jefferies as sales agent.

Underwritten Public Offerings

In September 2021, we entered into an underwriting agreement (the "2021 Underwriting Agreement") with Jeffries, SVB Leerink LLC and Evercore Group, LLC (collectively, the "Underwriters") for the sale and issuance of 7,344,543 shares of common stock, which includes 1,159,089 shares of common stock issued in connection with the exercise in full by the underwriters of their option to purchase additional shares, at a public offering price of $11.00 per share and 23,126 shares of Series B Non-Voting Convertible Preferred Stock at a public offering price of $733.37 per share (the "2021 Public Offering"). Our aggregate gross proceeds from the 2021 Public Offering were approximately $97.7 million, before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

In February 2020, we entered into an underwriting agreement with Oppenheimer & Co., Inc. for the sale and issuance of 1,000,000 shares of our common stock and warrants to purchase 500,000 shares of our common stock (the "2020 Public Offering"). Each warrant has an exercise price of $16.50 per share, was exercisable immediately and expires on the fifth anniversary of the date of issuance. The 2020 Public Offering resulted in approximately $13.9 million of net proceeds to us after deducting underwriting commissions and discounts and other estimated offering expenses payable by us and excluding the proceeds from the exercise of the warrants.

Purchase Agreements

In October 2020, we entered into a securities purchase agreement (the "Purchase Agreement") with the purchasers named therein (the "Investors"). Pursuant to the Purchase Agreement, we agreed to sell an aggregate of approximately 195,290 shares of Series A Preferred Stock for an aggregate purchase price of approximately $91.0 million. Each share of Series A Preferred Stock is convertible into 66.67 shares of our common stock, subject to specified conditions. The powers, preferences, rights, qualifications, limitations, and restrictions applicable to the Series A Preferred Stock are set forth in the applicable certificate of designations. During the three months ended March 31, 2022, 47,871 shares of Series A Preferred Stock were converted into 3,191,555 shares of common stock.

In December 2019, we entered into a common stock purchase agreement with Aspire Capital (the "Aspire Purchase Agreement"), which provides that, subject to the terms, conditions, and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of shares of our common stock over the 30-month term of the Aspire Purchase Agreement. Upon execution of the Aspire Purchase Agreement, we sold to Aspire Capital 106,564 shares of common stock at $9.38 per share for proceeds of $1.0 million as the Initial Purchase Shares (as defined in the Purchase Agreement). During the year ended December 31, 2020, we sold to Aspire Capital 412,187 shares of our common stock at a weighted-average price of $21.35 per share for aggregate net proceeds of $8.8 million. As of March 31, 2022, we have the ability to sell an additional $10.2 million of shares of our common stock to Aspire Capital.

Contractual Obligations and Commitments

We are a smaller reporting company, as defined by Rule 12b-2 under the Exchange Act and in Item 10(f)(1) of Regulation S-K, and are not required to provide the information under this item.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company, as defined by Rule 12b-2 under the Exchange Act and in Item 10(f)(1) of Regulation S-K, and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) and Rule 15d-15(b) of the Exchange Act, an evaluation was carried out under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) as of the end of the quarter covered by this Quarterly Report. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable level of assurance.

Changes in Internal Control Over Financial Reporting

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in legal proceedings in the ordinary course of business. We are currently not a party to any legal proceedings that we believe would have a material adverse effect on our business, financial condition, or results of operations.

ITEM 1A. RISK FACTORS

Our business is subject to various risks, including those described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes from the risk factors disclosed in Item 1A of our Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On May 11, 2022, the board of directors of the Company approved an amendment and restatement of the Company's Bylaws, effective immediately. The amendments (1) clarify that the voting standard for stockholders to approve all matters other than the election of directors (except as otherwise specified in the Company's Certificate of Incorporation or Bylaws or Delaware law) is a majority of votes cast, (2) clarify that the chairman of the meeting has the power to adjourn a meeting of stockholders in the absence of a quorum, and (3) make certain other ministerial changes. The foregoing description of the amendments is qualified in its entirety by the full text of the Bylaws, a copy of which is included as Exhibit 3.2 to this Quarterly Report and incorporated herein by reference.

ITEM 6. EXHIBIT INDEX

The exhibits listed in the Exhibit Index are required by Item 601 of Regulation S-K. The SEC file number for all items incorporated by reference herein from reports on Forms 10-K, 10-Q, and 8-K is 001-36483.

		Incorporated by Reference		
Exhibit No.	**Description of Exhibit**	**Form**	**Filing Date**	**Number**
3.1	Second Restated Certificate of Incorporation of the Registrant, effective as of March 9, 2022	10-K	3/11/2022	3.1
3.2	Second Amended and Restated Bylaws of the Registrant, effective as of May 11, 2022			x
3.3	Certificate of Designation of Series A Non-Voting Convertible Preferred Stock	8-K	10/28/2020	3.1
3.4	Certificate of Designation of Series B Non-Voting Convertible Preferred Stock	8-K	9/23/2021	3.1
4.1	Specimen Common Stock Certificate	S-1	3/19/2014	4.1
4.2	Form of Warrant to Purchase Common Stock	8-K	2/7/2020	4.1
31.1	Certification of Principal Executive Officer pursuant to Rule13a-14(a) and Rule 15d-14(a) of the Securities and Exchange Act, as amended.			x
31.2	Certification of Principal Financial Officer pursuant to Rule13a-14(a) and Rule 15d-14(a) of the Securities and Exchange Act, as amended.			x
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			x
101.INS	XBRL Instance Document			x
101.SCH	XBRL Taxonomy Extension Schema Document			x
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			x
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document			x
101.LAB	XBRL Taxonomy Extension Label Linkbase Document			x
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			x
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			x

^ Certain portions of the exhibit, identified by the mark, "[*]," have been omitted because such portions contained information that is both (i) not material and (ii) would likely cause competitive harm if publicly disclosed.

* This certification is being furnished pursuant to 18 U.S.C. Section 1350 and is not being filed for purposes of Section 18 of the Exchange Act and is not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof.

** In accordance with Rule 406T of Regulation S-T, the Interactive Data Files in Exhibit 101 are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act are deemed not filed for purposes of Section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

x Filed/furnished herewith.

SIGNATURES

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

VIRIDIAN THERAPEUTICS, INC.

Date: May 13, 2022	By:	/s/ Jonathan Violin
		Jonathan Violin Chief Executive Officer (Principal Executive Officer)
Date: May 13, 2022	By:	/s/ Kristian Humer
		Kristian Humer Chief Financial Officer (Principal Financial Officer; Principal Accounting Officer)

AMENDED AND RESTATED BYLAWS
OF
VIRIDIAN THERAPEUTICS, INC.

ARTICLE 1
OFFICES

Section 1.01. *Registered Office.* The registered office of Viridian Therapeutics, Inc. (hereinafter, the "Corporation") shall be in the City of Wilmington, County of New Castle, State of Delaware 19810.

Section 1.02. *Other Offices.* The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

Section 1.03. *Books.* The books of the Corporation may be kept within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE 2
MEETINGS OF STOCKHOLDERS

Section 2.01. *Time and Place of Meetings.* All meetings of the stockholders shall be held at such place, if any, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the Board of Directors (or the Chairman in the absence of a designation by the Board of Directors).

Section 2.02. *Annual Meetings.* An annual meeting of the stockholders, commencing with the year 2015, shall be held for the election of directors and to transact such other business as may properly be brought before the meeting. Any other proper business may be transacted at the annual meeting. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 2.03. *Special Meetings.* Special meetings of the stockholders for any purpose or purposes may be called by the Board of Directors, the Chairman of the Board of Directors or the President of the Corporation, and may not be called by any other person. Business transacted at any special meeting of the stockholders shall be limited to the purposes stated in the notice. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors. Notwithstanding the foregoing, whenever holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, such holders may call, pursuant to the terms of the resolution or resolutions adopted by the Board of Directors pursuant to Article 4 hereto, special meetings of holders of such Preferred Stock.

Section 2.04. *Notice of Meetings and Adjourned Meetings; Waivers of Notice*.

(a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended ("Delaware Law"), the Certificate of Incorporation or these Bylaws, such notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting. Except as otherwise provided herein or permitted by applicable law, notice of stockholders shall be in writing and delivered personally or mailed to the stockholders at their address appearing on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meetings may be given to stockholders by means of electronic transmission in accordance with applicable law.

(b) Any meeting of the stockholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any. Unless these Bylaws otherwise require, when a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time, place, if any, thereof and the means of remote communications, if any, by which stockholders

and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

(c) A written waiver of any such notice signed by the person entitled thereto, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.05. *Quorum*. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, and subject to Delaware Law, the presence, in person or by proxy, of the holders of a majority of the outstanding capital stock of the Corporation entitled to vote at a meeting of stockholders shall constitute a quorum for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, then the chairman of the meeting, or a majority of the voting power entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting in the manner provided in Section 2.04, without notice other than announcement at the meeting, until a quorum shall be present or represented. A quorum once established, shall not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. Shares of stock of the Corporation belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation, or any subsidiary of the Corporation, to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 2.06. *Voting; Proxies*.

(a) Unless otherwise provided in the Certificate of Incorporation and subject to Delaware Law, each stockholder shall be entitled to one vote for each outstanding share of capital stock of the Corporation held by such stockholder. Any share of capital stock of the Corporation held by the Corporation shall have no voting rights. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote on such matter shall be the act of the stockholders. Subject to the rights of the holders of any series of preferred stock to elect additional directors under specific circumstances, directors shall be elected by a plurality of the votes cast at a meeting of the stockholders by the holders of stock entitled to vote on the election of directors.

(b) Each stockholder entitled to vote at a meeting of stockholders, or to express consent or dissent to a corporate action in writing without a meeting, may authorize another person or persons to act for such stockholder by proxy, appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized, or by proxy sent by cable, telegram or by any means of electronic communication permitted by law, which results in a writing from such stockholder or by his attorney, and delivered to the secretary of the meeting. No proxy shall be voted or acted upon after three (3) years from its date, unless said proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date.

(c) Voting at meetings of stockholders need not be by written ballot. Votes may be cast by any stockholder entitled to vote in person or by his proxy. In determining the number of votes cast for or against a proposal or nominee, shares abstaining from voting on a matter (or votes withheld in the case of director elections) will not be treated as votes cast, but will be counted for purposes of determining a quorum. A non-vote by a broker will be counted for purposes of determining a quorum but not for purposes of determining the number of votes cast.

Section 2.07. *Inspector of Elections; Opening and Closing the Polls.* The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the presiding officer of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law. The presiding officer of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

Section 2.08. [*Reserve*].

Section 2.09. *Organization.* At each meeting of stockholders, the Chairman of the Board, if one shall have been elected, or in the Chairman's absence or if one shall not have been elected, the director designated by the vote of the majority of the directors, shall act as chairman of, and preside at, the meeting. The Secretary, or in the Secretary's absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

Section 2.10. *Order of Business.* The order of business at all meetings of stockholders shall be as determined by the chairman of the meeting.

Section 2.11. *Nomination of Directors.* Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section 2.11, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section 2.11. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the sixtieth (60th) day, nor earlier than the close of business on the ninetieth (90th) day in advance of the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to such anniversary date or delayed more than sixty (60) days after such anniversary date then to be timely such notice must be received by the Corporation no later than the later of the close of business on the seventieth (70th) day prior to the date of the meeting or the close of business on the tenth (10th) day following the day on which public announcement of the date of the meeting was made. In no event shall the public announcement of the new meeting date commence a new notice time period (or extend any notice time period). Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such stockholder, and of the beneficial owner, if any, on whose behalf the nomination is being made, (ii) the class and number of shares of the Corporation which are owned (beneficially and of record) by such stockholder and owned by the beneficial owner, if any, on whose behalf the nomination is being made, as of the date of the stockholder's notice, and a representation that the stockholder will notify the Corporation in writing of the class and number of such shares owned of record and beneficially as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (iii) a description of any agreement, arrangement or understanding with respect to such nomination between or among the stockholder and any of its affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, and a representation that the stockholder will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (iv) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into as of the date of the proposing stockholder's notice, by or on behalf of such stockholder with respect to the Corporation's securities, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder with respect to the Corporation's securities, and a representation that the stockholder will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the

date notice of the record date is first publicly disclosed, (v) a representation that the proposing stockholder is a holder of record of the shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, and (vi) a representation whether the proposing stockholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve the nomination and/or otherwise to solicit proxies from the stockholders in support of the nomination. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director shall furnish to the secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination that pertains to the nominee. No person shall be eligible to serve as a director of the Corporation unless nominated in accordance with the procedures set forth in this bylaw. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.11, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, and the rules and regulations thereunder with respect to the matters set forth in this Section 2.11.

Section 2.12. *Notice of Business.* At any meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is a stockholder of record at the time of giving of the notice provided for in this Section 2.12, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 2.12. In addition, any proposal of business must be a proper matter for stockholder action. For business to be properly brought before a stockholder meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the sixtieth (60th) day, nor earlier than the close of business on the ninetieth (90th) day in advance of the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to such anniversary date or delayed more than sixty (60) days after such anniversary date then to be timely such notice must be received by the Corporation no later than the later of the close of business on the seventieth (70th) day prior to the date of the meeting or the close of business on the tenth (10th) day following the day on which public announcement of the date of the meeting was made. In no event shall the public announcement of the new meeting date commence a new notice time period (or extend any notice time period). A stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and of the beneficial owner, if any, on whose behalf the proposal is being made, (c) the class and number of shares of the Corporation which are owned (beneficially and of record) by such stockholder and owned by the beneficial owner, if any, on whose behalf the proposal is being made, as of the date of the stockholder's notice, and a representation that the stockholder will notify the Corporation in writing of the class and number of such shares owned of record and beneficially as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (d) a description of any agreement, arrangement or understanding with respect to such nomination between or among the stockholder and any of its affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, and a representation that the stockholder will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (e) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into as of the date of the proposing stockholder's notice, by or on behalf of such stockholder with respect to the Corporation's securities, or any other agreement, arrangement or understanding that has been made, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder with respect to the Corporation's securities, and a representation that the stockholder will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed, (f) a representation that the proposing stockholder is a holder of record of the shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose the business specified in the notice, (g) a representation whether the proposing stockholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve the proposal and/or otherwise to solicit proxies from the stockholders in support of the proposal, (h) any material interest of the stockholder in such business, and (i) any other information relating to such stockholder and beneficial owner, if any, on whose behalf the proposal is being made, required to be

disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal and pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at a stockholder meeting except in accordance with the procedures set forth in this Section 2.12. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of the Bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing, provisions of this Section 2.12, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, and the rules and regulations thereunder with respect to the matters set forth in this Section 2.12.

Section 2.13. *Proxy Rules.* The foregoing notice requirements of Section 2.12 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with the applicable rules and regulations promulgated under Regulation 14A under the Securities Exchange Act of 1934 and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

Section 2.14. *Effect of Noncompliance.* Notwithstanding anything in these Bylaws to the contrary: (i) no nominations shall be made or business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Article 2, and (ii) unless otherwise required by law, if a stockholder intending to propose business or make nominations at an annual meeting pursuant to this Article 2 does not provide the information required under this Article 2 to the Corporation promptly following the later of the record date or the date notice of the record date is first publicly disclosed, or the proposing stockholder (or a qualified representative of the proposing stockholder) does not appear at the meeting to present the proposed business or nominations, such business or nominations shall not be considered, notwithstanding that proxies in respect of such business or nominations may have been received by the Corporation. The requirements of this Article 2 shall apply to any business or nominations to be brought before an annual meeting by a stockholder whether such business or nomination are to be included in the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act or presented to stockholders by means of an independently financed proxy solicitation. The requirements of this Article 2 are included to provide the Corporation notice of a stockholder's intention to bring business or nominations before an annual meeting and shall in no event be construed as imposing upon any stockholder the requirement to seek approval from the Corporation as a condition precedent to bringing any such business or making such nominations before an annual meeting.

ARTICLE 3
DIRECTORS

Section 3.01. *General Powers.* Except as otherwise provided by Delaware Law or the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these Bylaws, Delaware Law or other applicable law as it may deem proper for the conduct of its meetings and the management of the Corporation

Section 3.02. *Number, Election and Term of office.* The Board of Directors shall consist of not less than three (3) nor more than eleven (11) directors, with the exact number of directors to be determined from time to time solely by resolution adopted by the affirmative vote of a majority of the entire Board of Directors. Except as otherwise provided in the Certificate of Incorporation, each director shall serve for a term ending on the date of the annual meeting of stockholders next following the annual meeting at which such director was elected. Notwithstanding the foregoing, each director shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders.

Section 3.03. *Quorum and Manner of Acting.* Unless the Certificate of Incorporation or these Bylaws require a greater number, the presence of a majority of the total number of directors shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. When a meeting is adjourned to another time or place (whether or not a quorum is present), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Board of Directors may transact any business which might have been transacted at the original meeting. If a quorum shall not be present at any meeting of the Board of Directors the directors present thereat shall adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.04. *Time and Place of Meetings.* The Board of Directors shall hold its meetings at such place, either within or without the State of Delaware, and at such time as may be determined from time to time by the Board of Directors (or the Chairman in the absence of a determination by the Board of Directors).

Section 3.05. *Annual Meeting.* The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. In the event such annual meeting is not so held, the annual meeting of the Board of Directors may be held at such place either within or without the State of Delaware, on such date and at such time as shall be specified in a notice thereof given as hereinafter provided in Section 3.07 herein or in a waiver of notice thereof signed by any director who chooses to waive the requirement of notice.

Section 3.06. *Regular Meetings.* After the place and time of regular meetings of the Board of Directors shall have been determined and notice thereof shall have been once given to each member of the Board of Directors, regular meetings may be held without further notice being given.

Section 3.07. *Special Meetings.* Special meetings of the Board of Directors may be called by the Chairman of the Board or the President and shall be called by the Chairman of the Board, President or Secretary on the written request of three or more directors. Notice of special meetings of the Board of Directors shall be given to each director at least three days before the date of the meeting in such manner as is determined by the Board of Directors.

Section 3.08. *Committees.* The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors or by applicable law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matter: (a) approving or adopting, or recommending to the stockholders, any action or matter expressly required by Delaware Law to be submitted to the stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation. Unless the Board of Directors provides otherwise, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at the meeting at which there is a quorum shall be the act of the Committee. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

Section 3.09. *Action by Consent.* Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions, are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.10. *Telephonic Meetings.* Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or such committee, as the case may be, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.11. *Resignation.* Any director may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the Secretary of the Corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.12. *Vacancies.* Unless otherwise provided in the Certificate of Incorporation, vacancies on the Board of Directors resulting from death, resignation, removal or otherwise and newly created directorships resulting from any increase in the number of directors may be filled solely by the affirmative vote of a majority of the remaining directors then in office (although less than a quorum) or by the sole remaining director. Each director so elected shall hold office until the earlier of the expiration of the term of office of the director whom he or she has replaced, a successor is duly elected and qualified or the earlier of such director's death, resignation or removal. If there are no directors in office, then an election of directors may be held in accordance with Delaware Law. Unless otherwise provided in the Certificate of Incorporation, when one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such future vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in the filling of the other vacancies.

Section 3.13. *Removal.* No director may be removed from office by the stockholders except for cause with the affirmative vote of the holders of not less than a majority of the total voting power of all outstanding securities of the Corporation then entitled to vote generally in the election of directors, voting together as a single class.

Section 3.14. *Compensation.* Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have authority to fix the compensation of directors, including fees and reimbursement of expenses.

Section 3.15. *Preferred Stock Directors.* Notwithstanding anything else contained herein, whenever the holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, the election, term of office, filing of vacancies, removal and other features of such directorships shall be governed by the terms of the resolutions applicable thereto adopted by the Board of Directors pursuant to the Certificate of Incorporation, and such directors so elected shall not be subject to the provisions of Sections 3.02, 3.12 and 3.13 of this Article 3 unless otherwise provided therein.

ARTICLE 4
OFFICERS

Section 4.01. *Principal Officers.* The officers of the Corporation shall be elected by the Board of Directors and shall include a president, a treasurer and a secretary. The Board of Directors, in its discretion, may also elect a chairman (who must be a director), one or more vice chairmen (who must be directors) and one or more vice presidents, assistant treasurers, assistant secretaries and other officers. Any two or more offices may be held by the same person.

(a) *President.* The President shall have general responsibility for the management and control of the operations of the corporation. The President shall have the power to affix the signature of the Corporation to all contracts that have been authorized by the Board of Directors. The President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree to or as the Board of Directors may from time to time determine.

(b) *Treasurer.* The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the President or as the Board of Directors may from time to time determine.

(c) *Secretary.* The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (AT) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel

with and advise the other officers of the Corporation and shall perform such other duties as such officer may agree with the President or as the Board of Directors may from time to time determine.

Section 4.02. *Term of Office; Vacancy; and Remuneration.* Each officer shall hold office until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal. Any vacancy in any office shall be filled in such manner as the Board of Directors shall determine. The remuneration of all officers of the Corporation shall be fixed by the Board of Directors.

Section 4.03. *Subordinate Officers.* The Board of Directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

Section 4.04. *Removal.* Except as otherwise permitted with respect to subordinate officers, any officer may be removed, with or without cause, at any time, by the majority vote of the members of the Board of Directors then in office.

Section 4.05. *Resignations.* Any officer may resign at any time by giving written notice to the Board of Directors (or to a principal officer if the Board of Directors has delegated to such principal officer the power to appoint and to remove such officer) of such person's resignation. The resignation of any officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.06. *Powers and Duties.* The officers of the Corporation shall have such powers and perform such duties incident to each of their respective offices and such other duties as may from time to time be conferred upon or assigned to them by the Board of Directors.

ARTICLE 5
CAPITAL STOCK

Section 5.01. *Certificates for Stock; Uncertificated Shares.* The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares that may be evidenced by a book entry system maintained by the registrar of such stock. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Except as otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of shares represented by certificates of the same class and series shall be identical. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, or the President or Vice President, and by the Treasurer or an Assistant Treasurer or the Secretary or an assistant Secretary of such Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. A Corporation shall not have power to issue a certificate in bearer form.

Section 5.02. *Transfer of Shares.* Shares of the stock of the Corporation may be transferred on the record of stockholders of the Corporation by the holder thereof or by such holder's duly authorized attorney upon surrender of a certificate therefor properly endorsed or upon receipt of proper transfer instructions from the registered holder of uncertificated shares or by such holder's duly authorized attorney and upon compliance with appropriate procedures for transferring shares in uncertificated form, unless waived by the Corporation.

Section 5.03. *Authority for Additional Rules Regarding Transfer.* The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration of certificated or uncertificated shares of the stock of the Corporation, as well as for the issuance of new certificates in lieu of those which may be lost or destroyed, and may require of any stockholder requesting replacement of lost or destroyed certificates, bond in such amount and in such form as they may deem expedient to indemnify the Corporation, and/or the transfer agents, and/or the registrars of its stock against any claims arising in connection therewith.

Section 5.04. *Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates.* The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any

claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE 6
INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.01. *Right to Indemnification.* The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

Section 6.02. *Prepayment of Expenses.* The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

Section 6.03. *Nonexclusivity of Rights.* The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.04. *Other Sources.* The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other Corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.05. *Amendment or Repeal.* Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these Bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

Section 6.06. *Other Indemnification and Advancement of Expenses.* This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE 7
GENERAL PROVISIONS

Section 7.01. *Fixing the Record Date*.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes the record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is

held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7.02. *Dividends.* Subject to limitations contained in Delaware Law and the Certificate of Incorporation, the Board of Directors may declare and pay dividends upon the shares of capital stock of the Corporation, which dividends may be paid either in cash, in property or in shares of the capital stock of the Corporation.

Section 7.03. *Year.* The fiscal year of the Corporation shall commence on January 1 and end on December 31 of each year. The fiscal year of the Corporation may be changed by the Board of Directors.

Section 7.04. *Corporate Seal.* The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 7.05. *Voting of Stock Owned by the Corporation.* The Board of Directors may authorize any person, on behalf of the Corporation, to attend, vote at and grant proxies to be used at any meeting of stockholders of any Corporation (except this Corporation) in which the Corporation may hold stock.

Section 7.06. *Form of Records.* Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

Section 7.07. *Amendments.* These Bylaws or any of them, may be altered, amended or repealed, or new Bylaws may be made, by the stockholders entitled to vote thereon at any annual or special meeting thereof or by the Board of Directors. Unless a higher percentage is required by the Certificate of Incorporation as to any matter which is the subject of these Bylaws, all such amendments must be approved by the affirmative vote of the holders of the majority of the total voting power of all outstanding securities of the Corporation then entitled to vote generally in the election of directors, voting together as a single class or by a majority of the Board of Directors.

ARTICLE 8
FORUM FOR ADJUDICATION OF DISPUTES

Section 8.01. *Forum for Adjudication of Disputes.* Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of Delaware Law, the certificate of incorporation or the bylaws of the Corporation, or (d) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.01.

Exhibit 31.1

CERTIFICATION

I, Jonathan Violin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, or this report, of Viridian Therapeutics, Inc., a Delaware corporation;

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

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

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

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

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

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

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

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

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

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

Date: May 13, 2022

By: /s/ Jonathan Violin
Jonathan Violin
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Kristian Humer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, or this report, of Viridian Therapeutics, Inc., a Delaware corporation;

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

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

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

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

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

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

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

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

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

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

Date: May 13, 2022

By: /s/ Kristian Humer

Kristian Humer
Chief Financial Officer
(Principal Financial Officer; Principal Accounting Officer)

Exhibit 32.1

SECTION 1350 CERTIFICATION

Each of the undersigned, Jonathan Violin, Chief Executive Officer of Viridian Therapeutics, Inc., a Delaware corporation (the "Company"), and Jason A. Leverone, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jonathan Violin

Jonathan Violin
Chief Executive Officer
(Principal Executive Officer)
Date: May 13, 2022

/s/ Kristian Humer

Kristian Humer
Chief Financial Officer
(Principal Financial Officer; Principal Accounting Officer)
Date: May 13, 2022

This certification accompanies and is being "furnished" with this Report, shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.