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

FORM 8-K/A
(AMENDMENT No. 1)

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
March 21, 2023 (February 23, 2023)

Enliven Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-39247**	**81-1523849**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

6200 Lookout Road **Boulder, CO**	**80301**
(Address of principal executive offices)	**(Zip Code)**

(720) 647-8519
(Registrant's telephone number, including area code)

Imara Inc.
1309 Beacon Street, Suite 300, Office 341
Brookline, MA 02446
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 $0.001 per share	ELVN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Explanatory Note

On March 1, 2023, Enliven Therapeutics, Inc. (the "**Company**") filed a Current Report on Form 8-K (the "**Initial Form 8-K**") to report, among other things, the completion of a previously announced merger pursuant to which Iguana Merger Sub, Inc. merged with and into Enliven Inc. (formerly, Enliven Therapeutics, Inc.) ("**Former Enliven**"), with Former Enliven surviving as a wholly owned subsidiary of the Company and the surviving corporation of the merger (the "**Merger**").

The Company is filing this Amendment No. 1 (the "**Amendment**") on Form 8-K/A to the Initial Form 8-K to provide: (i) certain historical financial information of Former Enliven and unaudited pro forma condensed combined financial information of the Company after giving pro forma effect to the Merger and (ii) certain voluntary disclosures concerning the financial condition of the Company. Except for the foregoing, this Amendment does not modify or update any other disclosure contained in the Initial 8-K. Such financial information was excluded from the Initial Form 8-K in reliance on the instructions to such items.

Item 7.01. Regulation FD Disclosure. *Channels for Disclosure of Information*

Investors and others should note that the Company may announce material information to the public through filings with the Securities and Exchange Commission, its website (www.enliventherapeutics.com), press releases, public conference calls, and public webcasts. The Company uses these channels, as well as social media, to communicate with the public about the Company, its product candidates and other matters. As such, investors, the media and others are encouraged to review the information disclosed through the Company's social media and other channels listed above as such information could be deemed to be material information. Please note that this list may be updated from time to time.

The information furnished pursuant to Item 7.01 on this Form 8-K, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

Former Enliven's Management's Discussion and Analysis and Results of Operations as of and for the years ended December 31, 2022 and 2021 is filed herewith and attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements

The audited financial statements of Former Enliven as of December 31, 2022 and 2021 and for the years then ended are attached as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro Forma Financial Information

The pro forma financial information of the Company as of and for the year ended December 31, 2022 is filed herewith as Exhibit 99.3 and is incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Exhibit Description
23.1	Consent of Deloitte & Touche LLP
99.1	Management's Discussion and Analysis and Results of Operations of Enliven Inc. for the years ended December 31, 2022 and 2021
99.2	Audited financial statements of Enliven Inc. as of and for the years ended December 31, 2022 and 2021
99.3	Pro forma condensed combined financial information of the Company as of and for the year ended December 31, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

Enliven Therapeutics, Inc.

Date: March 21, 2023

By: /s/ Benjamin Hohl
Name: Benjamin Hohl
Title: Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-254978 on Form S-3 and Registration Statements Nos. 333-237117, 333-258538, 333-263554 on Form S-8 of Imara Inc. and Registration Statement No. 333-270188 on Form S-8 of Enliven Therapeutics, Inc. (formerly Imara Inc.) of our report dated March 21, 2023, relating to the financial statements of Enliven Therapeutics, Inc. appearing in this Current Report on Form 8-K/A dated March 21, 2023.

/s/ Deloitte & Touche LLP

San Jose, California
March 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*On February 23, 2023, Enliven Therapeutics, Inc. (formerly, Imara Inc.) (the "**Company**") completed its business combination with Enliven Inc. (formerly, Enliven Therapeutics, Inc.) ("**Enliven**") in accordance with the terms of the Agreement and Plan of Merger, dated as of October 13, 2022 (the "**Merger Agreement**"), pursuant to which, subject to the terms and conditions thereof, a wholly owned subsidiary of the Company, Iguana Merger Sub, Inc. merged with and into Enliven, with Enliven surviving as a wholly owned subsidiary of the Company, and the surviving corporation of the merger (the "**Merger**"). Effective at 5:00 p.m. Eastern Time on February 23, 2023, the Company effected a 1-for-4 reverse stock split of its common stock (the "**Reverse Stock Split**") and implemented a reduction in the number of authorized shares of common stock to 100,000,000 shares; effective at 5:01 p.m. Eastern Time, the Company completed the Merger; and effective at 5:02 p.m. Eastern Time, the Company changed its name to "Enliven Therapeutics, Inc." Following the completion of the Merger, the business conducted by Enliven became primarily the business conducted by the Company, which is a clinical-stage biopharmaceutical company focused on the discovery and development of small molecule inhibitors to help patients with cancer.*

In this section, references to "we," "our," "us" and "our company" refer to Enliven.

*You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes appearing in Exhibit 99.2 to this Amendment No. 1 (the "**Amended 8-K**") to the Company's Current Report on Form 8-K previously filed on March 1, 2023 (the "**Closing 8-K**"). Some of the information contained in this discussion and analysis or set forth in the Company's definitive proxy statement/prospectus filed with the Securities and Exchange Commission (the "**SEC**") on January 23, 2023 (the "**definitive proxy statement/prospectus**"), including information with respect to our plans and strategy for our business, and includes forward-looking statements that involve risks, uncertainties and assumptions. As a result of many factors, including those factors set forth in the "Risk Factors" in Exhibit 99.2 to the Closing 8-K, our actual results could differ materially from the results described in or implied by these forward-looking statements. You should carefully read the "Risk Factors" in Exhibit 99.2 to the Closing 8-K, to gain an understanding of the factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section titled "Cautionary Statement Concerning Forward-Looking Statements and Market and Industry Data" in the definitive proxy statement/prospectus. Capitalized terms not defined herein shall have the meaning granted to them in the definitive proxy statement/prospectus.*

Overview

We are a clinical-stage biopharmaceutical company focused on the discovery and development of small molecule inhibitors to help patients with cancer live not only longer, but better. We aim to address existing and emerging unmet needs with a precision oncology approach that improves survival and enhances overall patient well-being. Our discovery process combines deep insights from clinically validated biological targets and differentiated chemistry with the goal of designing therapies for unmet needs. By combining clinically validated targets and specific TPPs with disciplined clinical trial design and regulatory strategy, we aim to develop drugs with an increased probability of clinical and commercial success. Clinically validated targets refers to biological targets that have demonstrated statistical significance on efficacy endpoints in published third-party clinical trials which we believe supports the development of our product candidates by increasing our probability of success. We have assembled a team of seasoned drug hunters with significant expertise in discovery and development of small molecule kinase inhibitors. Our team includes leading chemists who have been the primary or co-inventor of over 20 product candidates that have been advanced to clinical trials, including four FDA-approved products: Koselugo (selumetinib), Mektovi (binimetinib), Tukysa (tucatinib), and Retevmo (selpercatinib). We are currently advancing two parallel lead product candidates, ELVN-001 and ELVN-002, as well as pursuing several additional research stage opportunities that align with our development approach.

The following table summarizes our product candidate pipeline:

Parallel lead product candidates:

Program	Target	Disease	Discovery	IND-Enabling	Phase 1	Phase 2	Phase 3	Next Milestone	Milestone Expected
ELVN-001	BCR-ABL	CML						Phase 1a Safety/Efficacy	2024
ELVN-002	HER2 & mutants	NSCLC, other solid tumors						First Patient Dosed	1H 2023

We were incorporated in the State of Delaware in June 2019 and are headquartered in Boulder, Colorado. Since our inception, we have devoted substantially all of our resources to research and development activities, including with respect to our BCR-ABL and HER2 programs and our other programs, business planning, establishing and maintaining our intellectual property portfolio, hiring personnel, raising capital, and providing general and administrative support for these activities.

We also do not own or operate, and currently have no plans to establish, any manufacturing facilities. We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for clinical and preclinical testing and any future clinical testing, as well as for commercial manufacturing should any of our product candidates obtain marketing approval. We believe that this strategy allows us to maintain a more efficient infrastructure by eliminating the need for us to invest in our own manufacturing facilities, equipment and personnel while also enabling us to focus our expertise and resources on the development of our product candidates. In addition, we generally expect to rely on third parties for the manufacture of any companion diagnostics we may develop**.**

To date, we have funded our operations primarily through private placements of our convertible preferred stock and sale of common stock. We have raised aggregate gross proceeds of $140.5 million from these private placements before issuance costs and an aggregate of $164.5 million from the sale of common stock in the Financing Transaction further described below. As of December 31, 2022, we had cash and cash equivalents of $75.5 million. Based on our current operating plan, our existing cash and cash equivalents as of the date of this Form 8-K/A filing, will be sufficient to fund our planned operating expenses and capital expenditure requirements for at least the next 12 months.

As of December 31, 2022, we had an accumulated deficit of $82.9 million. We have incurred losses and negative cash flows from operations since inception, including net losses of $37.7 million and $24.7 million for the years ended December 31, 2022 and 2021, respectively. We expect that our operating losses and negative operating cash flows will continue for the foreseeable future as we continue to develop our product candidates.

Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on a variety of factors including the timing and scope of our research and development activities. We expect our expenses and capital requirements will increase substantially in connection with our ongoing activities as we:

- advance our BCR-ABL program through clinical development;
- advance our HER2 program through clinical development;

- advance the development of our other small molecule research programs;
- expand our pipeline of product candidates through our own research and development efforts;
- seek to discover and develop additional product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure to commercialize any approved product candidates;
- contract to manufacture any approved product candidates;
- expand our clinical, scientific, management and administrative teams;
- maintain, expand, protect and enforce our intellectual property portfolio, including patents, trade secrets and know how;
- implement operational, financial and management systems; and
- operate as a public company.

We do not have any products approved for commercial sale, and we have not generated any revenue from product sales or other sources. Our ability to generate product revenue sufficient to achieve and maintain profitability will depend upon the successful development and eventual commercialization of one or more of our product candidates which we expect, if it ever occurs, will take many years. We will therefore require substantial additional capital to develop our product candidates and support our continuing operations. Accordingly, until such time that we can generate a sufficient amount of revenue from product sales or other sources, if ever, we expect to finance our operations through private or public equity or debt financings, loans or other capital sources, which could include income from collaborations, partnerships or other marketing, distribution, licensing or other strategic arrangements with third parties, or from grants. However, we may be unable to raise additional capital from these sources on favorable terms, or at all. Our failure to obtain sufficient capital on acceptable terms when needed could have a material adverse effect on our business, results of operations or financial condition, including requiring us to delay, reduce or curtail our research, product development or future commercialization efforts. We may also be required to license rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose. We cannot provide assurance that we will ever generate positive cash flow from operating activities.

Recent Developments

The Merger

On October 13, 2022, we entered into the Merger Agreement with the Company and Merger Sub. Pursuant to the Merger Agreement, Merger Sub merged with and into Enliven, with Enliven continuing as a wholly owned subsidiary of the Company and the surviving corporation of the Merger. The Merger is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and, in the event that former Enliven stockholders, including stockholders that participated in the Financing Transaction (as defined below), are in "control" of the Company (within the meaning of Section 368(c) of the Code), as a non-taxable exchange of shares of Enliven common stock for shares of Company common stock within the meaning of Section 351(a) of the Code.

At the closing of the Merger, (a) each outstanding share of Enliven common stock (including common stock issued upon the conversion of our preferred stock) was converted into the right to receive a number of shares of Company common stock (after giving effect to the Reverse Stock Split) equal to the exchange ratio per the Merger Agreement; and (b) each then outstanding Enliven stock option that had not previously been exercised prior to the closing of the Merger was assumed by the Company. Under the exchange ratio formula in the Merger Agreement, as of immediately after the Merger, our former stockholders own approximately 84% of the outstanding shares of Company common stock, and stockholders of the Company as of immediately prior to the Merger own approximately 16% of the outstanding shares of Company common stock.

Concurrently with the execution of the Merger Agreement, and in order to provide Enliven with additional capital for its development programs prior to the closing of this Merger, certain new and current investors purchased an aggregate of $164.5 million of common stock of Enliven (the "Financing Transaction").

The Merger and the Financing Transaction were completed on February 23, 2023.

Macroeconomic and Geopolitical Developments and the COVID-19 Pandemic

We are monitoring macroeconomic and geopolitical developments, such as the Russia-Ukraine conflict, and inflation so that the Company can be prepared to react to new developments as they arise. We are carefully monitoring these developments, as well as the COVID-19 pandemic, and the resulting economic impact.

The extent of the impact of these developments on our business, operations and research and development timelines and plans remains uncertain, and will depend on numerous factors, including the impact, if any, on our personnel, the responses of governmental entities, and the responses of third parties such as CROs, CMOs and other third parties with whom we do business. As a result of the COVID-19 pandemic, our employees are currently telecommuting, which may impact certain of our operations over the near term and long term. Additionally, certain third parties with whom we engage or may engage, including collaborators, contract organizations, third-party manufacturers, suppliers, clinical trial sites, regulators and other third parties are similarly adjusting their operations and assessing their capacity in light of the COVID-19 pandemic. For example, we use third parties including Pharmaron to conduct preclinical studies and clinical trials and provide us with API. Pharmaron has previously experienced delays as a result of COVID-19 which resulted in minor delays in our preclinical studies and could delay the timing of the nomination of our product candidate for our third program. While the extent of the impact of the current COVID-19 pandemic on our business and financial results is uncertain, a continued and prolonged public health crisis such as the COVID-19 pandemic could have a material negative impact on our business, financial condition and operating results. For more information regarding the risks related to COVID-19, see the "Risk Factors" in Exhibit 99.2 to the Company's Closing 8-K.

Components of Our Results of Operations

Revenue

To date, we have not generated any revenue and we do not expect to generate any revenue from the sale of products or from other sources in the foreseeable future.

Operating Expenses

Research and Development

Research and development expenses account for a significant portion of our operating expenses and consist primarily of external and internal expenses incurred in connection with the discovery and development of our product candidates.

External expenses include:

- payments to third parties in connection with the development of our product candidates, including agreements with third parties such as CROs and consultants;
- the cost of manufacturing products for use in our clinical trials and preclinical studies, including payments to CMOs and consultants; and
- payments to third parties in connection with the preclinical development of our product candidates, including for outsourced professional scientific development services, consulting research and sponsored research.

Internal expenses include:

- personnel-related costs, including salaries, bonuses, related benefits and stock-based compensation expenses for employees engaged in research and development functions; and
- facilities-related expenses, depreciation, laboratory supplies, travel expenses and other allocated expenses.

We expense research and development expenses in the periods in which they are incurred. At any one time, we are working on multiple programs, and we do not track our research and development expenses on a program specific basis. Our internal resources, employees and infrastructure are not directly tied to any one research or drug discovery program and are typically deployed across multiple programs. As such, we do not track research costs on a program specific basis. External expenses are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers or our estimate of the level of service that has been performed at each reporting date. We utilize CROs for our research and development activities and CMOs for our manufacturing activities, and we do not have our own laboratory or manufacturing facilities. Therefore, we have no material facilities expenses attributed to research and development.

Product candidates in later stages of development generally have higher development costs than those in earlier stages. As a result, we expect that our research and development expenses will increase substantially over the next several years as we advance our product candidates through preclinical studies into and through clinical trials, continue to discover and develop additional product candidates, expand, maintain, protect and enforce our intellectual property portfolio, and hire additional research and development personnel.

The successful development of our product candidates is highly uncertain, and we do not believe it is possible at this time to accurately project the nature, timing and estimated costs of the efforts necessary to complete the development of, and obtain regulatory approval for, any of our product candidates. To the extent our product candidates continue to advance into clinical trials, as well as advance into larger and later-stage clinical trials, our expenses will increase substantially and may become more variable. The duration, costs and timing of preclinical studies and clinical trials and development of our product candidates are subject to numerous uncertainties and will depend on a variety of factors, including:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we pursue;
- our ability to establish a sufficient safety profile with IND-enabling toxicology studies to enable clinical trials;
- successful patient enrollment in, and the initiation and completion of, clinical trials;
- per subject trial costs;
- the number and extent of trials required for regulatory approval;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible subjects in clinical trials;
- the number of subjects that participate in the trials;

- the drop-out and discontinuation rate of subjects;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of subject participation in the trials and follow-up;
- the extent to which we encounter any serious adverse events in our clinical trials;
- the timing of receipt of regulatory approvals from applicable regulatory authorities;
- the timing, receipt and terms of any marketing approvals and post-marketing approval commitments from applicable regulatory authorities;
- the extent to which we establish collaborations, strategic partnerships or other strategic arrangements with third parties, if any, and the performance of any such third party;
- hiring and retaining research and development personnel;
- our arrangements with our CMOs and CROs;
- development and timely delivery of commercial-grade drug formulations that can be used in our planned clinical trials and for commercial launch;
- the impact of any business interruptions to our operations or to those of the third parties with whom we work, particularly in light of the current COVID-19 pandemic environment; and
- obtaining, maintaining, defending and enforcing patent claims and other intellectual property rights.

Any of these factors could significantly impact the costs, timing and viability associated with the development of our product candidates.

General and Administrative

General and administrative expenses consist of salaries, bonuses, related benefits and stock-based compensation expense for personnel in executive, finance and administrative functions; professional fees for legal, consulting, accounting and audit services; and travel expenses, technology costs and other allocated expenses. We expense general and administrative expenses in the periods in which they are incurred.

We expect that our general and administrative expenses will increase substantially over the next several years as we hire additional personnel to support the growth of our business. In addition, the newly combined company will continue to incur significant expenses associated with being a public company, including expenses related to accounting, audit, legal, regulatory, public company reporting and compliance, director and officer insurance, investor and public relations, and other administrative and professional services.

Other Income (Expense), Net

Interest Income

Interest income primarily consists of interest income generated from our cash equivalents in interest-bearing money market accounts.

Results of Operations

Comparison of the Years Ended December 31, 2022 and 2021

The following table summarizes our results of operations for the periods indicated:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Operating expenses:		
Research and development	$ 31,022	$ 20,474
General and administrative	7,769	4,288
Total operating expenses	38,791	24,762
Loss from operations	(38,791)	(24,762)
Other income (expense), net		
Interest income	1,129	22
Total other income (expense), net	1,129	22
Net loss and comprehensive loss	$ (37,662)	$ (24,740)

Research and Development Expenses

The following table summarizes our research and development expenses for the periods indicated:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
External expenses	$ 20,587	$ 14,765
Internal expenses:		
Employee related expenses	8,403	4,665
Facilities, laboratory supplies and other	2,032	1,044
Total internal expenses	10,435	5,709
Total research and development expenses	$ 31,022	$ 20,474

Research and development expenses were $31.0 million for the year ended December 31, 2022 compared to $20.4 million for the year ended December 31, 2021, an increase of $10.6 million. This increase was primarily due to increases in external research and development costs, consisting of an increase in clinical trial costs of $3.3 million, an increase of $2.7 million in chemistry, manufacturing and control projects, which increased in size and scope, an increase of $0.4 million in contract labor and consulting services due to continued growth, offset by a decrease of $0.5 million in IND enabling studies. Additionally, internal research and development costs increased, consisting of an increase of $2.8 million in personnel-related costs reflecting an increase in headcount, an increase in stock-based compensation of $0.9 million, and an increase in facilities and other expenses of $1.0 million.

General and Administrative Expenses

General and administrative expenses were $7.8 million for the year ended December 31, 2022 compared to $4.3 million for the year ended December 31, 2021, an increase of $3.5 million. The increase was primarily due to an increase of $2.5 million in professional services costs, an increase of $0.4 million in stock-based compensation expense, and an increase of $0.6 million in personnel-related costs.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have not generated any revenue from product sales or other sources and have incurred significant operating losses and negative cash flows from our operations. To date, we have funded our operations primarily through private placements of our convertible preferred stock for gross proceeds of $140.5 million before issuance costs and sale of common stock in the Financing Transaction for gross proceeds of $164.5 million on February 23, 2023. As of December 31, 2022, we had cash and cash equivalents of $75.5 million.

Our primary uses of cash to date have been to fund our research and development activities, including with respect to our BCR-ABL and HER2 programs and our other programs, business planning, establishing and maintaining our intellectual property portfolio, hiring personnel, raising capital, and providing general and administrative support for these activities.

Future Capital Requirements

To date, we have not generated any revenue. We do not expect to generate any meaningful revenue unless and until we obtain regulatory approval of and commercialize any of our product candidates, and we do not know when, or if, that will occur. Until such time as we can generate significant revenue from product sales, if ever, we will continue to require substantial additional capital to develop our product candidates and fund operations for the foreseeable future. We expect our expenses to increase significantly in connection with our ongoing activities as described in greater detail below. We are subject to all the risks incident in the development of new biopharmaceutical products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may harm our business. We expect our expenses to increase significantly, as we:

- advance our BCR-ABL program through clinical development;
- advance our HER2 program through clinical development;
- advance the development of our other small molecule research programs;
- expand our pipeline of product candidates through research and development efforts;
- seek to discover and develop additional product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- establish a sales, marketing and distribution infrastructure to commercialize any approved product candidates;
- contract to manufacture any approved product candidates;
- expand our clinical, scientific, management and administrative teams;
- maintain, expand, protect and enforce our intellectual property portfolio, including patents, trade secrets and know how;
- implement operational, financial and management systems; and
- operate as a public company.

In order to complete the development of our product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our product candidates, if approved, we will require substantial additional capital. Accordingly, until such time that we can generate a sufficient amount of revenue from product sales or other sources, if ever, we expect to seek to raise any necessary additional capital through private or public equity or debt financings, loans or other capital sources, which could include income from collaborations, partnerships or other marketing, distribution, licensing or other strategic arrangements with third parties, or from grants. To the extent that we raise additional capital through equity financings or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, including restricting our operations and limiting our ability to incur liens, issue additional debt, pay dividends, repurchase our common stock, make certain investments or engage in merger, consolidation, licensing or asset sale transactions. If we raise capital through collaborations, partnerships and other similar arrangements with third parties, we may be required to grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. We may be unable to raise additional capital from these sources on favorable terms, or at all. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic and otherwise. Our failure to obtain sufficient capital on acceptable terms when needed could have a material adverse effect on our business, results of operations or financial condition, including requiring us to delay, reduce or curtail our research, product development or future commercialization efforts. We may also be required to license rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose. We cannot provide assurance that we will ever generate positive cash flow from operating activities.

Enliven expects that its existing cash will be sufficient to fund its operating expenses and capital expenditure requirements for at least the next 12 months from the date of this filing. Enliven received gross proceeds of approximately $164.5 million from the Financing Transaction on February 23, 2023. Upon the closing of the Merger, the combined company expects to continue to incur costs associated with operating as an SEC registrant. In addition, Enliven anticipates that it will need substantial additional funding in connection with its continuing operations. We have based our projections of operating capital requirements on our current operating plan, which includes several assumptions that may prove to be incorrect, and we may use all of our available capital resources sooner than we expect.

Because of the numerous risks and uncertainties associated with research, development and commercialization of product candidates, we are unable to estimate the exact amount and timing of our capital requirements. Our future funding requirements will depend on many factors, including:

- the scope, timing, progress, results and costs of researching and developing our product candidates, and conducting preclinical studies and clinical trials;
- the scope, timing, progress, results and costs of researching and developing other product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs of future activities, including product sales, medical affairs, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- the costs of manufacturing commercial-grade products and sufficient inventory to support commercial launch;
- the revenue, if any, received from commercial sale of our products, should any of our product candidates receive marketing approval;
- the cost and timing of attracting, hiring and retaining skilled personnel to support our operations and continued growth;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish, maintain, and derive value from collaborations, partnerships or other marketing, distribution, licensing or other strategic arrangements with third parties on favorable terms, if at all;
- the extent to which we acquire or in-license other product candidates and technologies, if any; and
- the costs associated with operating as a public company.

A change in the outcome of any of these or other factors with respect to the development of any of our product candidates could significantly change the costs and timing associated with the development of that product candidate. Furthermore, our operating plans may change in the future, and we may need additional capital to meet the capital requirements associated with such operating plans.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Net cash used in operating activities	$(32,077)	$(19,134)
Net cash used in investing activities	(612)	(191)
Net cash used in financing activities	(1,799)	(1,016)
Net decrease in cash, cash equivalents and restricted cash	$(34,488)	$(20,341)

Cash Flows from Operating Activities

Net cash used in operating activities during the year ended December 31, 2022 was $32.1 million. This consisted primarily of net loss of $37.7 million, partially offset by non-cash charges for stock-based compensation of $3.2 million, non-cash charges for depreciation of $0.2 million, and the write-off of previously planned IPO costs of $1.7 million, and a net increase in our operating assets and liabilities of $0.4 million, primarily due to increases in accounts payable and accrued expenses and other liabilities, partially offset by increases in prepaids and other current assets.

Net cash used in operating activities during the year ended December 31, 2021 was $19.1 million. This consisted primarily of the net loss of $24.7 million, partially offset by the non-cash charge for stock-based compensation of $1.9 million and a net increase in our operating assets and liabilities of $3.6 million, primarily due to an increase in accrued expenses and other liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities for the year ended December 31, 2022 was $0.6 million related to purchase of property and equipment.

Net cash used in investing activities for the year ended December 31, 2021 was $0.2 million related to purchase of property and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities during the year ended December 31, 2022 was $1.8 million. This consisted of $2.4 million of deferred issuance costs related to the Merger and previously planned initial public offering, offset by proceeds of $0.6 million resulting from the sale of shares of our common stock.

Net cash used in financing activities during the year ended December 31, 2021 was $1.0 million. This primarily consisted of proceeds of $0.7 million resulting from stock option purchases, offset by $0.2 million of issuance costs associated with the sale of Series A and Series B convertible preferred stock, and issuance costs of $1.5 million related to the Company’s planned initial public offering.

Contractual Obligations and Commitments

We sublease certain office space in Boulder, Colorado under which the lease was scheduled to expire on December 31, 2021. We amended the lease in March 2021 and in April 2022 to expand its size and extend its expiration date to December 2024. The following table summarizes our contractual obligations and commitments as of December 31, 2022 (in thousands):

	Payments Due by Period			
	Total	2023	2024	Thereafter
Operating lease obligation	$670	$329	$341	$ —

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

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Significant Judgments and Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on a periodic basis. Our actual results may differ from these estimates.

While our significant accounting policies are described in more detail in the notes to our financial statements appearing in Exhibit 99.2 to the Amended 8-K, we believe that the following accounting policies are critical to understanding our historical and future performance, as the policies relate to the more significant areas involving management's judgments and estimates used in the preparation of our financial statements.

Accrued Research and Development Expense

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

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

Stock-Based Compensation

We measure stock-based awards granted to employees, non-employee directors, consultants and independent advisors based on the estimated grant date fair value of the awards. For awards with only service conditions, including stock options and restricted stock awards, compensation expense is recognized over the requisite service period using the straight-line method. We use the Black-Scholes option pricing model to estimate the fair value of our stock option awards. The Black-Scholes option pricing model requires us to make assumptions and judgements about the variables used in the calculations, including the fair value of common stock, expected term, expected volatility of our common stock, risk-free interest rate and expected dividend yield. As the stock-based compensation is based on awards ultimately expected to vest, it is reduced by forfeitures, which we account for as they occur.

Estimating the fair value of equity-settled awards as of the grant date using the Black-Scholes option pricing model is affected by assumptions regarding a number of complex variables. Changes in the assumptions can materially affect the fair value and ultimately how much stock-based compensation is recognized. These inputs are subjective and generally require significant analysis and judgement to develop. The inputs are as follows:

- *Fair Value of Common Stock*—See the subsection titled “Fair Value of Common Stock” below for more information.
- *Expected Term*—The expected term represents the period that our options are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term) as we do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior for our stock option grants.
- *Expected Volatility*—The expected stock price volatility is estimated based on the average volatility for comparable publicly-traded biopharmaceutical companies over a period equal to the expected term of the stock option grants as we do not have sufficient history of trading our common stock. The comparable companies are chosen based on their similarities to us, including life cycle stage, therapeutic focus and size.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on U.S. Treasury yields in effect at the grant date for notes with comparable terms as the awards.
- *Expected Dividend Yield*—We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend of zero.

See Note 10 to our financial statements appearing in Exhibit 99.2 to the Amended 8-K for further details.

We will continue to use judgment in evaluating the expected volatilities, expected terms, and risk-free interest rates utilized for our stock-based compensation calculations on a prospective basis. Assumptions we used in applying the Black-Scholes option pricing model to determine the estimated fair value of our stock options granted involve inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our stock-based compensation recognized in future periods could be materially different.

We recorded stock-based compensation expense of $3.2 million and $1.9 million for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, we had $7.7 million of unrecognized stock-based compensation expense, which we expect to recognize over an estimated weighted-average period of 2.4 years. We expect to continue to grant stock options and other stock-based awards in the future, and to the extent that we do, our stock-based compensation expense recognized in future periods will likely increase.

On August 9, 2022, our board of directors repriced the exercise price of certain previously granted and still outstanding stock options to $0.73 per share, which was the fair market value of our common stock as of that date. Our board of directors determined the fair market value on that date based upon an independent, third-party valuation of our common stock as of May 31, 2022, other relevant factors, and the absence of any material developments subsequent to the date of the report, all as described further below. No other terms of the repriced stock options were modified and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. In determining the incremental stock-based compensation expense, we assumed a fair value of common stock of $0.73 per share, that the expected term of the stock options remained unchanged, expected stock price volatility of 80%, a risk-free interest rate between 3.1%–3.2% per annum, and a dividend yield of zero. The repricing resulted in incremental stock-based compensation expense of $1.0 million, of which $0.3 million related to vested stock options and was expensed on August 9, 2022, and $0.7 million related to unvested stock options that will be amortized on a straight-line basis over the remaining weighted-average vesting period of those stock options of approximately 2.9 years from the time of modification.

Fair Value of Common Stock

Prior to the Merger, there has been no public market for our common stock to date. The estimated fair value of our common stock has been determined by our board of directors as of the date of each option grant with input from management, considering our most recently available third-party valuation of common stock, and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (Practice Aid). The Practice Aid identifies various available methods for allocating enterprise value across classes and series of capital stock to determine the estimated fair value of common stock at each valuation date. In accordance with the Practice Aid, our board of directors considered the following methods:

- *Probability-Weighted Expected Return Method*. The probability-weighted expected return method (PWERM) is a scenario-based analysis that estimates the fair value of common stock based upon an analysis of future values for the business, assuming various outcomes. The common stock value is based on the probability-weighted present value of expected future investment returns considering each of the possible forecasted outcomes as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability weighted to arrive at a non-marketable indication of value for the common stock.
- *Option Pricing Method*. Under the option pricing method (OPM), shares are valued by creating a series of call options, representing the present value of the expected future returns to the stockholders, with exercise prices based on the liquidation preferences and conversion terms of each equity class. The estimated fair values of the preferred and common stock are inferred by analyzing these options.

- *Current Value Method.* Under the Current Value Method, once the fair value of the enterprise is established based on the balance sheet, the value is allocated to the various series of preferred and common stock based on their respective liquidation preferences or conversion values, whichever is greater.
- *Hybrid Method*. The Hybrid Method is a blended approach using aspects of both the PWERM and OPM, in which the equity value in one of the scenarios is calculated using an OPM.

Based on our stage of development and other relevant factors, we determined that the Hybrid Method was the most appropriate method for allocating our enterprise value to determine the estimated value of our common stock since inception.

In addition to considering the independent third-party valuations of our common stock, our board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the prices at which we sold preferred stock and the superior rights and preferences of the preferred stock relative to our common stock at the time of each grant;
- our operating results, financial position, and capital resources;
- our stage of development and material risks related to our business;
- the progress of our research and development programs and our business strategy;
- our business conditions and projects;
- the lack of marketability of our common stock and our convertible preferred stock as a private company;
- the prices at which we sold shares of our convertible preferred stock to outside investors in arms-length transactions;
- the rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the analysis of IPOs and the market performance of similar companies in the biotechnology industry;
- the likelihood of achieving a liquidity event for our securityholders, such as an initial public offering or a sale of our company, given prevailing market conditions;
- the hiring of key personnel and the experience of management; and
- external market conditions affecting the biotechnology industry, and trends within the biotechnology industry.

On August 8, 2022, our independent third-party valuation firm issued a valuation report as of May 31, 2022. In preparing the valuation, the hybrid method, as described above, continued to be used. The valuation reflected, among other things, the closing of the IPO window for life sciences companies, the challenging financing market for life sciences companies, and the significant decline in the market prices of life sciences companies comparable to our company. The valuation report estimated the fair value of our common stock, on a fully diluted and non-marketable basis, as $0.73 per share.

At the timing of the repricing on August 9, 2022, our board of directors considered, in addition to the valuation report as of May 31, 2022, a variety of factors, including the factors listed above. Our board of directors also specifically considered our preliminary discussions with Imara for a reverse merger.

With respect to these discussions, our board of directors noted, among other things, that the discussions had only recently begun, that the parties had not reached an agreement, let alone an understanding, on many of the key terms and conditions of a potential transaction, and that the parties had not proposed a specific valuation for our company in the transaction and instead contemplated that the valuation would be determined by the valuation ascribed to our company in the future concurrent financing, if such financing could be obtained. At the time, we had received no proposals for a financing and we had not launched a financing process, and were fully aware of the challenges facing life sciences companies seeking financing in the then current market. As noted in our initial proposal, a concurrent financing was a condition to Enliven proceeding with a transaction with Imara. We did not plan to further pursue the potential deal with Imara if a concurrent financing did not come together. Given the difficulties in the market, we had significant concerns about the ability to put together such financing. Additionally, we and Imara had also shared only limited information with each other, had not conducted any formal due diligence on each other, and had not entered in any type of exclusivity agreement. We were also aware at the time that Imara was considering other alternative transactions and that, even if we concluded that it was interested in pursuing a transaction with Imara, Imara may choose to enter into an alternative transaction. Additionally, based on the experience of our board of directors and management, we knew that it is very common for strategic deals, especially reverse mergers with concurrent financings (given their complexity), to fall apart after initial discussions.

For these reasons, our board of directors determined that, as of August 9, 2022, no material developments had occurred since the May 31, 2022 valuation that would cause it to not be able to rely on the valuation of the common stock of $0.73 per share.

The assumptions underlying these valuations represented our board and management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our stock-based compensation expense could be materially different.

Following the closing of the Merger, the fair market value of our common stock will be based on the quoted market price of our common stock on the date of grant.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial condition and results of operations is disclosed in Note 2 to our audited financial statements appearing in Exhibit 99.2 to the Amended 8-K.

Quantitative and Qualitative Disclosures About Market Risks

Interest Rate Risk

As of December 31, 2022 and 2021, our cash and cash equivalents consisted primarily of U.S. Treasury-backed money market funds. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, because of the short-term maturities of our investments, we believe a hypothetical 100 basis point increase or decrease in interest rates during any of the periods presented would not have had a material impact on our financial results.

As of December 31, 2022 and 2021, we had no debt outstanding and are therefore not exposed to interest rate risk with respect to debt.

Foreign Currency Exchange Risk

Our primary operations are transacted in U.S. Dollars. However, we have entered into a limited number of contracts with vendors for research and development services that are denominated in foreign currencies, including the British pound/Euros. We could be subject to foreign currency transaction gains or losses on our contracts denominated in foreign currencies. We do not currently engage in any hedging activity to reduce our potential exposure to currency fluctuations, although we may choose to do so in the future. We believe a hypothetical 100 basis point increase or decrease in foreign exchange rates during any of the periods presented would not have had a material impact on our financial condition or results of operations.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
INDEX TO FINANCIAL STATEMENTS

ENLIVEN THERAPEUTICS, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Enliven Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Enliven Therapeutics, Inc. (the "Company") as of December 31, 2022 and 2021, the related statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows, for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

/s/ Deloitte & Touche LLP

San Jose, California

March 21, 2023

We have served as the Company's auditor since 2020.

ENLIVEN THERAPEUTICS, INC.
BALANCE SHEETS
(in thousands, except share and per share amounts)

	As of December 31,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 75,536	$ 110,024
Prepaid expenses and other current assets	2,217	646
Total current assets	77,753	110,670
Property and equipment, net	890	492
Right of use asset	626	462
Deferred offering costs	3,975	1,651
Restricted cash	54	54
TOTAL ASSETS	$ 83,298	$ 113,329
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable, net	$ 3,438	$ 2,521
Accrued expenses and other current liabilities	6,277	3,232
Total current liabilities	9,715	5,753
LONG TERM LIABILITIES		
Other non-current liabilities	659	714
Total liabilities	10,374	6,467
COMMITMENTS AND CONTINGENCIES (Note 7)		
Convertible preferred stock, $0.0001 par value; 61,730,064 shares authorized, issued and outstanding at December 31, 2022 and December 31, 2021, liquidation preference of $140,520 at December 31, 2022 and December 31, 2021	149,749	149,749
STOCKHOLDERS' EQUITY		
Common stock $0.0001 par value; 89,000,000 shares authorized at December 31, 2022 and December 31, 2021; 12,097,504 and 11,639,962 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively	1	1
Additional paid-in capital	6,038	2,314
Accumulated deficit	(82,864)	(45,202)
Total stockholders' deficit	(76,825)	(42,887)
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	$ 83,298	$ 113,329

The accompanying notes are an integral part of these financial statements

ENLIVEN THERAPEUTICS, INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2022	2021
Operating expenses:		
Research and development	$ 31,022	$ 20,474
General and administrative	7,769	4,288
Total operating expenses	38,791	24,762
Loss from operations	(38,791)	(24,762)
Other income (expense), net		
Interest income	1,129	22
Total other income, net	1,129	22
Net loss and comprehensive loss	$ (37,662)	$ (24,740)
Net loss per share attributable to common stockholders, basic and diluted	$ (3.56)	$ (3.17)
Weighted-average number of shares outstanding used in computing net loss per common share, basic and diluted	10,586,983	7,814,536

The accompanying notes are an integral part of these financial statements

ENLIVEN THERAPEUTICS, INC.
STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(in thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance - January 1, 2021	61,730,064	$149,749	11,039,883	$ 1	$ 157	$ (20,462)	$ (20,304)
Exercise of common stock options	—	—	600,079	—	136	—	136
Vesting of restricted stock and stock options	—	—	—	—	97	—	97
Stock-based compensation	—	—	—	—	1,924	—	1,924
Net loss	—	—	—	—	—	(24,740)	(24,740)
Balance - December 31, 2021	61,730,064	149,749	11,639,962	1	2,314	(45,202)	(42,887)
Exercise of common stock options	—	—	457,542	—	246	—	246
Vesting of restricted stock and stock options	—	—	—	—	287	—	287
Stock-based compensation	—	—	—	—	3,191	—	3,191
Net loss	—	—	—	—	—	(37,662)	(37,662)
Balance - December 31, 2022	61,730,064	$149,749	12,097,504	$ 1	$ 6,038	$ (82,864)	$ (76,825)

The accompanying notes are an integral part of these financial statements

ENLIVEN THERAPEUTICS, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	$ (37,662)	$ (24,740)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	215	115
Stock-based compensation	3,191	1,924
Write-off of deferred IPO costs	1,741	—
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(1,590)	(563)
Right-of-use asset	4	133
Accounts payable	411	1,734
Accrued expenses and other liabilities	1,613	2,263
Net cash used in operating activities	(32,077)	(19,134)
Cash flows from investing activities:		
Purchases of property and equipment	(612)	(191)
Net cash used in investing activities	(612)	(191)
Cash flows from financing activities:		
Issuance of convertible preferred stock, net of issuance costs	—	(226)
Deferred issuance costs related to merger / initial public offering	(2,390)	(1,480)
Issuance of common stock	591	690
Net cash used in financing activities	(1,799)	(1,016)
Net decrease in cash, cash equivalents and restricted cash	(34,488)	(20,341)
Cash, cash equivalents and restricted cash at the beginning of the period	110,078	130,419
Cash, cash equivalents and restricted cash at the end of the period	$ 75,590	$ 110,078
Components of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 75,536	$ 110,024
Restricted cash	54	54
Total cash, cash equivalents and restricted cash	$ 75,590	$ 110,078
Supplemental disclosure of non-cash operating activities:		
Deferred issuance costs related to initial public offering included in accounts payable	$ —	$ 131
Deferred issuance costs related to initial public offering included in accrued liabilities	$ —	$ 39
Deferred merger costs included in accounts payable	$ 656	$ —
Deferred merger costs included in accrued liabilities	$ 1,190	$ —
Lease liability obtained in exchange for right of use asset	$ 387	$ 491

The accompanying notes are an integral part of these financial statements

In connection with the closing of the Merger (as defined below) Enliven Therapeutics, Inc. changed its name to Enliven Inc. on February 23, 2023. For the purposes of these Notes to the Financial Statements, Enliven Therapeutics, Inc. is referring to the company prior to the Merger (as defined below).

1. Organization, Description of Business and Liquidity

Business

Enliven Therapeutics, Inc. (the Company) was incorporated in the State of Delaware on June 12, 2019 and is headquartered in Boulder, Colorado. The Company is a biopharmaceutical company focused on the discovery and development of small molecule inhibitors to help patients with cancer not only live longer, but better. The Company aims to address emerging unmet needs with a precision oncology approach that improves survival and enhances overall patient well-being. Its discovery process combines deep insights in clinically validated biological targets and differentiated chemistry with the goal of designing therapies for unmet needs.

Since its inception, the Company has devoted substantially all of its efforts to research and development activities, business planning, establishing and maintaining its intellectual property portfolio, hiring personnel, raising capital, and providing general and administrative support for these activities. To date, the Company has funded its operations primarily through private placements of its convertible preferred stock.

On October 13, 2022, the Company entered into an agreement and plan of merger (Merger Agreement) with Imara Inc. (Imara), a Delaware corporation and Iguana Merger Sub, Inc., a wholly-owned subsidiary of Imara (Merger Sub). Pursuant to the Merger Agreement, among other matters, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub merged with and into the Company, with the Company continuing as a wholly owned subsidiary of Imara and the surviving corporation of the merger (the Merger). Immediately prior to the closing of the Merger, certain new and current investors subscribed for the purchase of an aggregate of approximately $164.5 million of common stock of Enliven (the Financing). On February 23, 2023, Enliven closed the Merger with Imara Inc. Following the closing of the Merger, Imara Inc. changed its corporate name to Enliven Therapeutics, Inc.

Risks and uncertainties

The Company is subject to risks common to development-stage companies in the biotechnology industry including, but not limited to, risks of failure of preclinical studies and clinical trials, new technological innovations, protection of proprietary technology, dependence on key personnel, reliance on third-party organizations, risks of obtaining regulatory approval for any product candidate that it may develop, compliance with government regulations and the need to obtain additional financing.

The Company continues to closely monitor macroeconomic and geopolitical developments, including the global COVID-19 pandemic, the Russia-Ukraine conflict and inflation. The extent of the impact of these developments on the Company’s business, operations and research and development timelines and plans remains uncertain, and will depend on numerous factors, including the impact, if any, on the Company’s personnel, responses of governmental entities, and the responses of third parties such as contract research organizations (CROs), contract manufacturing organizations (CMOs) and other third parties with whom the Company does business. Any prolonged material disruption to the Company’s employees or suppliers could adversely impact the Company’s development activities, financial condition and results of operations, including its ability to obtain financing. The Company is monitoring the potential impact of these developments on its business and financial statements. To date, the Company has not experienced material business disruptions or incurred impairment losses in the carrying values of its assets as a result of these developments, and it is not aware of any specific related event or circumstance that would require it to revise its estimates reflected in these financial statements.

Liquidity considerations

In order to complete the development of our product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our product candidates, if approved, we will require substantial additional capital. Until we can generate a sufficient amount of revenue from the commercialization of our product candidates, we may seek to raise any necessary additional capital through private or public equity or debt financings, loans or other capital sources, which could include income from collaborations, partnerships or other marketing, distribution, licensing or other strategic arrangements with third parties, or from grants. Because of the numerous risks and uncertainties associated with research, development and commercialization of product candidates, we are unable to estimate the exact amount and timing of our capital requirements. We do not expect to generate any meaningful revenue unless and until we obtain regulatory approval of and commercialize any of our product candidates, and we do not know when, or if, that will occur.

The Company has incurred significant losses and negative cash flows from operations since inception. As of December 31, 2022, the Company had an accumulated deficit of $82.9 million. The Company has incurred losses and negative cash flows from operations since inception, including net losses of $37.7 million and $24.7 million for the years ended December 31, 2022 and 2021, respectively. The Company expects that its operating losses and negative cash flows will continue for the foreseeable future as the Company continues to develop its product candidates. The Company currently expects that its cash and cash equivalents of $75.5 million as of December 31, 2022 will be sufficient to fund operating expenses and capital requirements for at least 12 months from the date the financial statements are issued.

Merger Agreement

On October 13, 2022, the Company entered into the Merger Agreement with Imara, a Delaware corporation and Merger Sub. Pursuant to the Merger Agreement, among other matters, Merger Sub merged with and into the Company, with the Company continuing as a wholly owned subsidiary of Imara and the surviving corporation of the Merger. The Merger was intended to qualify for U.S. federal income tax purposes as a tax-free “reorganization” under the provisions of Section 368(a) of the Code and, in the event that former Enliven stockholders, including stockholders that participate in the Enliven pre-closing financing, are in “control” of Imara immediately after the effective time of the Merger (within the meaning of Section 368(c) of the Code), as a non-taxable exchange of shares of Enliven common stock for shares of Imara common stock within the meaning of Section 351(a) of the Code, with the result that Enliven stockholders will generally not recognize taxable gain or loss for U.S. federal income tax purposes upon the exchange of Enliven common stock for Imara common stock pursuant to the Merger, except with respect to cash received in lieu of a fractional share of Imara common stock.

Upon the closing of the Merger on February 23, 2023, (a) each outstanding share of Company common stock (including common stock issued upon the conversion of the Company’s preferred stock, and shares issued in the Financing) was converted into the right to receive a number of shares of Imara common stock (Imara Common Stock) (after giving effect to the 1-for-4 reverse stock split of Imara Common Stock in connection with the Merger) equal to the exchange ratio per the Merger Agreement; and (b) each of the then outstanding Company stock option that had not previously been exercised prior to the closing of the Merger was assumed by Imara.

Immediately prior to the closing of the Merger, and in order to provide the Company with additional capital for its development programs, certain new and current investors purchased an aggregate of approximately $164.5 million of common stock of Enliven.

The Merger and Financing were completed on February 23, 2023. The Merger has been accounted for as a reverse recapitalization under U.S. GAAP because the assets of Imara as of the effective date of the Merger are primarily cash and other non-operating assets. Enliven was determined to be the accounting acquirer based upon the terms of the Merger and other factors including: (1) Enliven stockholders own a substantial majority of the voting rights in the combined company; (2) Enliven designated a majority (eight of nine) of the initial members of the board of directors of the combined company; and (3) Enliven’s senior management holds all positions in senior management of the combined company.

2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America (US GAAP). Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP, as found in the Accounting Standards Codification, (ASC), and Accounting Standards Update, (ASU), of the Financial Accounting Standards Board (FASB).

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period. The most significant estimates relate to the determination of fair value of the Company's common stock and convertible preferred stock, determination of the fair value of the convertible preferred stock tranche liabilities and stock-based compensation. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value. As of December 31, 2022 and 2021, cash and cash equivalents consisted primarily of checking and money market funds composed of US government obligations.

Restricted cash

The Company classifies all cash whose use is limited by contractual provisions as restricted cash. Restricted cash arises from the requirement for the Company to maintain cash of $54,000 as collateral for a sublease with the facility's landlord. As of December 31, 2022 and 2021, $54,000 of restricted cash was recorded in restricted cash in the balance sheets.

Concentrations of credit risk and off-balance sheet risk

The Company maintains its cash accounts and money market fund that at times exceed insured limits. As of December 31, 2022 and 2021, the Company's cash balances exceeded those that are federally insured. To date, the Company has not recognized any losses caused by uninsured balances.

Fair value measurements

Financial assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the price the Company would receive to sell an investment in a timely transaction or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. A framework is used for measuring fair value utilizing a three-tier hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2—Quoted prices in markets that are not considered to be active or financial instrument valuations for which all significant inputs are observable, either directly or indirectly; and
- Level 3—Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Financial instruments are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3.

The Company monitors the availability of inputs that are significant to the measurement of fair value to assess the appropriate categorization of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the Company's policy is to recognize significant transfers between levels at the end of the reporting period. The significance of transfers between levels is evaluated based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

The Company's cash and cash equivalents, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximate their fair value due to their short maturities.

Deferred offering costs

Deferred offering costs, consisting of legal, accounting and other fees and costs relating to the Company's previously planned Initial Public Offering (IPO) and the Merger were capitalized and recorded on the balance sheets. During the year ended December 31, 2022, the Company expensed its previously capitalized deferred offering costs related to the previously planned IPO, which totaled $1.7 million, to general and administrative expenses, in the statement of operations and comprehensive loss. Deferred offering costs capitalized as of December 31, 2022 and 2021 were $4.0 million and $1.7 million, respectively.

Property and equipment, net

Property and equipment are recorded at cost. Expenditures for repairs and maintenance are expensed as incurred. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in the determination of net income or loss. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset.

The Company's property and equipment consist of laboratory equipment and employee-related computers with estimated useful lives of three to five years.

Impairment of long-lived assets

The Company evaluates long-lived assets, which consist of laboratory equipment and computers, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. To date, no impairments have been recognized in the Company's financial statements.

Leases

The Company elected to early adopt ASU No. 2016-02, *Leases* (ASC 842) and its associated amendments as of January 1, 2020. In June 2020, the Company entered into a sublease agreement under which it leased laboratory and office facilities which the Company determined to be an operating lease. At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If both criteria are met, the Company records the associated lease liability and corresponding right-of-use asset (ROU) upon commencement of the lease using the implicit rate or a discount rate based on a credit-adjusted secured borrowing rate commensurate with the term of the lease. Operating lease assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease liabilities with a term greater than one year and their corresponding right-of-use assets are recognized on the balance sheet at the commencement date of the lease based on the present value of lease payments over the expected lease term. As the Company's lease does not provide an implicit rate, the Company utilizes the appropriate incremental borrowing rate, determined as the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and in a similar economic environment. Lease cost is recognized on a straight-line basis over the lease term and variable lease payments are recognized as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes, insurance, and other operating costs that are passed on from the lessor in proportion to the space leased by the Company. The Company has elected the practical expedient to not separate between lease and non-lease components.

Operating ROU assets are reflected in ROU assets. Operating lease liabilities are reflected in accrued expenses and other current liabilities, and other non-current liabilities.

Convertible preferred stock

The Company classifies convertible preferred stock outside of stockholders' deficit on its balance sheet as the requirements of triggering a deemed liquidation event are not within the Company's control. In the event of a deemed liquidation event, the proceeds from the event are distributed in accordance with liquidation preferences (Note 9). The Company records the issuance of convertible preferred stock at the issuance price less related issuance costs and less any discount arising on allocation of proceeds to one or more derivative features. The Company has not adjusted the carrying values of the convertible preferred stock to its liquidation preference because of the uncertainty as to whether a deemed liquidation event may occur.

Research and development expenses

The Company expenses research and development costs as incurred. Research and development expenses consist primarily of costs incurred for the discovery and development of its product candidates and include consultants and supplies to conduct clinical, preclinical, and non-clinical studies, costs to acquire, develop and manufacture supplies for preclinical and clinical testing and other studies, expenses incurred under agreements with contract research organizations, and salaries and related costs, including equity-based compensation, as well as depreciation and other allocated facility-related and overhead expenses. Advance payments for goods or services for future research and development activities are deferred and expensed as the goods are delivered or the related services are performed.

The Company estimates clinical and preclinical study expenses based on the services performed pursuant to contracts with research institutions and clinical research organizations that conduct and manage preclinical studies and clinical trials on the Company's behalf. In addition, clinical, preclinical, and non-clinical study materials are manufactured by contract manufacturing organizations. In accruing for these services, the Company estimates the time period over which services will be performed and the level of effort to be expended in each period. These estimates are based on communications with the third-party service providers and the Company's estimates of accrued expenses and on information available at each balance sheet date. If the actual timing of the performance of services or the level of effort varies from the estimate, the Company will adjust the accrual accordingly.

Stock-based compensation

The Company measures and records the expense related to stock-based payment awards based on the estimated grant date fair value of those awards. The Company recognizes stock-based compensation expense over the requisite service period of the individual award, generally equal to the vesting period and uses the straight-line method to recognize stock-based compensation. The Company uses the Black-Scholes option pricing model to determine the fair value of the stock awards. The Black-Scholes option pricing model requires the Company to make assumptions and judgements about the variables used in the calculations, including the fair value of common stock, expected term, expected volatility of its common stock, risk-free interest rate and expected dividend yield. As the stock-based compensation is based on awards ultimately expected to vest, it is reduced by forfeitures, which the Company accounts for as they occur.

The Company classifies equity-based compensation expense in the statement of operations and comprehensive loss in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified.

Black-Scholes requires the use of subjective assumptions which determine the fair value of stock-based awards. These assumptions include:

- Fair Value of Common Stock—As there has been no public market for the Company's common stock to date, the estimated fair value of the Company's common stock has been determined by the board of directors as of the date of each option grant with input from management, considering the most recently available third-party valuation of common stock.
- Expected Term—The expected term represents the period that the Company's options are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term). The Company has very limited historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior for its stock option grants.

- Expected Volatility—The expected stock price volatilities are estimated based on the historical and implied volatilities of comparable publicly traded companies as the Company does not have sufficient history of trading its common stock.
- Risk-Free Interest Rate—The risk-free interest rates are based on U.S. Treasury yields in effect at the grant date for notes with comparable terms as the awards.
- Expected Dividend Yield—The Company has never paid dividends on its common stock and has no plans to pay dividends on the Company's common stock. Therefore, the Company used an expected dividend of zero.

The assumptions underlying these valuations represented the Company's board and management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if the Company had used significantly different assumptions or estimates, the fair value of its stock-based compensation expense could be materially different.

Income taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts or existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period of enactment. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company has generated net losses since inception and accordingly has not recorded a provision for income taxes.

The Company recognizes a tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained upon examination by the tax authorities, based on the merits of the position. The Company's policy is to recognize interest and penalties related to the underpayment of income taxes as a component of its provision for income taxes. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Net loss per share

The Company calculates basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for participating securities. Convertible preferred stock is a participating security in distributions of the Company. The net loss attributable to common stockholders is not allocated to the convertible preferred shares as the holders of convertible preferred shares do not have a contractual obligation to share in losses. Cumulative dividends on preferred shares are added to net loss to arrive at net loss available to common stockholders.

Under the two-class method, basic net loss per share of common stock is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during each period. The weighted-average number of shares of common stock outstanding used in the basic net loss per share calculation does not include unvested restricted common stock as these shares are considered contingently issuable shares until they vest.

Diluted net loss per share of common stock includes the effect, if any, from the potential exercise or conversion of securities, such as convertible preferred stock, stock options and unvested early exercised common stock and unvested restricted common stock, which would result in the issuance of incremental shares of common stock. For diluted net loss per share, the weighted-average number of shares of common stock is the same for basic net loss per share due to the fact that when a net loss exists, dilutive securities are not included in the calculation as the impact is anti-dilutive. For all periods presented, basic and diluted net loss per share were the same, as any additional share equivalents would be anti-dilutive.

Segments

The Company operates in one segment and, accordingly, no segment disclosures have been presented herein. The Company's chief executive officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for allocating and evaluating financial performance.

Comprehensive income (loss)

Other comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company did not have any items that required classification as other comprehensive income (loss).

Emerging growth company status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently issued accounting pronouncements adopted

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes (ASU 2019-12). ASU 2019-12 eliminates certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. This guidance was effective for fiscal years beginning after December 15, 2021. The Company adopted ASU 2019-12 on January 1, 2022, and the adoption did not have a material impact.

3. Fair Value Measurements

The following tables set forth the fair value of the Company's financial assets measured at fair value on a recurring basis and indicates the level within the fair value hierarchy utilized to determine such values (in thousands):

	As of December 31, 2022			
	Total	Level 1	Level 2	Level 3
Assets:				
US Treasury backed money market funds	$74,523	$74,523	$ —	$ —
Total financial assets measured at fair value	$74,523	$74,523	$ —	$ —

	As of December 31, 2021			
	Total	Level 1	Level 2	Level 3
Assets:				
US Treasury backed money market funds	$106,768	$106,768	$ —	$ —
Total financial assets measured at fair value	$106,768	$106,768	$ —	$ —

Money market funds are highly liquid investments that are valued based on quoted market prices in active markets, which represent a Level 1 measurement within the fair value hierarchy.

4. Leases

Facility lease

In June 2020, the Company leased office and laboratory space under a sublease agreement for 6,782 square feet, which was set to expire on December 30, 2021. In March 2021, the Company amended its sublease agreement, increasing its leased space by 2,495 square feet to 9,277 square feet and monthly rent to $12,000. Upon the extension of the lease in March 2021, the lease was automatically extended to December 30, 2024. Additionally, in January 2022 the Company amended its sublease, which increased the leased space by an additional 8,893 square feet commencing on May 1, 2022, and the rental payments increased by an equally proportionate amount to reflect the increase in floor space. Further, in April 2022 the Company amended the sublease, which deferred the expansion for the additional space to July 1, 2022. The monthly rent is subject to annual increases through the lease term. The Company is required to pay base rent expense as well as its proportionate share of the facilities operating expenses. The non-lease components, consisting primarily of common area maintenance, are paid separately based on actual costs incurred. Therefore, the variable non-lease components were not included in the right of use asset and lease liability and are reflected as expense in the period incurred. The incremental borrowing rate used to calculate the Company's right of use asset and lease liability is 4%. The incremental borrowing rate was estimated based on the Company's estimated borrowing rate on a collateralized loan. As of December 31, 2022, the remaining lease liability and right of use asset were $0.6 million and $0.6 million, respectively. As of December 31, 2021, the remaining lease liability and right of use asset were $0.5 million and $0.5 million, respectively.

The Company recognized rent expense under the facility sublease for the years ended December 31, 2022 and 2021 of $0.2 million. As of December 31, 2022 the future minimum lease payments under the facilities operating sublease were as follows (in thousands):

	As of December 31, 2022
Year ending December 31,	
2023	$ 329
2024	341
Total minimum lease payments	670
Less: amount representing interest	26
Present value of lease liabilities	644
Less: current portion of lease liabilities	323
Lease liabilities, noncurrent	$ 321

During the years ended December 31, 2022 and 2021, the Company recognized $0.3 million and $0.2 million in variable lease costs, respectively.

5. Property and Equipment, Net

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

	Estimated Useful Life in Years	As of December 31, 2022	2021
Laboratory equipment	5	$1,191	$ 614
Computer equipment	3	73	38
		1,264	652
Less: accumulated depreciation		(374)	(160)
Property and equipment, net		$ 890	$ 492

Depreciation expense for the years ended December 31, 2022 and 2021 was $0.2 million and $0.1 million, respectively.

6. Accrued Expenses and Other Current Liabilities

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

	As of December 31, 2022	2021
Accrued employee compensation costs	$2,130	$1,027
Accrued research and development costs	1,918	1,637
Accrued deferred offering costs	1,190	39
Lease liabilities	323	159
Accrued legal and professional fees	269	176
Other	447	194
Accrued expenses and other current liabilities	$6,277	$3,232

7. Commitments and Contingencies

Lease commitments—The Company's commitments related to lease agreements are disclosed in Note 4.

Litigation—From time to time, the Company may be involved in legal proceedings or be subject to claims arising in the ordinary course of our business. The Company was not currently a party to any legal proceedings. Regardless of outcome, any proceedings or claims can have an adverse impact on the Company because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Indemnification agreements—In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors that will require the Company among other things to indemnify them against certain liabilities that may arise by reason of their status or service as directors. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any claims under indemnification arrangements, and it has not accrued any liabilities related to such obligations in its financial statements as of December 31, 2022 or 2021.

8. Common Stock

As of December 31, 2022 and 2021, the Company's Amended and Restated Certificate of Incorporation authorized the Company to issue 89,000,000 shares of $0.0001 par value common stock, of which 12,097,504 and 11,639,962 shares were issued and outstanding, respectively. As of December 31, 2022 and 2021, there were 856,177 and 2,382,549 shares which were subject to repurchase, respectively. The liability related to shares subject to repurchase totaled $0.6 million as of December 31, 2022 and 2021, of which $0.3 million and $0.4 million were recorded as other non-current liabilities as of December 31, 2022 and 2021, respectively.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Company's board of directors, if any, subject to the preferential dividend rights of any convertible preferred stock. No dividends have been declared or paid by the Company through December 31, 2022.

In the event of any liquidation or dissolution of the Company, the holders of common stock are entitled to the remaining assets of the Company legally available for distribution after the payment of the full liquidation preference for any convertible preferred stock.

The Company had the following shares of common stock reserved for future issuance:

	As of December 31,	
	2022	2021
Conversion of preferred stock	61,730,064	61,730,064
Issuance of common stock upon exercise of stock options	11,239,044	10,421,481
Options available for grant under stock plan	3,070,990	1,367,943
Total common stock reserved for future issuance	76,040,098	73,519,488

9. Convertible Preferred Stock

As of December 31, 2022 and 2021, the Company's Amended and Restated Articles of Incorporation designated and authorized the Company to issue up to 61,730,064 shares of convertible preferred stock which consisted of the following:

	Authorized Shares	Shares Issued and Outstanding	Per Share Liquidation Preference	Aggregate Liquidation Amount (in thousands)	Proceeds Net of Issuance Costs (in thousands)
Series Seed convertible preferred stock	14,507,038	14,507,038	$ 0.71	$ 10,300	$ 10,211
Series A convertible preferred stock	25,114,089	25,114,089	$ 1.80	45,300	45,170
Series B convertible preferred stock	22,108,937	22,108,937	$ 3.84	84,920	84,689
Total convertible preferred stock	61,730,064	61,730,064		$ 140,520	$ 140,070

No shares of convertible preferred stock were issued during the years ended December 31, 2022 and 2021.

The Company's convertible preferred stock have the following rights, preferences, privileges and restrictions:

Voting—On any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders of the Company (or by written consent of stockholders in lieu of a meeting), each holder of outstanding shares of convertible preferred stock shall be entitled to cast the number of votes equal to the number of whole shares of common stock into which the shares of convertible preferred stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matters. Except as provided by law or by the other provisions of the Company's Amended and Restated Certificate of Incorporation, holders of convertible preferred stock shall vote together with the holders of common stock as a single class and on an as-converted to common stock basis.

Dividends—The Company shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company (other than dividends on shares of common stock payable in shares of common stock) in any calendar year unless the holders of the convertible preferred stock then outstanding shall first receive, or simultaneously receive, dividends on each outstanding share of convertible preferred stock in an amount for such calendar year equal to the greater of (i) the applicable dividend rate of $0.0426, $0.108226 and $0.2305 per share for the Series Seed, Series A and Series B, respectively, subject to adjustment in the event of any stock splits, stock dividends or similar changes in capitalization with respect to such class or series, and (ii) that dividend per share of such series of convertible preferred stock as would equal the product of (A) the dividend payable on each share of such series determined, if applicable, as if all shares of such series had been converted into common stock and (B) the number of shares of common stock issuable upon conversion of such series, in each case calculated on the record date for the determination of holders entitled to receive such dividend. The right to receive dividends on shares of convertible preferred stock shall not be cumulative, and no right to dividends shall accrue to holders of the convertible preferred stock by reason of the fact that dividends on such shares are not declared or paid.

Liquidation preference—In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of the convertible preferred stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, and in the event of a deemed liquidation event, the holders of shares of convertible preferred stock then outstanding shall be entitled to be paid out of the consideration payable to stockholders in such deemed liquidation event or out of the available proceeds, as applicable, on a pari passu basis among each other and before any payment shall be made to the holders of the common stock by reason of their ownership hereof, an amount equal to the greater of (i) one times the applicable original issue price of $0.71 per share of Series Seed, $1.803768 per share of Series A and $3.84098 per share of Series B, plus any dividends declared, but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of the convertible preferred stock had been converted into common stock immediately prior to such liquidation, dissolution, winding up or deemed liquidation event. If upon any such event, the assets of the Company available for distribution to the stockholders shall be insufficient to pay the holders of the convertible preferred stock the full amount, they shall be entitled to share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would be otherwise payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

After payment of the liquidation preference to the holders of convertible preferred stock, the remaining assets of the Company shall be distributed ratably to the holders of common stock on a fully converted basis.

Redemption—The shares of convertible preferred stock shall not be redeemable by any holder.

Voluntary conversion—Each share of convertible preferred stock shall be convertible, at the option of the holder thereof at any time and from time to time, without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of common stock as is determined by dividing the applicable original issue price by the applicable conversion price in effect at the time of conversion. The original issue price of the Series Seed, Series A and Series B convertible preferred shares is $0.71, $1.803768 and $3.84098, respectively. Such conversion price, and at the rate at which the convertible preferred shares may be converted into shares of common stock, shall be subject to adjustment for occurrences such as stock splits, certain dividends, mergers and distributions.

Automatic conversion—Each share of convertible preferred stock will automatically be converted into shares of common stock, at the then-effective conversion rate of such shares upon either (i) the closing of the sale of shares of the Company's common stock to the public in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, with proceeds of at least $75.0 million, or (ii) the date and time, or the occurrence of an event, specified by vote or written consent of the requisite holders, then all outstanding shares of convertible preferred stock shall automatically be converted into shares of common stock, at the then effective conversion rate.

10. Stock-Based Compensation

Equity Incentive Plan—In July 2019, the Company adopted the 2019 Equity Incentive Plan (the 2019 Plan) pursuant to which the Company's board of directors may grant non-statutory stock options, stock appreciation rights, restricted stock, and restricted stock units to employees and non-employees and incentive stock options only to employees. The 2019 Plan initially authorized grants of awards of up to 1,267,605 shares. In April 2020, the board of directors increased the number of shares of the Company's common stock authorized for issuance under the 2019 Plan by 7,489,064 to 8,756,669 shares. Additionally, in December 2020, the board of directors approved to increase the number of shares of the Company's common stock authorized for issuance under the 2019 Plan by 4,106,299 to 12,862,968 shares. In August 2022, the board of directors approved an increase in the shares authorized under the 2019 Equity Incentive Plan of 3,000,000 shares, for a total authorized amount of 15,862,968.

Awards granted under the 2019 Plan expire no later than 10 years from the date of grant. For incentive stock options and non-statutory stock options, the option exercise price will not be less than 100% of the estimated fair value on the date of grant. Options and restricted stock granted to employees typically vest over a four-year period but may be granted with different vesting terms.

Stock Option Repricing

Effective August 9, 2022, the Company's board of directors repriced certain previously granted and still outstanding vested and unvested stock option awards under the 2019 Plan. As a result, the exercise price for these awards was lowered to $0.73 per share, which was the fair value of the Company's common stock on August 9, 2022. No other terms of the repriced stock options were modified, and the repriced stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 7,488,266 vested and unvested stock options outstanding as of August 9, 2022, with original exercise prices ranging from $1.38 to $2.23, were repriced. The repricing on August 9, 2022 resulted in incremental stock-based compensation expense of $1.0 million, of which $0.3 million related to vested stock option awards and was expensed on the repricing date, and $0.7 million related to unvested stock option awards is being amortized on a straight-line basis over the remaining weighted-average vesting period of those awards of approximately 2.9 years.

The following table summarizes the stock plan activity:

	Available for Grant	Stock Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding - January 1, 2021	8,786,955	3,339,245	$ 0.33	9.47	$ 3,509
Options granted	(7,419,012)	7,419,012	$ 1.39	9.38	
Options exercised and vested	—	(336,776)	$ 0.67	8.77	
Outstanding - December 31, 2021	1,367,943	10,421,481	$ 1.07	9.11	$ 9,657
Increase in option pool	3,000,000				
Options granted	(1,327,190)	1,327,190	$ 1.67	9.38	
Options exercised and vested	—	(479,390)	$ 1.10	8.09	
Options cancelled and forfeited	30,237	(30,237)	$ 1.38	8.23	
Outstanding - December 31, 2022	3,070,990	11,239,044	$ 0.65	8.26	$ 1,194
Exercisable - December 31, 2022		5,787,453	$ 0.54	8.00	
Vested and expected to vest - December 31, 2022		11,239,044	$ 0.65	8.26	

The total intrinsic value of exercised and vested incentive awards during the year ended December 31, 2022 was $0.1 million and is calculated on the difference between the exercise price and the fair value of the Company's common stock as of the exercise date.

The Company records stock-based compensation expense on a straight-line basis over the vesting period. As of December 31, 2022, total compensation cost not yet recognized related to unvested stock options was $7.7 million, which is expected to be recognized over a weighted-average period of 2.43 years.

Restricted stock award activity—Upon formation of the Company in June 2019, the Company issued 10.0 million shares in restricted common stock to the founders of the Company at $0.0001 per share. 25% of the shares vested immediately upon issuance, with the remaining shares vesting evenly over 36 or 48 months. Vesting may be accelerated upon a change in control, as defined in the holder agreements. If the holders cease to have a business relationship with the Company, any unvested shares held by these individuals may be repurchased at their original purchase price. The unvested restricted stock is not considered outstanding for accounting purposes until the shares vest. As of December 31, 2022 and 2021, there were 140,625 and 1,484,375 shares subject to repurchase, respectively.

Additionally, between 2019 and 2020, the Company issued a total of 668,449 shares of restricted stock to employees and consultants for aggregate consideration of $27,000. The purchase price of the restricted stock was the estimated fair value on the grant date. The restricted stock awards are subject to vesting over a period of four to five years, and vesting may be accelerated upon a change in control, as defined in the holder agreements. If the holders cease to have a business relationship with the Company, any unvested shares held by these individuals may be repurchased at their original purchase price. The unvested restricted stock is not considered outstanding for accounting purposes until the shares vest.

The following summarizes restricted stock activity:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested—December 31, 2020	545,347	$ 0.04
Granted	—	—
Vested	(213,591)	0.04
Forfeited	—	—
Unvested—December 31, 2021	331,756	0.04
Granted	—	—
Vested	(160,774)	0.04
Forfeited	—	—
Unvested—December 31, 2022	170,982	$ 0.04

The aggregate fair value of restricted stock that vested during the year ended December 31, 2022 was $0.1 million. The weighted-average grant date fair value of restricted stock that vested during the year ended December 31, 2022 was $0.04. Total intrinsic value of restricted stock as of December 31, 2022 was $0.2 million. As of December 31, 2022, total compensation cost not yet recognized related to unvested restricted stock was $4,000, which is expected to be recognized over a weighted-average period of 1.12 years.

The aggregate fair value of restricted stock that vested during the year ended December 31, 2021 was $0.3 million. The weighted-average grant date fair value of restricted stock that vested during the year ended December 31, 2021 was $0.04. Total intrinsic value of restricted stock as of December 31, 2021 was $3.6 million. As of December 31, 2021, total compensation cost not yet recognized related to unvested restricted stock was $7,000, which is expected to be recognized over a weighted-average period of 2.04 years.

Stock-based compensation expense—The Company recorded stock-based compensation expense of $3.2 million and $1.9 million during the years ended December 31, 2022 and 2021, respectively.

Stock-based compensation expense is classified as follows (in thousands):

	Year Ended December 31,	
	2022	2021
Research and development	$ 1,893	$ 1,019
General and administrative	1,298	905
Total stock-based compensation expense	$ 3,191	$ 1,924

The fair value of each stock option grant is estimated on the date of grant using a Black-Scholes model. The following summarizes the inputs used:

	Year Ended December 31,	
	2022	2021
Stock price	$0.73 - $2.00	$1.68 - $2.12
Expected term (years)	5.8 - 6.3 Years	6 Years
Expected volatility	80%	75% - 80%
Risk-free interest rate	1.60% - 3.00%	1.00% - 1.40%
Expected dividend yield	—	—

11. Income Taxes

The difference between the effective tax rate and the U.S. federal tax rate is as follows:

	Year Ended December 31,	
	2022	2021
Federal income tax	(21.0)%	(21.0)%
State income tax, less federal benefits	(6.7)%	(7.6)%
Permanent differences	1.5%	1.7%
Change in valuation allowance	26.7%	27.1%
Credits	(0.5)%	(0.4)%
Other	0.0%	0.2%
Effective tax rate	0.0%	0.0%

Significant components of the Company's deferred income taxes consist of the following (in thousands):

	As of December 31,	
	2022	2021
Deferred Tax Assets:		
Intangible asset basis differences	$ 43	$ 47
Net operating loss carryforwards	12,894	8,918
Tax credit carryforwards	399	145
Capitalized research and development costs	5,422	—
Other	1,017	530
Total deferred tax assets	19,775	9,640
Deferred Tax Liabilities:		
Fixed asset basis difference	(49)	(33)
Goodwill differences	(175)	(129)
Total deferred tax liabilities	(224)	(162)
Valuation allowance	(19,551)	(9,478)
Net deferred tax assets	$ —	$ —

Realization of tax assets is dependent upon future earnings, the timing and amount of which are uncertain. Accordingly, the U.S. net deferred tax assets have been fully offset by a valuation allowance. The changes in the valuation allowance for the years ended December 31, 2022 and 2021 were $10.1 million and $6.7 million, respectively.

As of December 31, 2022, the Company had federal net operating loss carryforwards of approximately $39.5 million, which has no expiration for federal tax purposes. As of December 31, 2022, the Company had California net operating loss carryforwards of approximately $65.8 million, which will begin to expire in 2039 for California tax purposes. At December 31, 2022, the Company also had Colorado net operating loss carryforwards of approximately $4,000, which will begin to expire in 2041 for Colorado tax purposes.

Internal Revenue Code of 1986, as amended (IRC) Section 382 imposes limitations on the use of net operating loss carryforwards when the stock ownership of one or more 5% stockholders (stockholders owning more than 5% or more of the Company's outstanding capital stock) has increased on a cumulative basis by more than 50 percentage points. There is a risk of an ownership change beyond the control of the Company that could trigger a limitation of the use of the loss carryover. As of December 31, 2022, the Company has not completed an analysis whether an ownership change occurred under Section 382, which, if it did occur, could substantially limit its ability in the future to utilize its net operating loss and other tax carryforwards.

As of December 31, 2022, the Company had Federal research and development credit carryforwards of approximately $0.4 million, which will begin to expire in 2041. The Company had California research and development carryforwards of $0.2 million, which will not expire.

The Company adopted the provisions of FASB Accounting Standards Codification (ASC 740-10), *Accounting for Uncertainty in Income Taxes*, upon the date of incorporation. ASC 740-10 prescribes a comprehensive model for the recognition, measurement presentation and disclosure in financial statements of any uncertain tax positions that have been taken or expected to be taken on a tax return. It is the Company's policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary. During the years ended December 31, 2022 and 2021, the Company had not recognized any tax-related penalties or interest. At December 31, 2022 the gross unrecognized tax benefit relating to research and development credits was $0.2 million, none of which if recognized would reduce the effective tax rate in a future period, due the Company's full valuation allowance on U.S. net deferred tax assets. The Company does not expect that its uncertain tax positions will materially change in the next twelve months. The following table summarizes the changes to the Company's unrecognized tax benefits (in thousands):

	As of December 31,	
	2022	2021
Balance, beginning of the period	$ 47	$ 7
Increase related to prior year positions	7	2
Increase related to current year positions	110	38
Balance, end of the period	$164	$ 47

All tax returns will remain open for examination by the federal and state taxing authorities for three and four years, respectively, from the date of utilization of any net operating loss carryforwards or research and development credits.

On August 9, 2022 and August 16, 2022, the Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act and the Inflation Reduction Act (IRA), respectively, were signed into law. The CHIPS Act and IRA contain among other things, some income tax provisions that establish a corporate alternative minimum tax and provide tax incentives for semiconductor manufacturing and research. The Company has evaluated the current legislation and at this time, does not anticipate either to have a material impact on its financial statements.

The Tax Cuts and Jobs Act (TCJA) included a change in the treatment of research and development (R&D) expenditures for tax purposes under Section 174. Effective for tax years beginning after December 31, 2021, specified R&D expenditures must undergo a 5-year amortization period for domestic spend and a 15-year amortization period for foreign spend. Prior to the effective date (2021 tax year and prior), taxpayers were able to immediately expense R&D costs under Section 174(a) or had the option to capitalize and amortize R&D expenditures over a 5-year recovery period under Section 174(b). The company has evaluated the current legislation at this time, and prepared the provision by following the treatment of R&D expenditures for tax purposes under Section 174.

12. 401(k) Savings Plan

The Company has a defined-contribution savings plan under IRC Section 401(k). The 401(k) Plan covers all employees who meet the defined minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis. As of December 31, 2022 and 2021 the Company accrued no employee compensation costs for employer contributions payable to eligible employees.

13. Net Loss Per Share

Basic and diluted net loss per common share were calculated as follows (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2022	2021
Numerator:		
Net loss	$ (37,662)	$ (24,740)
Denominator:		
Weighted-average common shares outstanding	12,025,642	11,303,711
Less: weighted-average unvested common stock issued upon early exercise of common stock options	(660,672)	(417,864)
Less: weighted-average unvested restricted shares of common stock	(777,987)	(3,071,311)
Weighted-average shares used to compute net loss per common share, basic and diluted	10,586,983	7,814,536
Net loss per share, basic and diluted	$ (3.56)	$ (3.17)

The Company's potential dilutive securities, which include convertible preferred stock, unvested restricted stock, and common stock options, have been excluded from the computation of diluted net loss per share as the effect would be antidilutive. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share is the same. The following potential dilutive securities, presented on an as converted basis, were excluded from the calculation of net loss per share due to their anti-dilutive effect:

	Year Ended December 31,	
	2022	2021
Convertible preferred stock (as converted)	61,730,064	61,730,064
Stock options outstanding	11,239,044	10,421,481
Unvested restricted stock	311,607	1,816,131
Total	73,280,715	73,967,676

14. Subsequent Events

The Company evaluated subsequent events from December 31, 2022, the date of these financial statements, through March 21, 2023, which represents the date the financial statements were issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2022. The Company concluded that no events have occurred that would require recognition or disclosure in the financial statements, except as described below.

On February 23, 2023, Enliven closed the Merger with Imara Inc. Pursuant to the Merger Agreement, Merger Sub, a wholly owned subsidiary of Imara, merged with and into the Company, with the Company surviving as a wholly owned subsidiary of Imara Inc. Immediately prior to the closing of the Merger, investors in the Financing purchased shares of Enliven's common stock totaling $164.5 million. Following the closing of the Merger, Imara Inc. changed its corporate name to Enliven Therapeutics, Inc.

In connection with the merger, a reverse stock split of Imara's common stock was effectuated at a ratio of 1 to 4. In addition, each share of the Company's common stock outstanding, including shares of the Company's common stock that were issued pursuant to the Financing, converted into the right to receive a number of shares of Imara's common stock based on an agreed upon ratio by the parties of approximately 0.2951 shares of Imara's common stock for each share of the Company's common stock.

Exhibit 99.3

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Explanatory Note

On October 13, 2022, Imara Inc. ("Imara" or the "Company"), Enliven Therapeutics, Inc. ("Enliven"), and a wholly owned subsidiary of Imara, Iguana Merger Sub, Inc. ("Merger Sub") entered into an agreement and plan of merger (the "Merger Agreement"). Pursuant to the Merger Agreement, among other matters, Merger Sub merged with and into Enliven, with Enliven becoming a wholly-owned subsidiary of Imara and the surviving corporation of the merger, which transaction is referred to as the Merger. Following the closing of the Merger, Imara changed its name to Enliven Therapeutics, Inc. and Enliven Therapeutics, Inc. changed its name to Enliven Inc.

The Company is filing this Amendment to its Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the "SEC") on March 1, 2023 to provide pro forma financial information reflecting the Merger as of and for the year ended December 31, 2022. As previously disclosed, on February 23, 2023, Imara and Enliven completed the Merger, pursuant to the Merger Agreement.

At the effective time of the Merger, each share of Enliven's common stock outstanding immediately prior to the effective time of the Merger, including shares of Enliven's common stock that were issued pursuant to the Enliven pre-closing financing (as defined below), were converted into the right to receive a number of shares of the Company's common stock based on the exchange ratio. The final exchange ratio is approximately 0.2951 shares of Imara's common stock for each share of Enliven's common stock, which gives effect to the Reverse Stock Split (as defined below). Each share of Enliven's convertible preferred stock outstanding immediately prior to the effective time of the Merger was converted into shares of Enliven's common stock in accordance with its terms, which then converted into the right to receive shares of the Company's common stock along with all other shares of Enliven's common stock as described above. Under the exchange ratio formula in the Merger Agreement, the Enliven equity holders immediately before the effective time of the Merger owned approximately 84% of the outstanding capital stock of Imara on a fully-diluted basis, and the stockholders of Imara immediately before the effective time of the Merger owned approximately 16% of the outstanding capital stock of Imara on a fully-diluted basis.

The Merger

On February 23, 2023, the Company filed an amendment to its Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect the reverse stock split of its common stock, such that approximately every 4 shares of the Company's common stock held by a stockholder immediately prior to the reverse stock split were combined and reclassified into 1 share of the Company's common stock (the "Reverse Stock Split"). Except where otherwise indicated in these pro forma financial statements, all share and per share amounts of Imara have been adjusted retroactively to reflect the Reverse Stock Split as if it had occurred at the beginning of the earliest period presented for pro forma purposes only.

The Merger closed on February 23, 2023 pursuant to the Merger Agreement. At the closing of the Merger, the Company issued an aggregate of 34,426,351 shares of its common stock to the former Enliven stockholders, in exchange for all of the shares of Enliven common stock issued and outstanding immediately prior to the Merger, based on an exchange ratio of approximately 0.2951 with Enliven surviving as a wholly-owned subsidiary of the Company. In connection with the closing of the Merger, and in accordance with the terms of the Merger Agreement, the Company acquired net cash and cash equivalents from Imara of approximately $80.5 million. In addition, each outstanding and unexercised option to purchase shares of Enliven common stock granted to an individual who continued as a service provider to Enliven at the effective time of the Merger was assumed by the Company and converted into an option to purchase shares of the Company's common stock, with necessary adjustments to reflect the exchange ratio.

The issuance of the shares of the Company's common stock to the former stockholders of Enliven was registered with the SEC on the Company's Registration Statement on Form S-4, as amended (File No. 333-268300).

Enliven Pre-closing Financing

On October 13, 2022, immediately prior to the execution and delivery of the Merger Agreement, Enliven entered into a common stock purchase agreement with certain investors, pursuant to which the investors agreed to purchase approximately 42.8 million shares of Enliven's common stock, par value $0.0001 per share (the "Enliven pre-closing financing").

On February 23, 2023, Enliven completed the pre-closing financing, in which Enliven issued approximately 42.8 million shares of Enliven common stock at a price of $3.84 per share, for aggregate gross proceeds of approximately $164.5 million, net of issuance costs of $4.7 million.

Unaudited Pro Forma Combined Financial Information

The following unaudited pro forma combined financial information gives effect to the Transaction Accounting Adjustments, which consist of the (i) Merger, (ii) the Enliven pre-closing financing, and (iii) the Reverse Stock Split.

In the unaudited pro forma combined financial statements, the Merger has been accounted for as a reverse recapitalization under U.S. generally accepted accounting principles ("U.S. GAAP") because the assets of Imara as of the effective date of the Merger are primarily cash and other non-operating assets. Enliven was determined to be the accounting acquirer based upon the terms of the Merger and other factors including: (1) Enliven stockholders will own a substantial majority of the voting rights in the combined company; (2) Enliven will designate a majority (eight of nine) of the initial members of the board of directors of the combined company; and (3) Enliven's senior management will hold all positions in senior management of the combined company.

As a result of Enliven being treated as the accounting acquirer, Enliven's assets and liabilities are recorded at their pre-combination carrying amounts and the historical operations that are reflected in the unaudited pro forma combined financial information of Imara will be those of Enliven. Imara's assets and liabilities will be measured and recognized at their fair values as of the effective date of the Merger, and combined with the assets, liabilities, and results of operations of Enliven after the consummation of the Merger. As a result, upon consummation of the Merger, the historical financial statements of Enliven will become the historical consolidated financial statements of the combined company.

The unaudited pro forma combined balance sheet data as of December 31, 2022 assumes that the Merger took place on December 31, 2022 and combines the Imara and Enliven historical balance sheets as of December 31, 2022. The unaudited pro forma combined statement of operations data for the year ended December 31, 2022 gives effect to the Merger as if it took place on January 1, 2022 and combines the Imara and Enliven historical statement of operations for the periods presented.

The historical financial statements of Imara and Enliven have been adjusted to give pro forma effect to reflect the Transaction Accounting Adjustments in accordance with U.S. GAAP. The adjustments presented on the unaudited pro forma combined financial statements have been identified and presented to provide relevant information necessary for an accurate understanding of the combined company upon consummation of the Merger.

The unaudited pro forma combined financial information is based on assumptions and adjustments that are described in the accompanying notes, and is for illustrative purposes only. The unaudited pro forma combined financial information should not be relied upon as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience. The actual amounts recorded as of the completion of the Merger may differ materially from the information presented in these unaudited pro forma combined financial information as a result, if any, of the amount of cash used by Imara's operations between the signing and closing of the Merger Agreement, and other changes in Imara's assets and liabilities that occur prior to the completion of the Merger.

The unaudited pro forma combined financial information, including the notes thereto, should be read in conjunction with the separate historical consolidated financial statements of Imara and Enliven incorporated by reference in this information statement.

Unaudited Pro Forma Combined Balance Sheet
As of December 31, 2022
(in thousands)

	Enliven	IMARA	Transaction Accounting Adjustments	Note 4	Pro Forma Combined Total
Assets					
Current assets:					
Cash and cash equivalents	$ 75,536	$ 88,198	$ 164,500	**(a)**	$ 328,234
Prepaid expense and other current assets	2,217	1,438	—		3,655
Total current assets	77,753	89,636	164,500		331,889
Property and equipment, net	890	—	—		890
Operating lease right-of-use assets, net	626	—	—		626
Deferred offering costs	3,975	—	(3,975)	**(b)**	—
Restricted cash	54	—	—		54
Other assets	—	2,323	—		2,323
Total assets	$ 83,298	$ 91,959	160,525		$ 335,782
Liabilities, convertible preferred stock and stockholders' equity (deficit)					
Current liabilities:					
Accounts payable	$ 3,438	$ 149	$ —		$ 3,587
Accrued expense and other current liabilities	6,277	1,681	11,396	**(a)(b)(j)**	19,354
Total current liabilities	9,715	1,830	11,396		22,941
Other non-current liabilities	659	—	—		659
Total liabilities	10,374	1,830	11,396		23,600
Convertible preferred stock	149,749	—	(149,749)	**(d)(l)**	—
Stockholders' equity (deficit):					
Common stock	1	27	13	**(l)**	41
Additional paid-in capital	6,038	236,111	156,420	**(l)**	398,569
Accumulated deficit	(82,864)	(146,009)	142,445	**(l)**	(86,428)
Total stockholders' equity (deficit)	(76,825)	90,129	298,878		312,182
Total liabilities convertible preferred stock and stockholders' equity	$ 83,298	$ 91,959	$ 160,525		$ 335,782

Unaudited Pro Forma Combined Statement of Operations
For the Year Ended December 31, 2022
(in thousands, except for share and per share amounts)

	Enliven	IMARA	Transaction Accounting Adjustments	Note 4	Pro Forma Combined Total
Operating expenses					
Research and development	$ 31,022	$ 18,940	$ (17,692)	**(k)**	$ 32,270
General and administrative	7,769	15,330	3,564	**(i)(j)**	26,663
Total operating expenses	38,791	34,270	(14,128)		58,993
Gain on sale of asset	—	35,000	—		35,000
Loss (income) from operations	(38,791)	730	14,128		(23,933)
Other expense	—	(97)	—		(97)
Interest income	1,129	943	—		2,072
Total other income (expense), net	1,129	846	—		1,975
Net (loss) income before income tax provision	(37,662)	1,576	14,128		(21,958)
Income tax provision	—	(88)	—		(88)
Net (loss) income	$ (37,662)	$ 1,488	$ 14,128		$ (22,046)
Net (loss) income share attributable to common stockholders, basic and diluted	$ (3.56)	$ 0.06	$ —		$ (0.54)
Weighted average common shares outstanding, basic and diluted	10,586,983	26,385,567	3,632,417	**(g)**	40,604,967

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma combined financial information was prepared in accordance with U.S. GAAP and pursuant to the rules and regulations of Article 11 of Regulation S-X. The unaudited pro forma combined balance sheet as of December 31, 2022 was prepared using the historical consolidated balance sheets of Imara and Enliven as of December 31, 2022. The unaudited pro forma combined statement of operations for the year ended December 31, 2022 was prepared using the historical statements of operations and comprehensive loss of Imara and Enliven for the year ended December 31, 2022 and gives effect to the Merger as if it occurred on January 1, 2022.

For accounting purposes, Enliven is considered to be the acquirer, and the Merger was accounted for as a reverse recapitalization of Imara by Enliven because upon the closing of the Merger, the pre-combination assets of Imara are expected to be primarily cash.

Under reverse recapitalization accounting, the assets and liabilities of Imara will be recorded, as of the date of the Merger, at their fair value. No goodwill or intangible assets will be recognized and any excess consideration transferred over the fair value of the net assets of Imara, following determination of the actual purchase consideration for Imara will be reflected as a reduction to additional paid-in capital. Consequently, the financial statements of Enliven reflect the operations of the acquirer for accounting purposes together with a deemed issuance of shares, equivalent to the shares held by the former stockholders of the legal acquirer and a recapitalization of the equity of the accounting acquirer. The accompanying unaudited pro forma combined financial information is derived from the historical financial statements of Imara and Enliven, and includes adjustments to give pro forma effect to reflect the accounting for the transaction in accordance with U.S. GAAP. The historical financial statements of Enliven shall become the historical financial statements of the combined company.

To the extent there are significant changes to the business following completion of the Merger, the assumptions and estimates set forth in the unaudited pro forma consolidated financial information could change significantly. Accordingly, the pro forma adjustments are subject to further adjustment as additional information becomes available and as additional analyses are conducted following the completion of the Merger. There can be no assurances that these additional analyses will not result in material changes to the estimates of fair value.

2. Purchase Price

The accompanying unaudited pro forma combined financial information reflects a purchase price of approximately $168.8 million, which consists of the following (in thousands, except share and per share amounts):

Estimated number of common shares of the combined company to be owned by IMARA stockholders (1)	6,625,176
Multiplied by the fair value per share of IMARA common stock (2)	$ 25.28
Estimated fair value of IMARA common stock issued	167,484
Estimated fair value of stock options and restricted stock units attributable to precombination services (3)	1,350
Estimated purchase price	$ 168,834

(1) Reflects the number of shares of the combined company that Imara equity holders owned as of the closing pursuant to the Merger Agreement. This amount is calculated for purposes of the unaudited pro forma combined financial information, based on the shares of Imara's common stock outstanding as of February 23, 2023.
(2) Reflects the assumed purchase price per share of Imara common stock, which is the closing price of Imara's common stock on February 23, 2023.
(3) Reflects the estimated acquisition-date fair value of the assumed Imara equity awards attributable to pre-combination services.

3. Shares of Imara Common Stock Issued to Enliven's Stockholders upon Closing of the Merger

Prior to the Merger, all outstanding convertible preferred stock of Enliven were converted into common stock of Enliven. At the effective time of the Merger, all outstanding shares of Enliven's common stock were converted into the right to receive shares of Imara common stock as consideration for the Merger, based on the exchange ratio. The final exchange ratio for purposes of the unaudited pro forma combined financial information was derived on a fully-diluted basis as of February 23, 2023 using a stipulated value of Enliven of approximately $489.1 million (including the Enliven pre-closing financing discussed above) and of Imara of approximately $90.5 million. Based on the exchange ratio of approximately 0.2951 determined in accordance with the terms of the Merger Agreement, Imara issued 34,426,394 shares of common stock to the stockholders of Enliven in the Merger, determined as follows:

	Shares
Enliven:	
Enliven common shareholders	54,927,965
Enliven convertible preferred stock	61,730,064
Total Enliven common equivalent shares pre-close	116,658,029
Exchange ratio	0.2951
Total Enliven merger common shares	34,426,394

The exchange ratio is calculated based on the Reverse Stock Split of Imara common stock.

4. Pro Forma Adjustments

The unaudited pro forma combined financial information includes pro forma adjustments that reflect Transaction Accounting Adjustments, as well as other adjustments deemed to be directly related to the Merger, irrespective of whether or not such adjustments are deemed to be recurring.

Based on Enliven management's review of Imara's summary of significant accounting policies, the nature and amount of any adjustments to the historical financial statements of Imara to conform to the accounting policies of Enliven are not expected to be significant.

The pro forma adjustments, based on preliminary estimates that may change significantly as additional information is obtained, are as follows:

(a) To reflect $164.5 million in proceeds, and issuance costs of $4.7 million (which are included in accrued expense and other current liabilities), in connection with the consummation the Enliven pre-closing financing, in which 42,827,612 shares of Enliven's common stock are to be issued. The Enliven pre-closing financing closed immediately prior to the closing of the Merger.

(b) To reflect estimated transaction costs yet to be incurred by Enliven in connection with the Merger of $4.3 million, such as adviser fees, legal, and accounting expenses, as an increase in accrued liabilities and reduction to additional paid-in capital, as well as to reflect $4.0 million in previously deferred transaction costs as a reduction in additional paid-in capital in the unaudited proforma combined balance sheet.

(c) To reflect the change in common stock par value due to exchange of Imara's common stock for Enliven's common stock upon closing of the Merger, which includes shares issued subsequent to December 31, 2022 through the Enliven pre-closing financing.

(d) To reflect the conversion of 61,730,064 shares of Enliven convertible preferred stock into shares of Enliven common stock on a 1-for-1 basis, which is expected to occur immediately prior to the effective time of the Merger.

(e) To reflect the elimination of Imara's historical common stock.

(f) To reflect the effect of the reverse recapitalization of Imara for a total of $90.1 million, which is the net assets of Imara as of December 31, 2022.

(g) The pro forma combined basic and diluted earnings per share have been adjusted to reflect the pro forma net loss for the year ended December 31, 2022. In addition, the number of shares used in calculating the pro forma combined basic and diluted net loss per share has been adjusted to reflect the total number of shares of common stock of the combined company outstanding as of the Merger closing date, including the shares to be issued in the Enliven pre-closing financing. The following table presents the calculation of the pro forma weighted average number of common stock outstanding after giving effect to the Reverse Stock Split for Imara shares and application of the exchange ratio for Enliven shares:

	December 31, 2022
Historical Enliven weighted-average shares of common stock outstanding	10,586,983
Impact of Enliven's convertible preferred stock assuming conversion as of January 1, 2022	61,730,064
Impact of Enliven's common stock purchase agreement (Financing Transaction) assuming issuance as of January 1, 2022	42,827,612
Subtotal	115,144,659
Application of exchange ratio to historical Enliven weighted-average shares outstanding	0.2951
Adjusted Enliven weighted-average shares outstanding (after giving effect to the Exchange Ratio)	33,979,790
Historical IMARA weighted-average shares of common stock outstanding	6,571,816
Impact of IMARA common stock related to stock units that accelerated vesting, reflected as having occurred January 1, 2022	53,361
Total weighted average shares outstanding	40,604,967

(h) To reflect the impact of the difference in par value of common stock between Enliven ($0.0001) and Imara ($0.001) on the conversion of Enliven common stock to Imara common stock

(i) To reflect the post combination stock-based compensation expense of $1.2 million, as a result of the accelerated vesting of certain Imara options, as a result of the Merger under the original award terms, as general and administrative expense on the unaudited pro forma combined statement of operations, and an increase in additional paid-in capital and accumulated deficit on the unaudited pro forma balance sheet.

(j) To reflect Imara's compensation expense of $2.4 million related to change-in-control severance payments resulting from pre-existing employment agreements that will be payable in cash in connection with the Merger but were not incurred as of December 31, 2022, as an increase to accrued expense and other current liabilities and accumulated deficit in the unaudited pro forma combined balance sheet. Imara's compensation costs of $2.4 million are reflected as general and administrative expense in the unaudited pro forma combined statement of operations for the year ended December 31, 2022.

(k) To reflect the elimination of direct external R&D expenses related to the IMR-687 program which were sold by Imara in an asset sale. Such R&D expenses were incurred and included in the Imara historical consolidated statement of operations for the year ended December 31, 2022.

(l) The total impact to equity for the above adjustments is reflected in the table below.

		Common Stock						
		Enliven		IMARA		Additional Paid-in- Capital	Accumulated Deficit	Stockholders equity
(amounts in thousands, except share amounts)		Shares	Amount	Shares	Amount			
Conversion of outstanding Enliven's convertible preferred stock into common stock	(d)	61,730,064	62	—	—	149,687	—	149,749
Elimination of IMARA's historical equity carrying value	(e)	—	—	(26,500,704)	(27)	(236,111)	146,009	(90,129)
Exchange of outstanding Enliven common stock into IMARA common stock based on the assumed Exchange Ratio	(c)	(116,658,029)	(117)	34,426,394	34	83	—	—
Change in par value	(h)	—	11	—	—	(11)	—	—
Reverse recapitalization of IMARA	(f)	—		6,625,176	7	90,122	—	90,129
Enliven pre-closing financing	(a)	42,827,612	43	—	—	159,785	—	159,828
Severance payments to IMARA employees	(j)	—	—	—	—	—	(2,393)	(2,393)
Post combination stock-based compensation expense	(i)	—	—	—	—	1,171	(1,171)	—
Transaction costs associated with the merger	(b)	—	—	—	—	(8,306)	—	(8,306)
Pro forma adjustment		(12,100,353)	$ (1)	14,550,866	$ 14	$ 156,420	$ 142,445	$ 298,878