UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

OR

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

For the transition period from to

Commission File Number: 001-39539

PMV PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**46-3218129**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
8 Clarke Drive, Suite 3 **Cranbury, NJ**	**08512**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (609) 642-6670

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, par value $0.00001	PMVP	The Nasdaq Global Select Market

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of August 12, 2021, the registrant had 45,292,015 shares of common stock, $0.00001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Quarterly Report on Form10-Q, including statements regarding our future results of operations and financial position, business strategy, development plans, planned preclinical studies and clinical trials, future results of clinical trials, expected research and development costs, regulatory strategy, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our financial performance;
- the sufficiency of our existing cash, cash equivalents and short-term marketable securities to fund our future operating expenses and capital expenditure requirements;
- our need to raise additional funding before we can expect to generate any revenues from product sales;
- our ability to obtain additional funding for our operations, when needed, including funding necessary to complete further development and commercialization of our product candidates, if approved;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- the implementation of our strategic plans for our business and product candidates;
- the size of the market opportunity for our product candidates and our ability to maximize those opportunities;
- the initiation, timing, progress and results of our research and development programs, preclinical studies, any clinical trials and, investigational new drug application (“IND”) and other regulatory submissions;
- the beneficial characteristics, safety, efficacy and therapeutic effects of our product candidates;
- our estimates of the number of patients expected to have certain p53 mutants and the number of patients that will enroll in our clinical trials;
- the ability of our clinical trials to demonstrate safety and efficacy of our product candidates, and other favorable results;
- our plans relating to the clinical development of our product candidates, including the disease areas to be evaluated;
- the timing, progress and focus of our clinical trials, and the reporting of data from those trials;
- our ability to obtain and maintain regulatory approval of our product candidates;
- our plans relating to commercializing our product candidates, if approved;
- the expected benefits of potential future strategic collaborations with third parties and our ability to attract collaborators with development, regulatory and commercialization expertise;
- the success of competing therapies that are or may become available;
- the timing or likelihood of regulatory filings and approvals, including our expectation to seek accelerated reviews or special designations, such as breakthrough therapy and orphan drug designation, for our product candidates;
- our plans relating to the further development and manufacturing of our product candidates, including for additional indications that we may pursue;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our plans and ability to obtain or protect intellectual property rights, including extensions of existing patent terms where available;
- our plan to rely on third parties to conduct and support preclinical and clinical development;
- our ability to retain the continued service of our key personnel and to identify, hire and then retain additional qualified personnel;

- the impact of the ongoing COVID-19 pandemic; including the impact from quarantines, shelter-in-place, executive and similar government orders, on the conduct of business operations or the availability or cost of materials; or
- our expectations regarding the period during which we will qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties and assumptions described in the section titled “Item 1A. Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2020 as well as in this Quarterly Report on Form 10-Q. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events or otherwise.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

PART I—FINANCIAL INFORMATION

Item 1. Condensed Financial Statements (Unaudited).

PMV Pharmaceuticals, Inc.
Condensed Balance Sheets
(unaudited)
(in thousands, except share and per share amounts)

	June 30, 2021 (unaudited)	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 189,423	$ 361,422
Restricted cash	822	—
Marketable securities, current	128,926	—
Prepaid expenses and other current assets	3,909	3,339
Total current assets	323,080	364,761
Property and equipment, net	1,253	569
Marketable securities, noncurrent	20,613	—
Right-of-use assets, operating leases	10,763	—
Other assets	201	201
Total assets	$ 355,910	$ 365,531
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,369	$ 1,607
Accrued expenses	4,458	4,803
Operating lease liability, current	677	—
Total current liabilities	7,504	6,410
Operating lease liability, noncurrent	10,559	—
Total liabilities	18,063	6,410
Stockholders' equity:		
Preferred stock, $0.00001 par value, 5,000,000 shares authorized at June 30, 2021 (unaudited) and December 31, 2020. No shares issued or outstanding at June 30, 2021 (unaudited) and December 31, 2020.	—	—
Common stock, $0.00001 par value, 1,000,000,000 shares authorized; 45,213,567 and 44,777,818 shares issued and outstanding at June 30, 2021 (unaudited) and December 31, 2020, respectively.	—	—
Additional paid-in capital	472,196	469,001
Accumulated deficit	(134,356)	(109,880)
Accumulated other comprehensive loss	7	—
Total stockholders' equity	337,847	359,121
Total liabilities and stockholders' equity	$ 355,910	$ 365,531

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

PMV Pharmaceuticals, Inc.
Condensed Statements of Operations and Comprehensive Loss
(unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Operating expenses:				
Research and development	$ 7,664	$ 5,804	$ 15,163	$ 11,760
General and administrative	5,386	2,281	9,560	3,979
Total operating expenses	13,050	8,085	24,723	15,739
Loss from operations	(13,050)	(8,085)	(24,723)	(15,739)
Other income (expense):				
Interest income, net	113	157	241	563
Other income (expense)	63	(39)	11	(43)
Total other income	176	118	252	520
Loss before provision for income taxes	(12,874)	(7,967)	(24,472)	(15,219)
Provision for income taxes	—	—	4	2
Net loss	(12,874)	(7,967)	(24,476)	(15,221)
Unrealized gains on marketable securities, net of tax	20	88	7	8
Comprehensive loss	$ (12,854)	$ (7,879)	$ (24,469)	$ (15,213)
Net loss per share -- basic and diluted	$ (0.29)	$ (2.62)	$ (0.54)	$ (5.00)
Weighted-average common shares outstanding	45,070,104	3,046,200	44,928,518	3,046,200

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

PMV Pharmaceuticals, Inc.
Condensed Statements of Convertible Preferred Stock and Stockholders' (Deficit) Equity
(unaudited)
(in thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss (Gain)	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2019	22,866,246	$ 168,933	3,046,200	$ —	4,969	$ (3)	$ (75,440)	$ (70,474)
Stock-based compensation expense	—	—	—	—	296	—	—	296
Net loss	—	—	—	—	—	—	(7,255)	(7,255)
Unrealized loss on available for sale investments	—	—	—	—	—	(80)	—	(80)
Balance at March 31, 2020	22,866,246	$ 168,933	3,046,200	$ —	5,265	$ (83)	$ (82,695)	$ (77,513)
Stock-based compensation expense	—	—	—	—	383	—	—	383
Net loss	—	—	—	—	—	—	(7,967)	(7,967)
Unrealized gain on available for sale investments	—	—	—	—	—	88	—	88
Balance at June 30, 2020	22,866,246	$ 168,933	3,046,200	$ —	5,648	$ 5	$ (90,662)	$ (85,009)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss (Gain)	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2020	—	$ —	44,777,818	$ —	469,001	$ —	$ (109,880)	$ 359,121
Exercise of stock options	—	—	103,351	—	162	—	—	$ 162
Stock-based compensation expense	—	—	—	—	627	—	—	627
Net loss	—	—	—	—	—	—	(11,602)	(11,602)
Unrealized loss on available for sale investments	—	—	—	—	—	(13)	—	(13)
Balance at March 31, 2021	—	$ —	44,881,169	$ —	469,790	$ (13)	$ (121,482)	$ 348,295
Exercise of stock options	—	—	332,398	—	1,256	—	—	1,256
Stock-based compensation expense	—	—	—	—	1,150	—	—	1,150
Net loss	—	—	—	—	—	—	(12,874)	(12,874)
Unrealized gain on available for sale investments	—	—	—	—	—	20	—	20
Balance at June 30, 2021	—	$ —	45,213,567	$ —	472,196	$ 7	$ (134,356)	$ 337,847

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

PMV Pharmaceuticals, Inc.
Condensed Statements of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	$ (24,476)	$ (15,221)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	1,777	679
Depreciation	150	182
Amortization of premiums on marketable securities	332	147
Non-cash lease expense	314	—
Other	—	43
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(570)	(44)
Accounts payable	762	(1,205)
Accrued expenses	(434)	385
Net cash used in operating activities	(22,145)	(15,034)
Cash flows from investing activities:		
Purchase of property and equipment	(586)	(51)
Purchase of marketable securities	(185,224)	(14,618)
Maturities of marketable securities	35,360	34,600
Net cash (used in) provided by investing activities	(150,450)	19,931
Cash flows from financing activities:		
Payment of deferred offering costs	—	(124)
Proceeds from exercise of stock options	1,418	—
Net cash (used in) provided by financing activities	1,418	(124)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(171,177)	4,773
Cash, cash equivalents, and restricted cash		
Cash, cash equivalents, and restricted cash - beginning of period	361,422	73,278
Cash, cash equivalents, and restricted cash - end of period	$ 190,245	$ 78,051
Supplemental disclosures of cash flow information		
Cash paid for income tax	$ 4	$ 2

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

PMV Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(unaudited)
(in thousands, except share and per share amounts)

1. Formation and Business of the Company

Organization and Liquidity

PMV Pharmaceuticals, Inc. (the "Company") was incorporated in the state of Delaware in March 2013. Since inception, the Company has devoted substantially all of its time and efforts to performing research and development activities and raising capital. The Company is a clinical-stage oncology company pioneering the discovery and development of small molecule, tumor agnostic therapies designed to target p53 mutations. The Company's headquarters are currently located in Cranbury, New Jersey.

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry including, but not limited to, technical risks associated with the successful research, development and manufacturing of product candidates, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Current and future programs will require significant research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

On September 25, 2020, the Company completed an initial public offering (the "IPO") of 13,529,750 shares of common stock, at a public offering price of $18.00 per share including the exercise in full by the underwriters of their option to purchase up to 1,764,750 additional shares of commons stock, for aggregate gross proceeds of $243,536 and its shares started trading on The Nasdaq Global Select Market under the ticker symbol "PMVP." The Company received $223,161 in net proceeds after deducting underwriting discounts and commissions and other offering expenses payable by the Company. In connection with the closing of the IPO, all of the Company's outstanding shares of convertible preferred stock outstanding at the time of the IPO automatically converted into 28,188,110 shares of common stock. On September 18, 2020, the Company amended its certificate of incorporation to effect a 5.2651-for-1 reverse stock split of its issued and outstanding common and convertible preferred stock. The accompanying unaudited condensed financial statements and related notes give retroactive effect to the reverse stock split for all periods presented.

The Company has incurred net losses and negative cash flows from operations since its inception. During the three and six months ended June 30, 2021, the Company incurred a net loss of $12,874 and $24,476, respectively. As of June 30, 2021, the Company used $22,145 of cash for operations. At June 30, 2021, the Company had an accumulated deficit of $134,356. Cash, cash equivalents, and restricted cash at June 30, 2021 were $190,245. Short and long term marketable securities totaled $149,539 at June 30, 2021. Management expects to incur substantial additional operating losses for the next several years and will need to obtain additional debt or equity financings in order to complete development of its products, obtain regulatory approvals, launch and commercialize its products and continue research and development programs. The Company believes it has adequate cash and cash equivalents to operate for at least the next twelve months from the date of issuance of these unaudited condensed financial statements.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are disclosed in the audited financial statements for the year ended December 31, 2020, included in the Company's Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the "SEC") on March 3, 2021. Since the date of those financial statements, there have been no changes to its significant accounting policies except as noted below.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with the interim period reporting requirements of Form 10-Q and Article 10 of Regulation S-X. The condensed balance sheet as of June 30, 2021, the condensed statements of operations and comprehensive loss, and condensed statements of convertible preferred stock and stockholders' (deficit) equity for the three and six months ended June 30, 2021 and 2020, and the condensed statements of cash flows for the six months ended June 30, 2021 and 2020 are unaudited, but, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The results for any interim period are not

necessarily indicative of results for the year ending December 31, 2021 or for any other subsequent interim period. The condensed balance sheet at December 31, 2020 has been derived from our audited financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the fair values of common stock, convertible preferred stock and stock-based compensation. Actual results could differ materially from those estimates.

Reverse Stock Split

In September 2020, the Company's board of directors and stockholders approved an amendment to the Company's amended and restated certificate of incorporation to affect a 5.2651-for-1 reverse stock split of the Company's common stock and convertible preferred stock, which was effected on September 18, 2020. The par value of the common stock and convertible preferred stock were not adjusted as a result of the reverse stock split. Accordingly, all common stock, convertible preferred stock, stock options, and related per share amounts in these unaudited condensed financial statements have been retroactively adjusted for all periods presented to give effect to the reverse stock split.

Cash, Cash Equivalents and Marketable Securities

Management considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

The Company's marketable debt securities have been classified and accounted for as available-for-sale. The Company classifies its marketable debt securities as either short-term or long-term based on each instrument's underlying contractual maturity date. Marketable debt securities with maturities of 12 months or less are classified as short-term and marketable debt securities with maturities greater than 12 months are classified as long-term. As of June 30, 2021, the company's long-term marketable debt securities have maturity dates no more than 2 years. The Company's marketable debt securities are carried at fair value, with unrealized gains and losses, net of taxes, reported as a component of accumulated other comprehensive loss in stockholders' deficit. Premiums and discounts on marketable debt securities are amortized into earnings over the life of the security. For the three months ended June 30, 2021 and 2020, the Company recorded $165 and $59 of amortization, respectively. For the six months ended June 30, 2021 and 2020, the Company recorded $332 and $147 of amortization, respectively

Restricted cash as of June 30, 2021 included a $822 deposit at the Company's commercial bank underlying a stand-by letter of credit issued in favor of a landlord (See Note 6) and is classified in current assets.

Comprehensive Loss

The Company presents comprehensive loss in a single statement within its financial statements. Other comprehensive loss consists of unrealized gains and losses on marketable securities, net of tax.

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the circumstances present. The Company accounts for a contract as a lease when it has the right to control the asset for a period of time while obtaining substantially all of the asset's economic benefits. The Company determines the initial classification and measurement of its operating right-of-use ("ROU") assets and operating lease liabilities at the lease commencement date, and thereafter if modified. The lease term includes any renewal options that the Company is reasonably assured to exercise. The Company's policy is to not record leases with a lease term of 12 months or less on its balance sheets. The Company's only existing leases are for office and laboratory space.

The ROU asset represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its estimated secured incremental borrowing rate for that lease term.

Lease expense for operating leases is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments and is included in operating expense in the statements of operations.

Payments due under each lease agreement include fixed and variable payments. Variable payments relate to the Company's share of the lessor's operating costs associated with the underlying asset and are recognized when the event on which those payments are assessed occurs. Neither of the Company's leases contain residual value guarantees.

The interest rate implicit in lease agreements is typically not readily determinable, and as such, the Company utilizes the incremental borrowing rate to calculate lease liabilities, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Recently Issued and Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2016-02, *Leases* (Topic 842), as amended by multiple standards updates, in order to increase transparency and comparability among organizations by requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The most significant change arising from the new standard is the recognition of right of use assets and lease liabilities for leases classified as operating leases. The right-of-use lease liability for operating leases is based on the net present value of future minimum lease payments. Additionally, the right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as the long term portion of straight line rent liability and deferred lease incentives. Under the standard, disclosures are required to enable financial statement users to assess the amount, timing, and uncertainty of cash flows arising from the leases. Companies are also required to recognize and measure leases existing at, or entered into after, the adoption date using a modified retrospective approach, with certain practical expedients available. Comparative periods prior to adoption have not been retrospectively adjusted.

The Company adopted the standard effective January 1, 2021 using the modified retrospective transition method. Upon adoption, the Company applied the package of practical expedients that allows an entity to not reassess (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases and (iii) initial direct costs for any expired or existing leases. The Company elected the practical expedient not to apply the recognition requirements to short-term leases, defined as a lease that at the commencement date has a lease term of 12 months or less that does not include a purchase option to purchase the underlying asset that the Company is reasonably certain to exercise. Furthermore, the Company has elected the practical expedient to not separate lease and non-lease components by class of underlying asset for its existing leases. As the Company enters into new leases, it will continue to evaluate this accounting policy for any new classes of underlying assets.

Upon adoption, the Company recorded ROU assets of $970 and lease liabilities of $1,129. The standard did not have a material impact on the statement of operations or statement of cash flows.

In December 2019, the FASB issued ASU 2019-12, Income Taxes – Simplifying the Accounting for Income Taxes. The new guidance simplifies the accounting for income taxes by removing several exceptions in the current standard and adding guidance to reduce complexity in certain areas, such as requiring that an entity reflect the effect of an enacted change in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date. The Company adopted this standard as of January 1, 2021. The adoption did not have a material impact on the Company's financial statements.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist of cash and cash equivalents and marketable securities. Cash and cash equivalents include a checking account and a money market account held at one financial institution. At times, such deposits may be in excess of insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents. The Company's marketable debt securities are carried at fair value and include any unrealized gains and losses. Any investments with unrealized losses are considered to be temporarily impaired.

(in thousands, except share and per share amounts)

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, rapid technological change, uncertainty of market acceptance of the product, competition from substitute products and larger companies, protection of proprietary technology, any future strategic relationships and dependence on key individuals.

Products developed by the Company require clearances from the U.S. Food and Drug Administration or other international regulatory agencies prior to commercial sales. There can be no assurance the Company's product candidates will receive the necessary clearances. If the Company is denied clearance, clearance is delayed or it is unable to maintain clearance, it could have a materially adverse impact on the Company.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world. The outbreak has adversely impacted global commercial activity and contributed to significant volatility in financial markets. The COVID-19 outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Company continues to monitor the impact of the COVID-19 outbreak closely. The full extent to which the COVID-19 outbreak will impact its operations or financial results remains uncertain.

3. Fair Value Measurements

The Company's financial assets consist of money market funds, U.S. government debt securities and corporate debt securities. The following tables show the Company's cash equivalents and available-for-sale securities' carrying amounts and fair values at June 30, 2021 and December 31, 2020:

	As of June 30, 2021 (unaudited)				
	Carrying Amount	Fair Value	Quoted priced in active markets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Financial assets					
Money market funds	$ 38,865	$ 38,865	$ 38,865	$ —	$ —
Corporate securities	263,799	263,799	—	263,799	—
Government securities	32,740	32,740	—	32,740	—
Total financial assets	$ 335,404	$ 335,404	$ 38,865	$ 296,539	$ —

	As of December 31, 2020				
	Carrying Amount	Fair Value	Quoted Priced in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets					
Money market funds	240,033	240,033	240,033	$ —	$ —
Corporate securities	120,008	120,008	—	120,008	—
Total financial assets	$ 360,041	$ 360,041	$ 240,033	$ 120,008	$ —

Cash Equivalents — Cash equivalents of $185.9 million as of June 30, 2021 consisted of money market funds of $38.9 million and corporate debt securities of $147.0 million. Cash equivalents of $360.0 million as of December 31, 2020 consisted of money market funds of $240.0 million and corporate debt securities of $120.0 million. Money market funds are classified within level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets, whereas corporate debt securities are classified within level 2 of the fair value hierarchy because they are valued using inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

Marketable Securities — There were $128.9 million current marketable securities and $20.6 million noncurrent marketable securities as of June 30, 2021. There were no marketable securities as of December 31, 2020.

(in thousands, except share and per share amounts)

4. Property and Equipment, Net

	June 30, 2021 (unaudited)	December 31, 2020
Machinery & equipment	$ 2,243	$ 1,989
Computers	8	8
Furniture & fixtures	9	9
Leasehold improvements	161	73
Assets not placed in service	544	51
Total property and equipment	2,965	2,130
Less: Accumulated depreciation	(1,712)	(1,561)
Property and equipment, net	$ 1,253	$ 569

Depreciation expense for the three months ended June 30, 2021 and 2020 was $71 and $87, respectively. Depreciation expense for the six months ended June 30, 2021 and 2020 was $150 and $182, respectively.

5. Accrued Expenses

Accrued expenses consist of the following:

	June 30, 2021 (unaudited)	December 31, 2020
Accrued compensation	$ 2,160	$ 3,109
Accrued legal and professional services	96	—
Accrued research and development costs	1,703	1,595
Other accrued liabilities	499	99
Total	$ 4,458	$ 4,803

6. Commitments and Contingencies

Operating Leases

In June 2015, the Company executed a noncancelable operating lease for approximately 13,000 square feet of laboratory, research and development, and office space in Cranbury, New Jersey for an initial base rent of $20.00 per square foot. This location operates as the Company's current headquarters.

In June 2017, the Company obtained an additional noncancelable operating lease for about 6,000 square feet of laboratory space in the same corporate center at an initial rental rate at $22.00 per square foot. As a result of the additional space, both leases will expire June 2022, with an option to renew for an additional five-year term. Both leases include a common area maintenance expense for $3.00 per square foot with an increase of 3% on the first month of each calendar year during the lease term and a management fee of 3% of the base rent. The Company is obligated to pay, on a pro-rata basis, real estate taxes and operating costs related to the premises.

In August 2018, the Company executed two noncancelable operating leases. One lease for approximately 6,000 square feet for vivarium, laboratory and general office space in South Brunswick, New Jersey. The initial annual base rent is $15.50 per square foot and a management fee of 3% of the base rent. The Company is obligated to pay, on a pro-rata basis, insurance premiums, real estate taxes and operating costs related to the premises. The lease expires in July 2022, with an option for additional five-year term. The second lease is for office space in Lexington, Massachusetts, that expires August 2023, with an option to renew for a one-time, three-year extension. The initial annual base rent is $28.50 per square foot and will increase $1.00 per square foot at the end of each rent year.

In 2018, the company received a lease incentive for the buildout of 420 Bedford Street in Lexington, MA. The Company was given an allowance for $165 on behalf of the lessor for construction of office space. Management recognizes

this allowance as a lease incentive in its Right-of-Use asset and straight-lines the allowance throughout the term of the lease. As of June 30, 2021, the remaining rent incentive pertaining to the Lexington, MA lease totaled $83.

In January 2021, the Company signed a lease for 50,581 square feet of office and laboratory space at One Research Way in Princeton, New Jersey. The Company intends to complete the relocation of their headquarters from Cranbury, NJ to One Research Way in Princeton NJ in early 2022. That lease term extends through 2032, has a five-year extension option, and is intended to replace our two existing facilities and the space is expected to become the Company's future headquarters. Payment under this lease will total $19.6 million through May 2032. The Company received a lease incentive of $4.1 million from the lessor for a buildout of laboratory, vivarium, and office space, to be reimbursed to the Company in 2021 and 2022. Management estimated the timing and amounts of reimbursements and included them as a reduction of lease payments when initially measuring the lease liability and right-of-use asset upon commencement. As of June 30, 2021, no reimbursements were received.

The components of lease cost for the three and six months ended June 30, 2021 are as follows:

(in thousands)	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Operating lease cost	$ 511	$ 668
Variable lease cost	192	311
Total lease cost	$ 703	$ 979

Amounts reported in the consolidated balance sheets for leases where the Company is the lessee as of June 30, 2021 were as follows, in thousands:

Operating Leases:	Six Months Ended June 6/30/2021
Right-of-use assets, operating leases	$ 10,763
Operating lease liabilities, current	$ 677
Operating lease liabilities, non-current	10,559
Total operating lease liabilities	$ 11,235
Weighted-average remaining lease term (years)	10.23
Weighted-average discount rate	5.75%

Other information related to leases for the six months ended June 30, 2021 is as follows, in thousands:

Cash paid for amounts included in the measurement of lease liabilities	$ 354
Leased assets obtained in exchange for new operating lease liabilities	10,314

Future minimum lease payments, net of reimbursements, remaining as of June 30, 2021 under operating leases by fiscal year were as follows, in thousands:

Fiscal year	
2021	$ (83)
2022	(2,164)
2023	1,833
2024	1,814
2025	1,869
Thereafter	13,402
Total minimum lease payments	$ 16,671
Less: Amounts representing imputed interest	(5,436)
Present value of lease liabilities	$ 11,235

Rent expense recorded during the three months ended June 30, 2021 and 2020 was $531 and $140, respectively. Rent expense recorded during the six months ended June 30, 2021 and 2020 was $668 and $326, respectively.

The company currently subleases the office space at 420 Bedford Street in Lexington, MA to another company. This sublease agreement expires in August, 2023. In April 2021, the company entered into a sublease agreement with the previous tenants of the office space at 1 Research Way in Princeton, NJ, to begin April 2021 and end June 2021. As of June 30, 2021, sublease income for the Company was $85 and $60 for the three and six months ended, respectively.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when future expenditures are probable and such expenditures can be reasonably estimated.

Commitments

At June 30, 2021, there were no purchase commitments with third-party suppliers.

7. Stockholders' Equity

The Company is authorized to issue up to 1,000,000,000 shares of common stock with a par value of $0.00001 per share and 5,000,000 shares of preferred stock with a par value of $0.00001 per share. At June 30, 2021 and December 31, 2020, there were 45,213,567 and 44,777,818 shares of common stock issued and outstanding, respectively, and no shares of preferred stock issued and outstanding.

Common stockholders are entitled to receive dividends if and when declared by the board of directors subject to the rights of any preferred stockholders. As of June 30, 2021, no dividends on common stock had been declared by the Company.

8. Stock Plan

2020 Equity Incentive Plan

The 2020 Equity Incentive Plan (the "2020 Plan") was approved by the board of directors on September 24, 2020. The 2020 Plan provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock units, restricted stock awards, unrestricted stock awards, cash-based awards and dividend equivalent rights to the Company's officers, employees, directors and consultants. The number of shares of common stock initially reserved for issuance under the 2020 Plan is 4,406,374, which shall be increased, upon approval by the board of directors, on January 1, 2021 and each January 1 thereafter, in an amount equal to the least of (i) 4,406,374 shares of common stock, (ii) five percent (5%) of the outstanding common stock on the immediately preceding December 31, or (iii) such number of common stock determined by the board of directors no later than the immediately preceding December 31. For 2021, the board of directors exercised its discretion under clause (iii) to increase the number of shares of common stock reserved for issuance under the 2020 Plan by a lesser amount of 1,343,334 shares, effective as of January 1, 2021. As of June 30, 2021, there were 3,696,692 shares available for issuance under the 2020 Plan.

2020 Employee Stock Purchase Plan

The 2020 Employee Stock Purchase Plan (the "2020 ESPP") was approved by the board of directors on September 24, 2020. A total of 400,572 shares of common stock were initially reserved for issuance under this plan, which shall be increased, upon approval by the board of directors, on January 1, 2021 to the lesser of (i) 801,504 shares of common stock, (ii) 1% of the outstanding shares of common stock on the last day of the immediately preceding fiscal year, or (iii) an amount determined by the board of directors or any of its committees no later than the last day of the immediately preceding fiscal year. On May 20, 2021, employees exercised their right to purchase 36,586 shares under the 2020 ESPP. As of June 30, 2021, 36,586 shares are issued or outstanding under the 2020 ESPP.

2013 Equity Incentive Plan

In 2013, the Company adopted the 2013 Stock Plan (the "2013 Plan"). On September 24, 2020, this plan was replaced by the 2020 Plan, and future issuances of incentive instruments will be governed by that plan. Subject to the provisions of the 2020 Plan, the Company had the option to either forfeit or repurchase remaining shares under the 2013 Equity Incentive Plan on or after the registration date. The Company chose to forfeit the remaining shares.

Stock-Based Compensation

This table summarizes option activity for the six-month period ended June 30, 2021:

		Options Outstanding			
	Shares Available for Grant	Number of Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in 000s)
Balances, December 31, 2020	4,609,725	4,090,970	$ 3.14	7.13	$ 238,792
Options retired under 2013 Equity Plan	(237,542)	—			
Options granted	(703,274)	703,274	$ 30.03		
Options forfeited / cancelled	27,783	(27,783)	$ 3.87		
Options exercised	—	(399,163)	$ 2.15		
Balances June 30, 2021 (unaudited)	3,696,692	4,367,298	$ 7.55	7.21	$ 116,310
At June 30, 2021					
Vested and expected to vest		4,367,298	$ 7.55	7.21	$ 116,310
Exercisable		2,524,025	$ 2.42	5.91	$ 80,106

At June 30, 2021, the total compensation cost related to nonvested awards not yet recognized is $17,526. The weighted-average period over which the nonvested awards is expected to be recognized is 3.4 years.

The Company estimated the fair value of the options using the Black-Scholes options valuation model. The fair value of the options is being amortized on a straight-line basis over the requisite service period of the awards. The fair value was estimated using the following assumptions:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Risk-free interest rate	0.35% - 1.22%	0.31% - 1.51%
Expected life (in years)	5.50 - 6.43	4.92 - 6.40
Dividend yield	0%	0%
Expected volatility	79.00% - 79.90%	70.70% - 77.60%

The weighted average assumptions used to estimate the fair value of stock options granted and stock purchase rights under the ESPP are as follows:

	Six Months Ended 30-Jun-21
Risk-free interest rate	0.02%
Expected life (in years)	0.5
Dividend yield	0%
Expected volatility	79.00%

(in thousands, except share and per share amounts)

Expected Term: The Company uses the simplified method to calculate expected term described in the SEC's Staff Accounting Bulletin No. 107, which takes into account vesting term and expiration date of the options.

Volatility: Volatility is based on an average of the historical volatilities of comparable publicly traded companies for the expected term.

Risk Free Interest Rate: The risk-free rate is based on the U.S. Treasury yields in effect at the time of grant for periods corresponding with the expected term of the option.

Dividend Yield: The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and therefore, used an expected dividend yield of zero in the valuation model.

Stock-based compensation expense recorded under ASC 718 related to stock options granted was allocated to research and development and general and administrative expense as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Research and development	$ 282	$ 178	$ 533	$ 320
General and administrative	868	205	1,244	359
Total stock-based compensation	$ 1,150	$ 383	$ 1,777	$ 679

9. Income Taxes

During the three months ended June 30, 2021 and 2020 and the six months ended June 30, 2021 and 2020, the Company recorded a full valuation allowance on federal and state deferred tax assets since management does not forecast the Company to be in a taxable position in the near future.

10. Net Loss per Share

The Company's convertible preferred stock does not participate in losses. The Company excluded all outstanding stock options and restricted stock awards at each period end from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect.

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2021 (unaudited)	June 30, 2020 (unaudited)	June 30, 2021 (unaudited)	June 30, 2020 (unaudited)
Net loss	$ (12,874)	$ (7,967)	$ (24,476)	$ (15,221)
Weighted-average number of shares - basic and diluted	45,070,104	3,046,200	44,928,518	3,046,200
Net loss per share - basic and diluted	$ (0.29)	$ (2.62)	(0.54)	(5.00)

11. Related Parties

The Company has consulting agreements with two members of the board of directors. The total of consulting fees paid in each of the three months ended June 30, 2021 and 2020 were $28. The total of consulting fees paid in each of the six months ended June 30, 2021 and 2020 were $56. In May of 2021, the two members of the board of directors were awarded 5,781 options of company stock each, as per their updated Scientific Advisory Board agreements. There were no amounts owed under the consulting agreement at June 30, 2021 or December 31, 2020.

During the fiscal year ended December 31, 2020, an investor provided $65 of financial consulting services to the Company. The Company has paid the entirety of the fees as of December 31, 2020. No amounts were paid or owed to the investors in the six months ended June 30, 2021.

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

You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited financial statements and the related notes and other financial information included in this Quarterly Report on Form 10-Q and our audited financial statements and notes thereto as of and for the years ended December 31, 2020 and 2019 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, including Contractual Obligations and Critical Accounting Policies and Significant Judgments and Estimates, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the Securities and Exchange Commission (SEC) on March 3, 2021. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "we," "us," and "our" refer to PMV Pharmaceuticals, Inc.

In addition to historical information, this Quarterly Report on Form 10-Q contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including but not limited to those set forth under the captions "Special Note Regarding Forward-Looking Statements," "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended. Furthermore, past operating results are not necessarily indicative of results that may occur in future periods.

Overview

We are a clinical-stage oncology company pioneering the discovery and development of small molecule, tumor agnostic therapies designed to target p53 mutations. p53 is a well-defined tumor suppressor protein known as the "guardian of the genome," and normal, or wild-type, p53 has the ability to eliminate cancer cells. However, mutant p53 proteins can be misfolded and lose their wild-type tumor suppressing function. These p53 mutations are found in approximately half of all cancers. The field of p53 biology was established by our co-founder Dr. Arnold Levine when he discovered the p53 protein in 1979. We have leveraged more than four decades of research experience and developed unique insights into p53 to create a precision oncology platform designed to generate selective, small molecule, tumor-agnostic therapies that structurally correct specific mutant p53 proteins to restore their wild-type function. We are deploying our precision oncology platform to target the top ten most frequent, or hotspot, p53 mutations that are collectively associated with approximately 10-15% of all cancers.

Since our formation in March 2013, we have devoted substantially all of our time and efforts to performing research and development activities and raising capital. We are not profitable and have incurred losses in each year since our inception. Our net losses were $34.4 million and $25.3 million for the years ended December 31, 2020 and 2019, respectively. During the three and six months ended June 30, 2021, the Company incurred a net loss of $12.9 million and $24.5 million, respectively. As of June 30, 2021, we had an accumulated deficit of $134.4 million. We do not currently have any product candidates approved for sale, and we continue to incur significant research and development and general administrative expenses related to our operations. We initiated a Phase 1/2 clinical trial in October 2020 for our lead product candidate, PC14586. In October 2020, we were granted FDA Fast Track Designation of PC14586 for the treatment of patients with locally advanced or metastatic solid tumors that have a p53 Y220C mutation. We dosed our first patient in this clinical trial in the fourth quarter of 2020. We expect that our operating expenses will increase significantly as we advance our product candidates through preclinical and clinical development, seek regulatory approval and prepare for and, if approved, proceed to commercialization; acquire, discover, validate and develop additional product candidates; obtain, maintain, protect and enforce our intellectual property portfolio; and hire additional personnel. In addition, we have incurred, and will continue to incur additional costs associated with operating as a public company and expect to continue to incur significant losses for the foreseeable future.

Our ability to generate product revenue will depend on the successful development, regulatory approval and eventual commercialization of one or more of our product candidates. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through private or public equity or debt financings, collaborative or other arrangements with corporate sources, or through other sources of financing. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our product candidates.

We plan to continue to use third-party service providers, including clinical research organizations, or CROs, and contract manufacturing organization, or CMOs, to carry out our preclinical and clinical development and to manufacture and supply the materials to be used during the development and commercialization of our product candidates. We do not currently have a sales force.

Components of Results of Operations

Revenue

To date, we have not generated any revenue from any sources, including from product sales, and we do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts for our product candidates are successful and result in regulatory approval, or license agreements with third parties, we may generate revenue in the future from product sales. However, there can be no assurance as to when we will generate such revenue, if at all.

Operating Expenses

Research and Development Expenses

Our research and development expenses consist primarily of costs incurred to conduct research, such as the discovery and development of our product candidates as well as the development of future product candidates. Research and development expenses include personnel costs, including stock-based compensation expense, third-party contractor services, laboratory materials and supplies, sourcing of raw materials and manufacturing of product candidates, depreciation and maintenance of research equipment and an allocation of related facilities costs. We expense research and development costs as they are incurred.

As we are at a very early stage of development, we do not allocate our costs by product candidate or development program, as a significant amount of research and development expenses include compensation costs, materials, supplies, depreciation on and maintenance of research equipment, and the cost of services provided by outside contractors, which are not tracked by product candidate or development program. In particular, with respect to internal costs, several of our departments support multiple product candidate research and development programs, and therefore the costs cannot be allocated to a particular product candidate or development program. Substantially all of our research and development costs are associated with our lead product candidate, PC14586. In October 2020, we initiated a Phase 1/2 clinical trial for PC14586 and also were granted FDA Fast Track Designation of PC14586 for the treatment of patients with locally advanced or metastatic solid tumors that have a p53 Y220C mutation. We dosed our first patient in this clinical trial in the fourth quarter of 2020.

We expect our research and development expenses to increase substantially in absolute dollars in the future as we advance our product candidates into and through clinical trials and pursue regulatory approval of our product candidates. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates may be affected by a variety of factors including: the safety and efficacy of our product candidates, early clinical data, investment in our clinical program, the ability of any future collaborators to successfully develop our licensed product candidates, competition, manufacturing capability, and commercial viability. We may never succeed in achieving regulatory approval for any of our product candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development projects.

General and Administrative Expenses

General and administrative expenses include personnel costs, expenses for outside professional services and other allocated expenses. Personnel costs consist of salaries, bonuses, benefits and stock-based compensation. Outside professional services consist of legal, accounting and audit services and other consulting fees. Allocated expenses consist of rent expense related to our office and research and development facility. We expect to incur additional expenses as a public company, including expenses related to compliance with the rules and regulations of the SEC, and those of any national securities exchange on which our securities are traded, additional insurance expenses, investor relations activities and other administrative and professional services. We expect to increase our headcount significantly to operate as a public company. We also expect to increase our general and administrative expenses as we advance our product candidates through preclinical research and development, manufacturing, clinical development and commercialization.

Interest Income, Net

Interest income, net primarily consists of interest income from our interest-bearing cash, cash equivalents and short-term marketable securities and interest costs related to amortization of premiums and discounts on short-term marketable securities.

Results of Operations

Comparison of the Three Months ended June 30, 2021 and 2020

The following table summarizes our results of operations (in thousands):

Statement of operations data:	Three Months Ended June 30, 2021 (unaudited)	2020 (unaudited)	Change
Operating expenses:			
Research and development	$ 7,664	$ 5,804	$ 1,860
General and administrative	5,386	2,281	3,105
Total operating expenses	13,050	8,085	4,965
Loss from operations	(13,050)	(8,085)	(4,965)
Other income (expense):			
Interest income, net	113	157	(44)
Other income (expense)	63	(39)	102
Total other income	176	118	58
Loss before provision for income taxes	(12,874)	(7,967)	(4,907)
Provision for income taxes	—	—	—
Net loss	$ (12,874)	$ (7,967)	$ (4,907)

Research and Development Expenses

The following table summarizes our research and development expenses incurred during the periods indicated (in thousands):

Statement of operations data:	Three Months Ended June 30, 2021	2020	Change
Research	$ 2,180	$ 1,560	$ 620
Development	3,484	2,204	1,280
Personnel related	1,718	1,862	(144)
Stock-based compensation	282	178	104
Total	$ 7,664	$ 5,804	$ 1,860

Research and development expenses were $7.7 million for the three months ended June 30, 2021, compared to $5.8 million for the three months ended June 30, 2020. The increase of $1.9 million was primarily due to the following:

- $0.6 million increase in research expenses, largely driven by increased contractual research organization costs focused on discovery research;
- $1.3 million increase in development expenses associated with advancing our lead product candidate, PC14586, through the Phase 1/2 clinical trial; and
- $0.1 million decrease in expenses for personnel related costs and stock-based compensation, is primarily driven by the use of a $0.2 million payroll tax credit offset by an increased headcount for developing PC14586.

General and Administrative Expenses

General and administrative expenses were $5.4 million for the three months ended June 30, 2021, compared to $2.3 million for the three months ended June 30, 2020. The increase of $3.1 million was primarily due to the following:

- $1.6 million increase in personnel and office related expense due to increased headcount to build out general and administrative infrastructure; and
- $0.4 million increase in finance and legal support, along with a $0.6 million increase for directors and officers insurance, and a $0.5 million increase due to facility related costs for the new office building in Princeton, NJ.

Interest Income, Net

Interest income, net primarily consists of interest income from our interest-bearing cash, cash equivalents and marketable securities and interest costs related to amortization of premiums and discounts on marketable securities. Interest income, net was $0.1 million for the three months ended June 30, 2021 compared to $0.2 million for the three months ended June 30, 2020. The decrease of $0.1 million is driven by decreased income from cash investments in marketable securities and U.S treasuries during the three months ended June 30, 2021.

Comparison of the Six Months ended June 30, 2021 and 2020

The following table summarizes our results of operations (in thousands):

	Six Months Ended June,		
Statement of operations data:	**2021**	**2020**	**Change**
Operating expenses:			
Research and development	$ 15,163	$ 11,760	$ 3,403
General and administrative	9,560	3,979	5,581
Total operating expenses	24,723	15,739	8,984
Loss from operations	(24,723)	(15,739)	(8,984)
Other income (expense):			
Interest income, net	241	563	(322)
Other income (expense)	11	(43)	54
Total other income	252	520	(268)
Loss before provision for income taxes	(24,472)	(15,219)	(9,253)
Provision for income taxes	4	2	2
Net loss	$ (24,476)	$ (15,221)	$ (9,255)

Research and Development Expenses

The following table summarizes our research and development expenses incurred during the periods indicated (in thousands):

	Six Months Ended June 30,		
Statement of operations data:	**2021**	**2020**	**Change**
Research	$ 4,631	$ 3,207	$ 1,424
Development	6,374	4,593	1,781
Personnel related	3,625	3,640	(15)
Stock-based compensation	533	320	213
Total	$ 15,163	$ 11,760	$ 3,403

Research and development expenses were $15.2 million for the six months ended June 30, 2021, compared to $11.8 million for the six months ended June 30, 2020. The increase of $3.4 million was primarily due to the following:

- $1.4 million increase in research expenses, largely driven by increased contractual research organization costs focused on discovery research;
- $1.8 million increase in development expenses associate with advancing our lead product candidate, PC14586, through the Phase 1/2 clinical trial; and
- $0.2 million increase in expenses for personnel related costs and stock-based compensation, primarily driven by the rise in the Company's stock value subsequent the IPO in September 2020.

General and Administrative Expenses

General and administrative expenses were $9.6 million for the six months ended June 30, 2021, compared to $4.0 million for the six months ended June 30, 2020. The increase of $5.6 million was primarily due to the following:

- $2.9 million increase in personnel and office related expense due to increased headcount to build out general and administrative infrastructure; and
- $1.0 million increase in finance and legal support, along with a $1.2 million increase for directors and officers insurance, and a $0.5 million increase due to facility related costs for the new office building in Princeton, NJ.

Interest Income, Net

Interest income, net primarily consists of interest income from our interest-bearing cash, cash equivalents and marketable securities and interest costs related to amortization of premiums and discounts on marketable securities. Interest income, net was $0.2 million for the six months ended June 30, 2021 compared to $0.6 million for the six months ended June 30, 2020. The decrease of $0.4 million is driven by decreased income from cash investments in marketable securities and U.S treasuries during the six months ended June 30, 2021.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have not generated any revenue from any product sales or any other sources and have incurred significant operating losses and negative cash flows from our operations. We have not yet commercialized any of our product candidates and we do not expect to generate revenue from sales of any product candidates for several years, if at all. As of June 30, 2021, we had cash, cash equivalents, and restricted cash of $190.2 million, short-term marketable securities of $128.9 million, long-term marketable securities of $20.6 million, and an accumulated deficit of $134.4 million. We have financed our operations primarily through issuances of our convertible preferred and common stock. In 2019, we sold an aggregate of 5,469,606 shares of our Series C convertible preferred stock to accredited investors, generating gross proceeds of $61.9 million. In July 2020, we sold an aggregate of 5,321,864 shares of our Series D convertible preferred stock to accredited investors, generating gross proceeds of $70.0 million. In September 2020, we completed an IPO of 13,529,750 shares of our common stock, which includes the exercise in full by the underwriters of their option to purchase 1,764,750 additional shares of common stock, at a public offering price of $18.00 per share for aggregate gross proceeds of $243.5 million. We received $223.2 million in net proceeds after deducting underwriting discounts and commissions and other offering expenses payable by us.

Plan of Operation and Future Funding Requirements

We use our capital resources primarily to fund operating expenses, mainly research and development expenditures. We plan to increase our research and development expenses for the foreseeable future as we continue the preclinical and clinical development of our product candidates. At this time, due to the inherently unpredictable nature of preclinical and clinical development and given the early stage of our product candidates, we cannot reasonably estimate the costs we will incur and the timelines that will be required to complete development, obtain marketing approval and commercialize our current product candidates or any future product candidates, if at all. For the same reasons, we are also unable to predict when, if ever, we will generate revenue from product sales or whether, or when, if ever, we may achieve profitability. Clinical and preclinical development timelines, the probability of success, and development costs can differ materially from expectations. In addition, we cannot forecast which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Due to our significant research and development expenditures, we have generated substantial operating losses in each period since inception. We have incurred an accumulated deficit of $134.4 million through June 30, 2021. We expect to incur substantial additional losses in the future as we expand our research and development activities. Based on our research and development plans, we expect that our cash, cash equivalents and marketable securities as of June 30, 2021 will be sufficient to fund our operations at least through 2023.

We have based this estimate on assumptions that may prove to be wrong, however, and we could use our capital resources sooner than we expect.

The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the timing and amount of milestone payments we may receive under any future collaboration agreements;
- our ability to maintain future licenses and research and development programs and to establish new collaboration arrangements;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and hire additional personnel, including personnel to support development of our product candidates and satisfy our obligations as a public company.

Until such time, if ever, as we can generate substantial revenue from product sales, we expect to fund our operations and capital funding needs through equity and/or debt financing. We may also consider entering into collaboration arrangements or selectively partnering for clinical development and commercialization. The sale of additional equity would result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations or our ability to incur additional indebtedness or pay dividends, among other items. If we raise additional funds through governmental funding, collaborations, strategic partnerships and alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are not able to secure adequate additional funding, we may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, and/or suspend or curtail planned programs. Any of these actions could materially and adversely affect our business, financial condition, results of operations and prospects.

Cash Flows

The following table summarizes our cash flows for the period indicated (in thousands):

	Six Months Ended June 30,	
	2021 (unaudited)	2020 (unaudited)
Cash used in operating activities	$ (22,145)	$ (15,034)
Cash (used in) provided by investing activities	(150,450)	19,931
Cash (used in) provided by financing activities	1,418	(124)
Net increase in cash, cash equivalents, and restricted cash	$ (171,177)	$ 4,773

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2021, was $22.1 million, which consisted primarily of net loss of $24.5 million partially offset by non-cash charges of $2.6 million. Changes in our net operating assets decreased operating cash by $0.2 million. The non-cash charges primarily consisted of stock-based compensation of $1.8 million, depreciation and amortization of $0.5 million, and non-cash lease expense of $0.3 million. The change in our net operating assets and liabilities was primarily due to an increase in prepaid expenses and other assets, a decrease in accrued expenses, and an increase in outstanding payables.

Net cash used in operating activities for the six months ended June 30, 2020, was $15.0 million, which consisted primarily of net loss of $15.2 million partially offset by non-cash charges of $1.1 million, and a net change of $0.9 million in our net operating assets. The non-cash charges primarily consisted of stock-based compensation of $0.7 million and depreciation and amortization expense of $0.3 million. The change in our net operating assets and liabilities was primarily due to an increase in amounts owed to vendors in 2020.

Investing Activities

Our investing activities used $150.4 million of cash during the six months ended June 30, 2021, which consisted primarily of purchases of marketable securities of $185.2 million, along with purchase of property and equipment of $0.6 million partially offset by maturities of marketable securities of $35.4 million.

Our investing activities generated $19.9 million of cash during the six months ended June 30, 2020, which consisted primarily of purchases of marketable securities of $14.6 million, partially offset by maturities in our marketable securities of $34.6 million. We also had purchases of property and equipment of $0.1 million.

Financing Activities

Our financing activities provided $1.4 million of cash during the six months ended June 30, 2021, which consisted primarily of proceeds from the exercise of stock options.

Our financing activities generated a decrease of $0.1 million in cash, cash equivalents, and restricted cash for the six months ended June 30, 2020, primarily comprising of payment of deferred offering costs.

Off-Balance Sheet Arrangements

We do not currently have, nor in the past had, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC, during the periods presented.

Critical Accounting Policies and Significant Judgments and Estimates

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

We believe that the accounting policies described below involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of our operations. During the six month period ended June 30, 2021, there were no material changes to our critical accounting policies from those described in our audited financial statements for the year ended December 31, 2020 included in our Annual Report on Form 10-K filed with the SEC on March 3, 2021, except as noted below.

Research and Development Costs, Accrued Research and Development Costs and Related Prepaid Expenses

Research and development costs are expensed as incurred. Research and development expenses consist principally of personnel costs, including salaries, stock-based compensation and benefits for employees, third-party license fees and other operational costs related to our research and development activities, including sourcing of raw materials and manufacturing of our product candidates, allocated facility-related expenses and external costs of outside vendors, and other direct and indirect costs. Non-refundable research and development advance payments are deferred and capitalized. The capitalized amounts are expensed as the related goods are delivered or services are performed.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, see Note 2 of the notes to our unaudited condensed financial statements included elsewhere in this Quarterly Report on Form 10-Q.

JOBS Act Accounting Election

We are an emerging growth company (or "EGC"), as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or JOBS Act, enacted in April 2012. For as long as we continue to be an EGC, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not EGCs, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an EGC until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700 million as of the prior June 30th, or (2) the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period. Based on our common share market value at June 30, 2021, we expect to lose our EGC status on December 31, 2021 and qualify as a large accelerated filer and, as a result, may be subject to increased disclosure and governance requirements.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. For as long as we continue to be an EGC, we have elected to use the extended transition period to enable us to comply with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to interest rate risks.

We had cash and cash equivalents of $189.4 million as of June 30, 2021, which consists of interest-bearing U.S. treasury securities, money market funds and corporate debt securities. Our exposure due to changes in interest rates is not material due to the nature and amount of our money-market funds and short-term marketable securities.

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates; however, we may contract with foreign vendors that are located outside the United States in the future. This may subject us to fluctuations in foreign currency exchange rates in the future.

Item 4. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Securities Exchange Act of 1934, as amended (the "Exchange Act") reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. 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.

We carry out a variety of ongoing procedures, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, to evaluate the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2021.

There have not been any changes in our internal control over financial reporting 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.

We are not currently involved in any litigation or legal proceedings that, in management's opinion, are likely to have any material adverse effect on the Company.

Item 1A. Risk Factors.

Other than as disclosed below, there have been no material changes to the Company's risk factors as set forth in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as supplemented by our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, each as filed with the SEC. You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition or future results set forth under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as filed with the SEC on March 3, 2021, and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021, as filed with the SEC on May 14, 2021.

Risks Related to Regulatory Process and Other Legal Compliance Matters

Changes in funding or disruptions at the FDA, the SEC and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory and policy changes and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, including for 35 days beginning on December 22, 2018, the U.S. government shut down several times and certain regulatory agencies, such as the FDA and the SEC, had to furlough critical employees and stop critical activities. Separately, in response to the COVID-19 pandemic, the FDA postponed most inspections of foreign manufacturing facilities and routine surveillance inspections of domestic manufacturing facilities in 2020. In May 2021, the FDA issued an updated guidance on manufacturing, supply chain, and drug and biological product inspections, indicating that it intends to continue using other tools and approaches where possible for pre-approval inspections, and that it will continue to conduct "mission-critical" inspections on a case-by-case basis, or, where possible to do so safely, resume prioritized domestic inspections, such as pre-approval and surveillance inspections. While the FDA indicated that it will consider alternative methods for inspections and could exercise discretion on a case-by-case basis to approve products based on a desk review, if a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities in a timely manner, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, in our operations as a public company, future government shutdowns or delays could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

Healthcare legislative measures aimed at reducing healthcare costs may have a material adverse effect on our business and results of operations.

The United States and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product candidates or any future product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell a product for which we obtain marketing approval. Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labeling; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Affordable Care Act, or ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, subjected biological products to potential competition by lower-cost biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% (increased pursuant to the Bipartisan Budget Act of 2018, effective as of 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

There have been legislative and judicial efforts to repeal, replace, or change some or all of the ACA, including judicial challenges in the Fifth Circuit Court and the United States Supreme Court. While Congress has not passed repeal legislation to date, the Tax Cuts and Jobs Act, or Tax Act, repealed, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." On December 14, 2018, a federal district court in Texas ruled the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. On December 18, 2019, the Fifth Circuit U.S. Court of Appeals held that the individual mandate is unconstitutional, and remanded the case to the lower court to reconsider its earlier invalidation of the full ACA. In June 2021, the United States Supreme Court held that Texas and other challengers had no legal standing to challenge the ACA, dismissing the case without specifically ruling on the constitutionality of the ACA. Accordingly, the ACA remains in effect in its current form. It is unclear how this Supreme Court decision, future litigation, or healthcare measures promulgated by the Biden administration will impact our business, financial condition and results of operations. In January 2021, President Biden issued an executive order to initiate a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructs certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. Complying with any new legislation or changes in healthcare regulation could be time-intensive and expensive, resulting in a material adverse effect on our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. For example, the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Other legislative changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year pursuant to the Budget Control Act of 2011, which began in 2013 and will remain in effect through 2030, with the exception of a temporary suspension implemented under various COVID-19 relief legislation from May 1, 2020 through the end of 2021, unless additional Congressional action is taken.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. At the federal level, for example, in May 2019, CMS issued a final rule to allow Medicare Advantage Plans the option of using step therapy, a type of prior authorization, for Part B drugs beginning January 1, 2020. This final rule codified CMS's policy change that was effective January 1, 2019. In 2020, under the Trump administration, HHS and CMS issued various rules that are expected to impact, among others, price reductions from pharmaceutical manufacturers to plan sponsors under Part D, fee arrangements between pharmacy benefit managers and manufacturers, manufacturer price reporting requirements under the Medicaid Drug Rebate Program, including regulations that affect manufacturer-sponsored patient assistance programs subject to pharmacy benefit manager accumulator programs and Best Price reporting related to certain value-based purchasing arrangements. Multiple lawsuits have been brought against the HHS challenging various aspects of the rules. In January 2021, the Biden administration issued a "regulatory freeze" memorandum that directs department and agency heads to review new or pending rules of the prior administration. It is unclear whether these new regulations will be withdrawn or when they will become fully effective under the Biden administration. The impact of these lawsuits as well as legislative, executive, and administrative actions of the Biden administration on us, our ability to generate revenue and achieve profitability, and the pharmaceutical industry as a whole is unclear. Further, under the American Rescue Plan Act of 2021, effective January 1, 2024, the statutory cap on Medicaid Drug Rebate Program rebates that manufacturers pay to state Medicaid programs will be eliminated. Elimination of this cap may require pharmaceutical manufacturers to pay more in rebates than it receives on the sale of products, which could have a material impact on our business.

Further, on May 30, 2018, the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

Our revenue prospects could be affected by changes in healthcare spending and policy in the United States and abroad. We operate in a highly regulated industry and new laws, regulations or judicial decisions, or new interpretations of existing laws, regulations or decisions, related to healthcare availability, the method of delivery or payment for healthcare products and services could negatively impact our business, operations and financial condition.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. We cannot predict the initiatives that may be adopted in the future, including repeal, replacement or significant revisions to the ACA. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare and/or impose price controls may adversely affect:

- the demand for our product candidates, if we obtain regulatory approval;
- our ability to set a price that we believe is fair for our products;
- our ability to obtain coverage and reimbursement approval for a product;
- our ability to generate revenue and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors, which may adversely affect our future profitability.

Our business operations and current and future relationships with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our product candidates, if approved. The laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment and exclusion from government healthcare programs. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution;

- federal civil and criminal false claims laws, including the False Claims Act, or FCA, which can be enforced through civil "qui tam" or "whistleblower" actions, and civil monetary penalty laws, impose criminal and civil penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid or other federal health care programs that are false or fraudulent; knowingly making or causing a false statement material to a false or fraudulent claim or an obligation to pay money to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing such an obligation. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. When an entity is determined to have violated the federal civil FCA, the government may impose civil fines and penalties for each false claim, plus treble damages, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal Physician Payment Sunshine Act, created under the ACA and its implementing regulations, which require applicable manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to HHS information related to payments or other transfers of value made to covered recipients, including physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians, as defined by law, and their immediate family members. Effective January 1, 2022, for data reported in 2022, these reporting obligations with respect to covered recipients are extended to include payments and transfers of value made during the previous year to certain non-physician providers, such as physician assistants and nurse practitioners;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- analogous state and foreign laws and regulations, such as state and foreign anti-kickback, false claims, consumer protection and unfair competition laws which may apply to pharmaceutical business practices, including but not limited to, research, distribution, sales and marketing arrangements as well as submitting claims involving healthcare items or services reimbursed by any third-party payor, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to file reports with states regarding pricing and marketing information, such as the tracking and reporting of gifts, compensations and other remuneration and items of value provided to healthcare professionals and entities; and state and local laws requiring the registration of pharmaceutical sales representatives.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices, including our relationships with physicians and other healthcare providers, some of whom are compensated in the form of stock or stock options for services provided to us and may be in the position to influence the ordering of or use of our product candidates, if approved, may not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment, which could affect our ability to operate our business. Further, defending against any such actions can be costly, time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

Risks Related to Ownership of Our Common Stock

We are an "emerging growth company," and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2020, as amended, or JOBS Act. For as long as we continue to be an emerging growth company, we intend to take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest to occur of: (1) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700.0 million of equity securities held by non-affiliates; (3) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period; and (4) the last day of the fiscal year ending after the fifth anniversary of our IPO.

Based on our June 30, 2021 market capitalization, we expect that we will cease to be an emerging growth company on December 31, 2021, and will no longer be eligible for reduced disclosure requirements and exemptions applicable to emerging growth companies. We expect that our loss of emerging growth company status will require additional attention from management and will result in increased costs to us, which could include higher legal fees, accounting fees and fees associated with investor relations activities, among others.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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

Not applicable.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Description	Form	File No.	Number	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant	8-K	001-39539	3.1	September 29, 2020
3.2	Restated Bylaws of the Registrant	8-K	001-39539	3.2	September 29, 2020
4.1	Amended and Restated Investors' Rights Agreement, dated July 17, 2020, by and among the Registrant and certain of its stockholders.	S-1	33-248627	4.1	September 4, 2020
4.2	Specimen common stock certificate	S-1/A	333-248627	4.2	September 21, 2020
10.1*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1	333-248627	10.1	September 4, 2020
10.2*	2013 Equity Incentive Plan, as amended, and forms of agreement thereunder.	S-1/A	333-248627	10.2	September 21, 2020
10.3*	2020 Equity Incentive Plan and forms of agreements thereunder.	S-1/A	333-248627	10.3	September 21, 2020
10.4*	2020 Employee Stock Purchase Plan and forms of agreements thereunder.	S-1/A	333-248627	10.4	September 21, 2020
10.5*	Employment Offer Letter, dated August 17, 2020, by and between the Registrant and David H. Mack, Ph.D.	S-1	333-248627	10.5	September 4, 2020
10.6*	Employment Offer Letter, dated August 17, 2020, by and between the Registrant and Winston Kung.	S-1	333-248627	10.6	September 4, 2020
10.7*	Employment Offer Letter, dated August 18, 2020, by and between the Registrant and Leila Alland, M.D.	S-1	333-248627	10.7	September 4, 2020
10.8*	Employment Offer Letter, dated August 18, 2020, by and between the Registrant and Deepika Jalota, Pharm.D.	S-1	333-248627	10.8	September 4, 2020
10.9*	Employee Incentive Compensation Plan.	S-1	333-248627	10.9	September 4, 2020
10.10*	Change in Control and Severance Policy.	S-1	333-248627	10.10	September 4, 2020
10.11*	Amended and Restated Change in Control and Severance Policy Participation Agreement, dated August 17, 2020, by and between the Registrant and David H. Mack, Ph.D.	S-1	333-248627	10.11	September 4, 2020
10.12*	Amended and Restated Change in Control and Severance Policy Participation Agreement, dated August 17, 2020, by and between the Registrant and Winston Kung.	S-1	333-248627	10.12	September 4, 2020
10.13*	Amended and Restated Change in Control and Severance Policy Participation Agreement, dated August 18, 2020, by and between the Registrant and Leila Alland, M.D.	S-1	333-248627	10.13	September 4, 2020
10.14*	Amended and Restated Change in Control and Severance Policy Participation Agreement, dated August 18, 2020, by and between the Registrant and Deepika Jalota, Pharm.D.	S-1	333-248627	10.14	September 4, 2020
10.15*	Outside Director Compensation Policy.	S-1/A	333-248627	10.15	September 21, 2020
10.16*	Consulting Agreement, dated January 1, 2016, by and between the Registrant and Arnold Levine, Ph.D.	S-1	333-248627	10.16	September 4, 2020

10.17*	Consulting Agreement, dated July 14, 2017, by and between the Registrant and Richard Heyman, Ph.D.	S-1	333-248627	10.17	September 4, 2020
10.18	Lease Agreement, dated March 3, 2015, by and between the Registrant and Cedar Brook 2005, LP, as amended by the First Amendment to Lease dated April 24, 2017.	S-1	333-248627	10.18	September 4, 2020
10.19	Lease Agreement, dated January 8, 2021, by and between the Registrant and BMR-ONE RESEARCH WAY LLC.	10-K	001-39539	10.19	March 3, 2021
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1†	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2†	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	Inline XBRL Instance Document				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

* Indicates management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant 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 Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

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.

PMV Pharmaceuticals, Inc.

Date: August 13, 2021

By: /s/ David H. Mack
David H. Mack, Ph.D.
President, Chief Executive Officer, and Director
(Principal Executive Officer)

PMV Pharmaceuticals, Inc.

Date: August 13, 2021

By: /s/ Winston Kung
Winston Kung
Chief Operating Officer and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

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

I, David H. Mack, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2021 of PMV Pharmaceuticals, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

   (c) 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: August 13, 2021

By: /s/ David H. Mack

David H. Mack, Ph.D.
President, Chief Executive Officer,
and Director
(Principal Executive Officer)

Exhibit 31.2

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

I, Winston Kung, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2021 of PMV Pharmaceuticals, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

   (c) 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: August 13, 2021

By: /s/ Winston Kung

Winston Kung
Chief Operating Officer
and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2021 of PMV Pharmaceuticals, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 13, 2021

By: /s/ David H. Mack

David H. Mack, Ph.D.
President, Chief Executive Officer, and Director
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2021 of PMV Pharmaceuticals, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 13, 2021

By: /s/ Winston Kung

Winston Kung
Chief Operating Officer
and Chief Financial Officer
(Principal Financial Officer)