



Lyra Therapeutics Announces Cost-Cutting Measures to Preserve Capital

May 21, 2024

WATERTOWN, Mass., May 21, 2024 (GLOBE NEWSWIRE) -- Lyra Therapeutics, Inc. (Nasdaq: LYRA) ("Lyra" or the "Company"), today announced that it is advancing its goal to preserve capital by implementing a layoff of approximately 75% of its workforce, in addition to other cost-cutting measures.

In the near term, Lyra Therapeutics will focus on the two ongoing ENLIGHTEN Phase 3 trials evaluating LYR-210, a bioabsorbable sinonasal implant for the treatment of chronic rhinosinusitis (CRS). Lyra continues to analyze the data from the ENLIGHTEN 1 trial, which did not meet its 24-week primary endpoint. The Company intends to use this analysis to inform its approach on the completion of the 52-week extension phase of the ENLIGHTEN 1 trial with data expected in Q4 2024 and its approach to the ongoing ENLIGHTEN 2 trial.

In connection with the reduction in force, which impacts 87 employees, Lyra Therapeutics has stopped manufacturing and commercialization efforts and seeks to sublease its facilities to significantly reduce the Company's operating costs. Furthermore, Lyra has paused efforts for LYR-220. These measures are expected to extend Lyra's cash runway into 2026. As of March 31, 2024, prior to the reduction in force, Lyra Therapeutics had approximately \$87.1 million in cash, cash equivalents and short-term investments, and the Company will provide an update when it reports its second quarter 2024 financial results.

"As we streamline our operations to focus on our ongoing clinical trials, we are taking aggressive measures to extend our cash runway," said Maria Palasis, Ph.D., President and Chief Executive Officer of Lyra Therapeutics. "Unfortunately, these measures impact our employees, who helped to build Lyra. I would like to convey my gratitude to our employees for their dedication to helping patients and for their contributions to the company."

In parallel, the Company plans to evaluate potential strategic options to maximize shareholder value. There can be no assurance that the evaluation of strategic options will result in any transaction, or that any transaction, if pursued, will be completed on attractive terms, if at all. The Company has not set a timetable for the completion of this strategic review and does not intend, assume any obligation, or promise to publicly update or revise any information regarding the status.

About the ENLIGHTEN Trials

The ENLIGHTEN program consists of two randomized, blinded, sham-controlled Phase 3 clinical trials, ENLIGHTEN 1 and ENLIGHTEN 2, to evaluate the efficacy and safety of LYR-210 for the treatment of CRS. The Company designed each trial to evaluate 180 CRS patients who have failed medical management and who have not had ethmoid sinus surgery, randomized 2:1 to either LYR-210 (7500µg mometasone furoate (MF)) or control over 24 weeks. The ENLIGHTEN 1 trial also includes an extension phase to further assess the safety and repeat use of LYR-210 through 52 weeks.

ENLIGHTEN 1 enrolled a total of 190 patients, approximately two-thirds from U.S. sites and one-third from sites in Europe. The mean baseline 3CS scores were 6.9 points and 6.7 points for treatment and sham control arms, respectively, and the mean SNOT-22 scores were 61 points in both the treatment and sham control arms. The baseline CT opacification scores were 44.9% and 47.3% for the treatment and sham control arms, respectively.

About LYR-210

LYR-210 is an investigational product candidate for the treatment of chronic rhinosinusitis (CRS) for up to four million CRS patients in the U.S. who fail current therapies annually and require further intervention. LYR-210 is a bioabsorbable sinonasal implant that is designed to deliver six months of continuous anti-inflammatory medication (7500µg mometasone furoate) to the sinonasal passages for the treatment of CRS. CRS is a highly prevalent inflammatory disease of the paranasal sinuses which leads to debilitating symptoms and significant morbidities and is the fifth most common condition in people under age 65.

About Lyra Therapeutics

Lyra Therapeutics, Inc. is a clinical-stage biotechnology company developing long-acting, anti-inflammatory sinonasal implants for the treatment of chronic rhinosinusitis (CRS). Lyra Therapeutics has two product candidates, LYR-210 and LYR-220, in late-stage development for CRS, a highly prevalent inflammatory disease of the paranasal sinuses which leads to debilitating symptoms and significant morbidities. LYR-210 and LYR-220 are bioabsorbable nasal implants designed to be administered in a simple, in-office procedure and are intended to deliver six months of continuous anti-inflammatory drug therapy (7500µg mometasone furoate) to the sinonasal passages for the treatment of CRS with a single administration. LYR-210, being evaluated in the ENLIGHTEN Phase 3 clinical program, has a smaller dimension and is intended for patients with standard anatomy, primarily patients who have not undergone ethmoid sinus surgery. LYR-220 is a larger implant designed for CRS patients whose nasal cavity is enlarged due to previous ethmoid sinus surgery. These two product candidates are designed to treat the estimated four million CRS patients in the United States who fail medical management each year. For more information, please visit www.lyratx.com and follow us on LinkedIn.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including statements regarding our focus on the two ongoing ENLIGHTEN Phase 3 trials evaluating LYR-210, our ongoing ENLIGHTEN 1 trial and expectation for data in Q4 2024, our cash runway into 2026 and plans to update investors regarding our cash runway, and our plans to evaluate potential strategic options to maximize shareholder value. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the fact that the Company has incurred significant losses since inception and expects to incur additional losses for the foreseeable future; the Company's need for additional funding, which may not be available; the Company's ability to continue as a going concern; the Company's

limited operating history; the fact that the Company has no approved products; the fact that the Company's product candidates are in various stages of development; the fact that clinical trial data is subject to change until the completion of the applicable clinical study report, or the fact that the Company may not be successful in its efforts to identify and successfully commercialize its product candidates; the fact that clinical trials required for the Company's product candidates are expensive and time-consuming, and their outcome is uncertain; the fact that the FDA may not conclude that the Company's product candidates satisfy the requirements for the Section 505(b)(2) regulatory approval pathway; the Company's potential inability to obtain required regulatory approvals; effects of recently enacted and future legislation; the possibility of system failures or security breaches; effects of significant competition; the fact that the successful commercialization of the Company's product candidates will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels and pricing policies; failure to achieve market acceptance; product liability lawsuits; the fact that the Company must scale its in-house manufacturing capabilities or rely on third parties for the manufacture of materials for its research programs, pre-clinical studies and clinical trials and commercial supply; the Company's reliance on third parties to conduct its preclinical studies and clinical trials; the Company's inability to succeed in establishing and maintaining collaborative relationships; the Company's reliance on certain suppliers critical to its production; failure to obtain and maintain or adequately protect the Company's intellectual property rights; failure to retain key personnel or to recruit qualified personnel; difficulties in managing the Company's growth; effects of natural disasters, terrorism and wars; the fact that the global pandemic caused by COVID-19 could adversely impact the Company's business and operations, including the Company's clinical trials; the fact that the price of the Company's common stock may be volatile and fluctuate substantially; significant costs and required management time as a result of operating as a public company and any securities class action litigation. These and other important factors discussed under the caption "Risk Factors" in the Company's Quarterly Report on Form 10-Q filed with the SEC on April 30, 2024 and its other filings with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as of the date of this press release. While the Company may elect to update such forward-looking statements at some point in the future, it disclaims any obligation to do so, even if subsequent events cause its views to change.

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