UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

OR

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

For the transition period from to

Commission File Number: 001-39971

Landos Biopharma, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**81-5085535**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1800 Kraft Drive, Suite 216 **Blacksburg, Virginia**	**24060**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (540) 218-2232

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 $0.01 per share	LABP	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of May 17, 2021, the registrant had 40,117,598 shares of common stock, $0.01 par value per share, outstanding.

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Item 1. Financial Statements. (Unaudited)

Landos Biopharma, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands, except share and per share amounts)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 8,572	$ 2,416
Marketable securities, available for sale	97,786	25,718
Incentive and tax receivables	1	154
Prepaid expenses and other current assets	3,386	202
Deferred offering costs	—	1,398
Total current assets	109,745	29,888
Property, plant and equipment-net	465	444
Total assets	$ 110,210	$ 30,332
Liabilities, convertible preferred stock and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 8,200	$ 8,606
Accrued liabilities	364	1,939
Other current liabilities	255	489
Total current liabilities	8,819	11,034
Other liabilities	212	276
Total liabilities	9,031	11,310
Commitments and Contingencies	—	—
Convertible preferred stock, $0.01 par value; no shares authorized, issued or outstanding as of March 31, 2021; 11,260,608 shares authorized, issued and outstanding as of December 31, 2020: aggregate liquidation preference of $70,254 as of December 31, 2020	—	73,037
Stockholders' equity (deficit):		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, no shares issued or outstanding as of March 31, 2021; no shares authorized, issued or outstanding as of December 31, 2020 Common stock, $0.01 par value; 200,000,000 shares authorized, 39,866,669 shares issued and outstanding as of March 31, 2021; 37,410,450 shares authorized, 12,767,909 shares issued and outstanding as of December 31, 2020	399	71
Additional paid-in-capital	166,429	1,633
Accumulated other comprehensive (loss) gain	(102)	10
Accumulated deficit	(65,547)	(55,729)
Total stockholders' equity (deficit)	101,179	(54,015)
Total liabilities, convertible preferred stock and stockholders' equity	$ 110,210	$ 30,332

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

Landos Biopharma, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2021	**2020**
Operating expenses:		
Research and development	$ 7,254	$ 4,690
General and administrative	2,646	1,080
Total operating expenses	9,900	5,770
Loss from operations	(9,900)	(5,770)
Other income (expenses):		
Interest expense	—	(1)
Gain/(loss) from foreign exchange	18	(222)
Other income, net	64	197
Other income (expense), net	82	(26)
Net loss	(9,818)	(5,796)
Net loss per share, basic and diluted	(0.38)	(0.49)
Weighted-average shares used to compute net loss per share, basic and diluted	26,070,455	11,874,723
Net loss	(9,818)	(5,796)
Unrealized gain/(loss) on available-for-sale securities	(112)	(686)
Comprehensive loss	(9,930)	(6,482)

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

Landos Biopharma, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ 9,818	$ 5,796
Adjustments to reconcile net earnings to net cash used in operating activities:		
Compensation expense related to vesting of common stock issued to Xontogeny	—	13
Depreciation of property and equipment	43	29
Accrued interest on marketable securities	426	12
Stock-based compensation expense	1,023	—
Net realized gain/(loss) on sale of marketable securities	—	28
Net (accretion of discount) amortization of premium on marketable securities	(196)	36
Gain/(loss) from foreign exchange	18	(223)
Changes in operating assets and liabilities:		
Incentive and tax receivables	153	—
Prepaid expenses and other assets	(2,212)	56
Accounts payable	(422)	2,792
Other liabilities	(1,575)	(315)
Net cash (used in) operating activities	(12,560)	(3,368)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(64)	(20)
Purchase of available-for-sale marketable securities	(81,379)	(1,251)
Proceeds from sales and maturities of marketable securities	9,395	2,978
Net cash provided by (used in) investing activities	(72,048)	1,707
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from initial public offering	90,506	
Proceeds from exercise of stock options	258	—
Net cash provided by (used in) financing activities	90,764	—
Net change in cash and cash equivalents	6,156	(1,661)
Cash and cash equivalents at beginning of period	2,416	9,808
Cash and cash equivalents at end of period	$ 8,572	$ 8,147
Supplemental non-cash disclosure: **NONCASH INVESTING AND FINANCING ACTIVITY:**		
Deferred offering costs included in accounts payable and accrued liabilities	$ —	$ 59
Purchases of fixed assets in accounts payable	—	23
Reclassification of par to additional paid-in-capital	2	—
Reclassification of series A and B convertible preferred stock to common stock	72,925	—
Unrealized loss on available-for-sale marketable securities	112	686

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

Landos Biopharma, Inc.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity
(Unaudited)
(in thousands, except share amounts)

	Convertible preferred stock		Convertible preferred stock		Common stock						
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Additional paid-in capital	Tranche right	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' deficit
Balance at December 31, 2019	11,260,608	73,037	—	—	11,784,148	$ 63	$ 16	—	$ (25,585)	$ (77)	$ (25,583)
Compensation expense related to vesting of common stock issued to Xontogeny	—	—	—	—	193,182	2	12	—	—	—	14
Unrealized gain / (loss) on available-for-sale securities	—	—	—	—	—	—	—	—	—	(686)	(686)
Net loss	—	—	—	—	—	—	—	—	(5,796)	—	(5,796)
Balance at March 31, 2020	11,260,608	73,037			11,977,330	65	28	—	(31,381)	(763)	(32,051)

	Convertible preferred stock		Convertible preferred stock		Common stock						
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Additional paid-in capital	Tranche right	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' deficit
Balance at December 31, 2020	11,260,608	$ 73,037	—	$ —	12,767,909	$ 71	$ 1,633	—	$ (55,729)	$ 10	$ (54,015)
Conversion of preferred stock to common stock upon closing of the initial public offering	(11,260,608)	(73,037)	—	—	20,549,478	262	72,775	—	—	—	73,037
Issuance of common stock, net of issuance costs	—	—	—	—	6,250,000	63	90,443	—	—	—	90,506
Stock compensation expense	—	—	—	—	—	—	1,023	—	—	—	1,023
Exercise of Stock Options	—	—	—	—	299,282	3	555	—	—	—	558
Unrealized gain / (loss) on available-for-sale securities										(112)	(112)
Net loss	—	—	—	—	—	—	—	—	(9,818)	—	(9,818)
Balance at March 31, 2021	—	$ —			39,866,669	$ 399	$ 166,429		$ (65,547)	$ (102)	$ 101,179

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

1. Organization and description of the business

Description of business

Landos Biopharma, Inc. (the "Company") is a clinical-stage biopharmaceutical company discovering and developing novel treatments for autoimmune diseases. The Company has identified Lanthionine Synthetase C-Like 2 ("LANCL2") as a novel therapeutic target for autoimmune diseases, including inflammatory bowel disease ("IBD"); Crohn's disease ("CD"), and ulcerative colitis ("UC"). Landos' wholly-owned lead clinical asset, BT-11, is the first therapeutic that targets LANCL2 and acts locally in the gastrointestinal tract for treatment of inflammatory bowel disease (IBD). The Company completed global Phase 2 clinical testing of BT-11 for UC in 2020. Landos is a platform company that continues to discover innovative therapeutic targets (one to two new therapeutic targets per year and their associated drug development programs). Landos also has a robust pipeline of seven product candidates for other autoimmune diseases (lupus, rheumatoid arthritis, multiple sclerosis, type 1 diabetes), several of which Landos anticipates will advance to Phase 1 clinical testing in 2021. Since inception, the Company has devoted substantially all of its resources to performing research and development activities in support of its product development efforts. The Company does not have any products or partnered products approved for sale and has not generated any revenue from commercial product sales. The Company was incorporated in Delaware in January 2017.

On February 3, 2021, the Company completed its initial public offering ("IPO") in which it issued and sold 6,250,000 shares of its common stock and the Company received net proceeds of $90.5 million from the IPO, after deducting underwriters' discounts and commissions. Offering costs were initially capitalized and consisted of fees and expenses incurred in connection with the sale of common stock in the IPO, including legal, accounting, printing and other IPO-related costs. Upon completion of the IPO, these offering costs were reclassified to stockholders' equity and offset against the proceeds from the offering on the balance sheet. Immediately prior to the completion of the IPO, all shares of convertible preferred stock then outstanding were converted into 20,549,478 shares of common stock on a one-to-one basis, $72.9 million of convertible preferred stock was reclassified to additional paid-in-capital and $0.2 of convertible preferred stock was reclassified to common stock on the Company's balance sheet.

Liquidity and capital resources

The Company has incurred net losses and negative cash flows from operations since inception and had an accumulated deficit of $65.5 million as of March 31, 2021. Since inception through March 31, 2021, the Company has funded operations primarily through the issuance of convertible preferred stock and convertible promissory notes, and through proceeds from the Company's initial public offering. The Company expects to incur substantial operating losses for at least the next several years and will need to obtain additional financing in order to initiate and complete clinical trials, discover, develop, seek regulatory approvals for and prepare for potential commercialization of its product candidates. There can be no assurance that such financing will be available or will be at terms acceptable to the Company.

As of March 31, 2021, the Company had cash, cash equivalents and marketable securities of $106.4 million, which it believes will be sufficient to fund its planned operations through 2023 from the date of the issuance of its consolidated financial statements.

2. Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Landos Biopharma Australia Pty Ltd. ("Landos Australia"). All intercompany balances and transactions have been eliminated in consolidation. The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's audited financial statements and notes thereto included in its Annual Report on Form 10-K for the year ended December 31, 2020. In the opinion of the Company's management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of its financial position, operating results and cash flows for the periods presented have been included. Operating results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the full year, for any other interim period or for any future year.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Significant estimates and assumptions made in the accompanying consolidated financial statements include but are not limited to accrued liabilities, fair value

of equity instruments, and uncertain tax positions. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus disease ("COVID-19") as a pandemic, and the Company expects its operations in all locations to be affected as the virus continues to proliferate. The Company has adjusted certain aspects of its operations to protect employees and customers while still meeting customers' needs for vital technology. The Company will continue to monitor the situation closely and it is possible that further measures will be implemented. In light of the uncertainty as to the severity and duration of the pandemic, the impact on the financial position is uncertain at this time.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less from the purchase date to be cash equivalents. Cash equivalents consist primarily of amounts invested in money market funds and commercial paper and are stated at fair value.

Marketable securities

The Company's investments in marketable securities are maintained by investment managers and consist of corporate debt securities with original maturities of over 90 days, all of which are considered available-for-sale debt securities. The Company classifies its available-for-sale securities as short-term marketable securities on the consolidated balance sheets, even though the stated maturity date may be one year or more beyond the current consolidated balance sheet date, as the Company views those securities as available for use in current operations, if needed.

Available-for-sale securities are carried at fair value with their unrealized gains and losses included in accumulated other comprehensive loss within stockholders' (deficit) equity, until such gains and losses are realized in other income (expense), net, within the consolidated statements of operations and comprehensive loss or until an unrealized loss is considered other-than-temporary. Realized gains and losses are determined using the specific identification method.

The Company evaluates its investments with unrealized losses for other-than-temporary impairment. When assessing investments for other-than-temporary declines in value, the Company considers such factors as, among other things, how significant the decline in value is as a percentage of the original cost, how long the market value of the investment has been less than its original cost, the Company's ability and intent to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value and market conditions. If the Company determines from this analysis that it does not expect to receive cash flows sufficient to recover the entire amortized cost of the security, a credit loss exists, the impairment is considered other-than-temporary and is recognized in the consolidated statements of operations and comprehensive loss.

Research and development expenses

Research and development expenses consist primarily of costs incurred for the development of the Company's lead clinical product candidates BT-11, NX-13 and other pipeline therapeutic assets. Research and development costs consist primarily of external costs related to clinical development, contract manufacturing and discovery as well as personnel costs. Personnel costs consist of salaries and employee benefits. The Company estimates preclinical and clinical study and research expenses based on the services performed, pursuant to contracts with research institutions that conduct and manage preclinical and clinical studies and research services on its behalf. The Company records the costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and includes these costs in accrued liabilities in the consolidated balance sheets. These costs are a component of the Company's research and development expenses. The Company accrues for these costs based on factors such as estimates of the work completed and in accordance with agreements established with its third-party service providers under the service agreements. The Company makes significant judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The Company has not experienced any material differences between accrued costs and actual costs incurred.

Basic and diluted net loss per share

Basic loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock together with the number of additional shares of common stock that would have been outstanding if all potentially dilutive shares of common stock had been issued. Since the Company was in a loss position for the periods presented, basic net loss per share is the same as diluted net loss per share since the effects of potentially dilutive securities are antidilutive.

Emerging growth company status

The Company is an emerging growth company ("EGC"), as defined in the Jumpstart Our Business Startups Act of 2012 (the "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 EGC or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these combined and consolidated 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 not yet adopted

In February 2016, the FASB issued ASU 2016-02—*Leases (Topic 842)*, requiring the recognition of lease assets and liabilities on the balance sheet. The standard: (a) clarifies the definition of a lease; (b) requires a dual approach to lease classification similar to current lease classifications; and (c) causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease-term of more than twelve months. The standard is effective for public entities for fiscal years beginning after December 15, 2018 and was initially effective for nonpublic entities for fiscal years beginning after December 15, 2019. In October 2019, the FASB approved a one-year delay in the effective date for non-public companies and, in June 2020, approved an additional one-year delay in the effective date for non-public companies. As a result, the standard is now effective for fiscal years beginning after December 15, 2021. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13—*Financial Instruments (Topic 326) Measurement of Credit Losses on Financial Instrument* ("CECL"), which requires an allowance for expected credit losses on financial assets be recognized as early as day one of the instrument. This ASU departs from the incurred loss model which means the probability threshold is removed. It considers more forward-looking information and requires the entity to estimate its credit losses as far as it can reasonably estimate. The ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, for public business entities that are U.S. Securities and Exchange Commission (SEC) filers, excluding entities eligible to be smaller reporting companies (SRC). For all other public business entities, including SRC, the ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018. The Company elected to adopt the new standard in the annual reporting period beginning after December 15, 2022 and does not expect the adoption of this ASU to have a material impact on the consolidated financial statements.

3. Fair value measurement

Financial assets and liabilities are recorded at fair value on a recurring basis in the consolidated balance sheet. The carrying values of the Company's financial assets and liabilities, including cash and cash equivalents, prepaids and other current assets, accounts payable, and accrued expenses approximate their fair value due to the short-term maturity of these instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels are directly related to the amount of subjectivity with the inputs to the valuation of these assets or liabilities as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable inputs for similar assets or liabilities. These include quoted prices for identical or similar assets or liabilities in active markets and quoted prices for identical or similar assets of liabilities in markets that are not active;

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

Financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements are as follows (in thousands):

	Level 1	Level 2	Level 3	March 31, 2021 Aggregate fair value
Assets:				
Money market funds	$ 7,233	$ —	$ —	$ 7,233
Fixed income securities	—	71,512	—	71,512
Asset backed securities	—	26,274	—	26,274
Total assets	$ 7,233	$ 97,786	$ —	$ 105,019

	Level 1	Level 2	Level 3	December 31, 2020 Aggregate fair value
Assets:				
Money market funds	$ 265	$ —	$ —	$ 265
Fixed income securities	—	23,343	—	23,343
Asset backed securities	—	2,375	—	2,375
Total assets	$ 265	$ 25,718	$ —	$ 25,983

The contractual maturities of available for sale securities of March 31, 2021 are as follows:

	As of March 31, 2021 (in thousands)
Within one year	$ 44,963
Within one to five years	52,823
Total contractual maturities	$ 97,786

The Company's financial instruments consist of Level 1 and Level 2 assets. The Company values its Level 1 assets based on quoted prices in active markets for identical instruments. Level 1 assets consist primarily of highly liquid money market funds that are included in cash equivalents. The Company values its Level 2 assets consisting of certificates of deposits, fixed income securities, and asset backed securities with the help of a third-party pricing service using quoted market prices for similar instruments or nonbinding market prices that are corroborated by observable market data. The Company uses such pricing data as the primary input, to which no material adjustments have been made during the periods presented, to make its determination and assessments as to the ultimate valuation of these assets. The fair values of these instruments approximate amortized cost.

4. Share-based compensation

2019 Equity Incentive Plan

In December 2019, the board of directors of the Company (the "Board") adopted the 2019 Equity Incentive Plan (the "2019 Plan"). The 2019 Plan provides for the grant of share-based awards, including stock options and restricted stock units, to employees, directors, and non-employee service providers of the Company. In December 2019, the Board authorized 3,657,019 shares for future issuance under the 2019 Plan. All such shares authorized for issuance under the 2019 Plan have been reserved.

On January 27, 2021, the Company's Board of Directors approved a 1.8249-for-1 stock split of the Company's outstanding common shares. On January 29, 2021, the Company amended its Amended and Restated Certificate of Incorporation to affect the stock split. The stock split resulted in an adjustment to the preferred share conversion price to reflect a proportional increase in the number of common shares to be issued upon conversion. The accompanying financial statements and notes to financial statements give retroactive effect to the stock split for all periods presented.

A summary of the Company's stock option activity is as follows:

	Number of Shares	Number of Options Outstanding		Weighted Average Exercise Price	Weighted Remaining Contract Term (in years)		Aggregate Intrinsic Value (in thousands)
Balances as of December 31, 2020	2,003,587	1,249,218	$	—	—	$	-
Authorized	—	—	$	—	—		
Granted	(349,650)	349,650	$	16.00	—		
Exercised	—	(299,282)	$	1.86	—		
Forfeited	—	—	$	-	—		
Balances as of March 31, 2021	1,653,937	1,299,586	$	5.67	9.67	$	5,151
Options exercisable at March 31, 2021		256,478	$	6.68	9.66	$	756
Options vested and expected to vest at March 31, 2021		1,299,586	$	5.67	9.67	$	5,151

The total intrinsic value of options exercised was $2.3 million for the three-months ended March 31, 2021.

The weighted average fair value of options to purchase common stock granted was $9.38 in the three months ended March 31, 2021.

The fair value of each stock option award is estimated on the grant-date using the Black-Scholes option pricing model. The inputs used below are subjective and require significant judgment to determine.

	Three Months Ended March 31, 2021
Expected term (in years)	5.9
Risk-free interest rate	0.46%
Expected volatility	66.55%
Dividend rate	—%

The following table summarizes stock-based compensation expense for employees, which was included in the statements of operations and comprehensive loss as follows (in thousands):

		Three Months Ended March 31, 2021
Research and development	$	778
General and administrative		245
Total stock-based compensation expense	$	1,023

At March 31, 2021, the total compensation cost related to unvested stock-based awards granted to employees under the 2019 Plan but not yet recognized was approximately $3.1 million. This cost will be amortized on a straight-line basis over the remaining vesting period. The weighted-average remaining recognition period is approximately 1.6 years.

Early Exercise of Employee Options

The terms of the 2019 Plan permit certain option holders to exercise options before their options are vested. The shares of common stock granted upon early exercise that have not vested are subject to repurchase by the Company in the event of termination of the purchaser's employment, at the price paid by the purchaser. While such shares have been issued, they are not considered outstanding for accounting purposes until they vest and are therefore excluded from shares used in determining loss per share until the repurchase right lapses and the shares are no longer subject to the repurchase feature. The liability is reclassified into common stock and additional paid-in capital as the shares vest and the repurchase right lapses. Accordingly, the Company has recorded the unvested portion of the early exercise proceeds of $467 thousand as a liability in the accompanying balance sheets as of March 31, 2021. As of March 31, 2021, the Company recorded $255 thousand in other current liabilities and $212 thousand in other long term liabilities related to shares that were subject to repurchase.

5. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. The Company believes there is no litigation pending or loss contingencies that could have, either individually or in the aggregate, a material impact on the Company's financial statements.

6. Income taxes

The Company estimates an annual effective tax rate of 0% for the year ending December 31, 2021 as the Company incurred losses for the three month period ended March 31, 2021, and is forecasting an estimated net loss for both financial statement and tax purposes for the year ending December 31, 2021. Therefore, no federal or state income taxes are expected and none have been recorded at this time. Income taxes have been accounted for using the liability method in accordance with FASB ASC 740.

Due to the Company's history of losses since inception, there is not enough evidence at this time to support that the Company will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since the Company cannot currently support that realization of its deferred tax assets is more likely than not. However, the Company feels its deferred tax assets may be used upon the Company becoming profitable.

At March 31, 2021, the Company had no unrecognized tax benefits that would reduce the Company’s effective tax rate if recognized.

7. Net loss per share common share

The following table sets forth the computation of basic and diluted net loss per share during the periods presented (in thousands, except share and per share amounts):

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Numerator:		
Net loss	$ (9,818)	$ (5,796)
Denominator:		
Weighted-average shares of common stock issued and outstanding	26,332,784	12,363,695
Less: weighted-average unvested common stock subject to repurchase	(262,329)	(488,972)
Weighted-average common stock outstanding used to calculate net loss per common share, basic and diluted	26,070,455	11,874,723
Net loss per share of common stock, basic and diluted	$ (0.38)	$ (0.49)

The following outstanding shares of potentially dilutive securities have been excluded from diluted net loss per common share for the periods presented, because their inclusion would be anti-dilutive:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Convertible preferred stock on an as-converted basis	—	20,549,478
Stock options to purchase common stock	1,299,586	—
Common stock subject to repurchase	250,924	386,366
Total	1,550,510	20,935,844

8. Subsequent events

On May 14, 2021, the Company entered into an exclusive license and collaboration agreement (the "LianBio Agreement") with Lian Respiratory Limited, a Hong Kong entity, for the development, manufacture and commercialization of the Company’s proprietary compounds, omilancor and NX-13 (the "Licensed Products"), within The People’s Republic of China, Macau, Hong Kong, Thailand, Taiwan, South Korea, Myanmar, Vietnam, Cambodia, Indonesia, Philippines, and Singapore (the “Territory”). Under the terms of the LianBio Agreement, the Company will receive an upfront payment of $18.0 million in connection with the execution of the LianBio Agreement, the Company will be eligible to receive up to $95.0 million and sales milestone payments of up to $105.0 million. The Company is also eligible to receive tiered low-to mid-double-digit royalties based on net sales of Licensed Products in the Territory, subject to reduction in specified circumstances.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto as of December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, on March 30, 2021. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "we," "us," and "our" refer to Landos Biopharma, Inc. together with its subsidiaries.

Forward-Looking Statements

The information in this discussion contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K and in our other filings with the SEC. Such risks and uncertainties may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements.

Overview

We are a clinical-stage biopharmaceutical company focused on the discovery and development of oral therapeutics for patients with autoimmune diseases that are the first to target novel mechanisms of action, including the LANCL2, NLRX1 and PLXDC2 immunometabolic pathways. Our core expertise is in the development of therapeutic candidates that target novel pathways at the interface of immunity and metabolism. Based on our understanding of the role that cellular metabolic pathways have on modulating inflammatory responses, we aim to inhibit these inflammatory responses by changing the metabolic processes in target cells. We leverage our proprietary AI-based precision medicine platform and growing reference datasets, which we refer to as our LANCE platform, to identify novel therapeutic targets and biomarkers based on predictions of immunometabolic function and create therapeutic candidates for autoimmune disease to engage those targets in areas of unmet medical need. Through our LANCE platform, we have identified seven novel immunometabolic targets and product candidates to date across 14 indications, including ulcerative colitis, or UC, Crohn's disease, or CD, lupus, rheumatoid arthritis, nonalcoholic steatohepatitis, multiple sclerosis, Alzheimer's disease, asthma, psoriasis, atopic dermatitis, eosinophilic esophagitis, chronic obstructive pulmonary disease, diabetic neuropathy and type 1 diabetes.

Our lead product candidates are:

- **Omilancor** (BT-11), a small molecule targeting the LANCL2 pathway that is in clinical development for the treatment of ulcerative colitis and Crohn's disease.
    - We recently completed the Phase 2 clinical trial in mild to moderate ulcerative colitis patients, which demonstrated that once a day oral dosing with omilancor was gut-restricted and well tolerated, with no treatment-related significant adverse events and a similar adverse event profile across placebo and omilancor groups. Once a day oral dosing with omilancor induced clinical remission and histological remission plus statistically significant changes in biomarkers.
    - We generated positive translational data in the Phase 2 clinical trial in ulcerative colitis patients highlighting that omilancor induced increased levels of regulatory CD4+ T cells and myeloid cells and increased IL-10 expression in remitters ($p = 0.036$) while decreasing TNF-a expressing myeloid cells ($p = 0.037$) in the colonic mucosa of patients with ulcerative colitis. These results are consistent with normalization of fecal calprotectin occurring in 43.8% of patients receiving omilancor 1000 mg and 40.6% of patients receiving omilancor 500 mg relative to 21.4% of patients receiving placebo after 2 weeks of treatment ($p = 0.048$) observed in the trial.
    - We expect to hold an end-of-Phase 2 meeting with the U.S. Food and Drug Administration, or the FDA, in the second quarter of 2021.

- After we receive guidance from the FDA, we will incorporate the agency's feedback in the clinical trial design and will plan to commence a Phase 3 trial of omilancor in UC patients in the United States, Russia, Asia and Europe.
- We have commenced a Phase 2 trial in moderate to severe Crohn's disease in the second quarter of 2021 (please refer to press release dated May 6 and Form 8-K filed on May 7 for further details). We expect to announce topline data from the induction phase of this trial in the first half of 2022.
- We have developed an orodispersable formulation of omilancor that is designed to enable exposure to omilancor in the upper gastrointestinal tract while retaining the local action without systemic exposure. This new omilancor formulation is designed for the oral treatment of eosinophilic esophagitis.
- We received clearance from the FDA for an investigational new drug application, or IND, for omilancor for the treatment of eosinophilic esophagitis, an orphan drug indication (please refer to press release dated April 6, 2021 for more details regarding the IND clearance).
- We expect to commence Phase 1b trials in eosinophilic esophagitis and psoriasis in 2022.
- We have developed a topical formulation of omilancor for skin indications and demonstrated its preclinical efficacy in mouse models of psoriasis (please refer to press release dated April 26, 2021 for more details on the data).
- We expect to submit two INDs for omilancor for the treatment of plaque psoriasis and atopic dermatitis in the third quarter of 2021. Following FDA clearance, we plan to initiate a Phase 1b study in patients.

- **NX-13**, a small molecule targeting and activating the NLRX1 pathway that is in clinical development for the treatment of UC and CD.
  - We have completed a Phase 1a trial of NX-13 in normal healthy volunteers in March of 2021. In the trial, NX-13 demonstrated a well-tolerated profile, gut-restricted pharmacokinetics and dose-dependent changes in fecal calprotectin (please refer to press release dated March 4, 2021 for further details on the topline results).
  - We have commenced a Phase 1b trial in ulcerative colitis with the first patient randomized on April 29th, 2021 (please refer to Form 8-K filing and press release dated April 29, 2021 which more fully describe the design and initiation of the Phase 1b trial in UC patients).
  - We expect to have the data readout in the second half of 2021 and we expect to announce topline clinical data from this trial in the first quarter of 2022.

- **BT-104**, a small molecule targeting and activating the LANCL2 pathway that is in IND-enabling studies. BT-104 has a different pharmacokinetic (PK) profile than BT-11 and we have observed in preclinical studies that it is highly systemically distributed.
  - We have demonstrated in a NZB/W F1 mouse model of lupus that BT-104 reduced serum anti-dsDNA antibodies and prevented worsening of proteinuria grade from baseline. Mice were treated with BT-104 daily for 12 weeks between the ages of 24 and 36 weeks. Ninety percent of mice treated with BT-104 experienced an improvement or no change in proteinuria grade from baseline, in comparison to 90% of vehicle treated controls that experienced a worsening in grade. Grade 2 or lower proteinuria was well correlated with the prevention of ESRD clinically.
  - We expect to complete RNA sequencing studies with samples from healthy mice and mice with lupus treated with vehicle versus BT-104 orally to identify immunological signatures and biomarkers connected to the mechanism of action of BT-104 and help design inclusion/exclusion criteria in Phase 1b clinical trials.
  - On April 15, we filed a PIND meeting request with the FDA and expect to complete IND-enabling studies and submit two IND to the FDA in the third quarter of 2021.
  - We expect to advance BT-104 into a Phase 1a clinical trial in the fourth quarter of 2021 for systemic lupus erythematosus and rheumatoid arthritis.
  - We expect to establish a Clinical Advisory Board for lupus in the second half of 2021.

We have continued to efficiently develop our pipeline, including four additional preclinical product candidates:

- **PX-69**, a small molecule designed to target and activate the PLXDC2 pathway that is in preclinical testing for diabetic nephropathy and rheumatoid arthritis.

- We have generated preclinical data demonstrating efficacy of PX-69 in mouse and rat models of rheumatoid arthritis. Please refer to the press release dated April 26, 2021 for further details on preclinical findings demonstrating the ability of PX-69 to provide protection against rheumatoid arthritis in rats and mice through immunometabolic mechanisms.
- We are currently performing scale up manufacturing for PX-69.
- We expect to commence IND-enabling studies in the second half of 2021
- We expect to file an IND for PX-69 in rheumatoid arthritis in the first half of 2022.

- **BT-111,** a small molecule designed to target and activate LANCL2 for the treatment of non-alcoholic steatohepatitis and type 1 diabetes. We have generated preclinical data demonstrating efficacy of BT-111 in mouse models of NASH and type 1 diabetes.
  - We have demonstrated that therapeutic dosing of BT-111 (10 mg/kg) for six weeks between weeks six and 12 of CDAA diet, reduced lipid accumulation and liver fibrosis (n = 10, $P \leq 0.05$). Liver fibrosis, assessed by percent positive area in liver histology by Masson's trichrome staining, was approximately normalized to standard diet controls.
  - We have demonstrated that BT-111 maintained ß cell mass in a NOD mouse model and reduced apoptosis of human islet cells in response to oxidative and inflammatory stress *in vitro*.

- **NX-66**, a small molecule designed to target NLRX1 currently in preclinical testing in mouse models of multiple sclerosis and Alzheimer's disease. NX-66 is highly systemically distributed and penetrates the blood brain barrier.
  - We have demonstrated that therapeutic dosing of oral NX-66 (20 mg/kg), between days 14 and 23 post-challenge, ameliorated disease severity in a MOG-induced model of EAE. NX-66 provided a greater than 50% reduction in disease activity four days after the initiation of treatment (n = 10, $P \leq 0.05$). NX-66 treatment decreased Tnf and IL1b expression in the spinal cords of EAE mice.
  - Testing of the preclinical efficacy of NX-66 in mouse models of Alzheimer's disease is also underway.

- **NX-73**, a small molecule designed to target NLRX1 currently in preclinical testing in mouse models of asthma and chronic obstructive pulmonary disease.
  - We have identified and implemented 4 models of allergic asthma using 4 of the most clinically relevant and ubiquitous allergens. These models indicate enhanced eosinophilia, neutrophilia, Th2 and Th17 mediated immune signaling in the absence of Nlrx1.
  - We are using four validated models of allergy and asthma using *Aspergillus fumigatus*, *Alternaria alternata*, ragweed pollen, and house dust mite extract to assess efficacy of NX-73 in suppressing Th2-mediated responses post-sensitization and providing protection from asthma and allergy in mice.

LANCE Platform

We leverage our proprietary AI-based precision medicine platform, our LANCE platform, to identify novel therapeutic targets based on predictions of immunometabolic function and create therapeutic candidates to engage those targets in areas of unmet medical need. We expect that recent augmentations in Artificial Intelligence (A.I.) coupled with growth of our *Shadowfax* High Performance Computing (HPC) environment at Landos will continue to catalyze the LANCE platform for precision autoimmune disease drug development. We have continued to develop our HPC-driven, A.I.- and modeling-based advanced computational platform for precision autoimmune disease drug development. Several enhancements to the LANCE platform encompassing natural language processing, NLP, and graph-based analytics are designed to allow for the processing of millions of articles and billions of data points. We believe these critical enhancements to the LANCE platform will facilitate a higher degree of data processing and integration to quickly identify the next generation of therapeutic targets and biomarkers plus scout for new indications. Some of the recent enhancements to the LANCE platform include:

- Developing a new sensitivity analysis framework to capture many features of our computational models of the immune response.
- Incorporating NLP of primary biomedical literature to augment novel candidate discovery and characterization. This proprietary NLP framework allows Landos researchers to rapidly assess the quality of primary literature associated with initial candidates derived from system-wide analysis of large-scale clinical datasets.

- Improved the multiscale modeling capabilities of our HPC-based agent-based modeling tool *ENISI (*Enteric Immunity Simulator) by incorporating cellular metabolic networks at the single-cell level.
- Utilizing a variety of graph-based techniques centered on information propagation via homology modeling to utilize data from well-studied model systems, and biochemical pathway analysis to identify novel sites of convergence between immune and metabolic pathways.
- Incorporating advanced machine learning strategies to further enhance scalability and efficiency, including extending our library of algorithms and models while supporting increased model complexity in the intersection of immunity and metabolism.
- Establishing large-scale parallel computing systems for implementing parallel simulation frameworks for massively and dynamically interacting large-scale models.
- Developing a user-friendly web-based environment to support and HPC-driven infrastructure for drug development.
- Developing and calibrating unique, detailed immunometabolic models of the immune system.
- Increasing the number of relevant autoimmune disease genomic, metabolomic and biomarker datasets (ulcerative colitis, Crohn's disease, rheumatoid arthritis, lupus, multiple sclerosis, type 1 diabetes, psoriasis, atopic dermatitis, asthma, allergy, COPD).
- Further enhancing integration across A.I., agent-based modeling (ABM), partial differential equations (PDE) and ordinary differential equation (ODE) based modeling within the LANCE platform.
- Identifying and validating novel therapeutic targets and biomarkers of response based on the iterative systems biology approach in LANCE.
- Elucidating novel mechanistic insights for the newly identified therapeutic targets.
- Establishing robust verification and validation methods for confirming model predictions based on clustering analytics, improved big data management through digital libraries and experimental validation.
- Utilizing the clinical, translational and immunological data from our clinical trials to enhance our model calibration databases and increase the predictive power of our computational and mathematical models.
- Increasing our computational and HPC capabilities by establishing a data room with a new *Shadowfax* HPC system containing 1,536 cores in 64 compute nodes (12 CPUs and 2 cores per CPU), two high memory nodes with 10 cores each, 2 login nodes, 1 head node, on a private VPN plus 500 TB of storage. This on-premise computing environment can seamlessly scale to cloud compute environments when needed.

Since our inception in 2017, our operations have focused on developing our clinical and preclinical product candidates and our LANCE platform, organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio and conducting clinical trials and preclinical studies. We do not have any product candidates approved for sale and have not generated any revenue from product sales. We have funded our operations primarily through the sale of equity securities. Since inception, we have raised an aggregate of $170.0 million of gross proceeds from our initial public offering, or IPO, and the sale of shares of our preferred stock and convertible promissory notes.

Since inception, we have incurred significant operating losses. Our net loss was $9.8 million and $5.8 million for the three months ended March 31, 2021 and 2020, respectively. As of March 31, 2021, we had an accumulated deficit of $65.5 million. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- conduct our ongoing and planned clinical trials of omilancor and NX-13, as well as initiate and complete additional clinical trials, as needed;
- pursue regulatory approval of omilancor and NX-13 for the treatment of UC and CD;
- leverage our LANCE platform to discover and develop additional product candidates for the treatment of autoimmune diseases;
- scale up our clinical and regulatory capabilities;
- establish a commercialization infrastructure and scale up external manufacturing and distribution capabilities to commercialize any product candidates for which we may obtain regulatory approval, including omilancor and NX-13;
- adapt our regulatory compliance efforts to incorporate requirements applicable to marketed products;

- maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, manufacturing and scientific personnel;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur additional legal, accounting and other expenses in operating as a public company.

Recent Developments: LianBio Agreement

On May 14, 2021, the Company entered into an exclusive license and collaboration agreement, or the LianBio Agreement, with Lian Respiratory Limited, a Hong Kong entity, for the development, manufacture and commercialization of the Company's proprietary compounds, omilancor and NX-13, or the Licensed Products, within The People's Republic of China, Macau, Hong Kong, Thailand, Taiwan, South Korea, Myanmar, Vietnam, Cambodia, Indonesia, Philippines, and Singapore, or the Territory. Under the terms of the LianBio Agreement, the Company will receive an upfront payment of $18.0 million in connection with the execution of the LianBio Agreement and will be eligible to receive development milestone payments of up to $95.0 million and sales milestone payments of up to $105.0 million. The Company is also eligible to receive tiered low- to mid-double-digit royalties based on net sales of Licensed Products in the Territory, subject to reduction in specified circumstances.

Consistent with our strategy, we intend to continue to pursue territory deals that enable partnering on commercialization of lead therapeutic assets outside of the U.S. and European markets. Moreover, we will consider partnering with strategics to develop some of the follow on therapeutic assets as a means of monetizing some of our pipeline assets.

Liquidity and Capital Resources

On February 3, 2021, we completed our IPO in which we issued and sold 6,250,000 shares of our common stock at a public offering and received net proceeds of $90.5 million, after deducting underwriters' discounts and commissions and expenses payable by us.
We have further strengthened our capital position and operating runway through our IPO and business development activities. Based on our current expectation for operations, research, development, and clinical trials plans - we believe that the $106.4 million in cash and marketable securities (not including the 18.0 million upfront payment due to us under the LianBio Agreement) will be sufficient to support our operating costs through 2023.

Components of our results of operations

Research and development expenses

Research and development expenses consist primarily of costs incurred in connection with our research activities, including our discovery efforts, and the development of our product candidates, and include:

- salaries, benefits, stock-based compensation and other related costs for personnel engaged in research and development functions;
- expenses incurred under agreements with third parties, including CROs and other third parties that conduct research, preclinical activities and clinical trials on our behalf, as well as CMOs that manufacture drug material for use in our clinical trials and preclinical studies;
- costs of outside consultants, including their fees, and related travel expenses;
- the costs of laboratory supplies and acquiring, developing and manufacturing preclinical and clinical trial supply; and
- allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. We track external development costs by product candidate or development program, but we do not allocate personnel costs, or other internal costs to specific development programs or product candidates.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have a higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase substantially for the foreseeable future and will comprise a larger percentage of our total expenses as we complete our ongoing clinical trials, initiate new clinical trials, continue to discover and develop additional product candidates and prepare regulatory filings for any product candidates that successfully complete clinical development.

The successful development of our product candidates is highly uncertain. At this time, we cannot determine with certainty the duration and costs of our existing and future clinical trials of our product candidates or any other product candidate we may develop or

if, when, or to what extent we will generate revenue from the commercialization and sale of any product candidate for which we obtain marketing approval. We may never succeed in obtaining marketing approval for any product candidate. The duration, costs and timing of clinical trials and development of our product candidates and any other product candidate we may develop in the future will depend on a variety of factors, including:

- per patient trial costs;
- the number of patients who enroll in each trial;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the phase of development of the product candidate; and
- the efficacy and safety profile of the product candidate.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals, and the expense of filing, prosecuting, defending and enforcing any patent claims or other intellectual property rights. We may never succeed in achieving regulatory approval for our product candidates. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of our product candidates. A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we would be required to expend significant additional financial resources and time on the completion of clinical development.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs for personnel in our executive, finance, business development and administrative functions. General and administrative expenses also include legal fees relating to intellectual property and corporate matters, professional fees for accounting, auditing, tax and consulting services; insurance costs, travel expenses and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expect that our general and administrative expenses will increase in the future as we increase our personnel headcount to support our expanded infrastructure, including the development of a commercialization infrastructure for any product candidates for which we may obtain regulatory approval. We also expect to incur increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with stock exchange and SEC requirements, director and officer insurance costs and investor and public relations costs. We anticipate the additional costs for these services will increase our general and administrative expenses by between $1.0 million and $2.0 million on an annual basis.

Interest expense

Interest expense consists of interest due on our convertible promissory notes that were outstanding during the period prior to the conversion of the notes into Series B convertible preferred stock in August 2019.

Income taxes

Since our inception in January 2017, we have generated cumulative federal and state net operating loss for which we have not recorded any net tax benefit due to uncertainty around utilizing these tax attributes within their respective carryforward periods.

As of March 31, 2021, we had federal net operating loss carryforwards, or NOLs, of $43.9 million and state NOLs of $43.9 million that may be available to offset future taxable income. The federal NOLs include $2.1 million available to reduce 100% of future taxable income, which will begin to expire in 2037, if not utilized, and $41.8 million, which can be carried forward indefinitely. The state NOLs will begin to expire in 2037, if not utilized.

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

Other income, net

Other income, net consists of interest income received from marketable securities.

Results of operations

Comparison of the three months ended March 31, 2021 and 2020

The following table summarizes our results of operations for the years ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
Operating expenses		
Research and development	$ 7,254	$ 4,690
General and administrative	$ 2,646	$ 1,080
Total operating expenses	$ 9,900	$ 5,770
Loss from operations	(9,900)	(5,770)
Other income (expense);		
Interest expense	—	(1)
Gain (loss) from foreign exchange	18	(222)
Other income, net	64	197
Other income (expense), net	82	(26)
Net loss	(9,818)	(5,796)

Research and development expenses

Research and development expenses were $7.3 million for the three months ended March 31, 2021 compared to $4.7 million for the three months ended March 31, 2020. The increase of $2.6 million was primarily attributable to increased costs associated with ongoing clinical trial activities for omilancor and NX-13.

The following table summarizes our research and development expenses by product candidate or development program for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
	(in thousands)	
Omilancor	$ 5,005	$ 3,630
NX-13	1,370	780
BT-104	585	—
Other discovery pipeline, LANCE platform and unallocated costs	294	280
Total research and development expenses	$ 7,254	$ 4,690

General and administrative expenses

General and administrative expenses were $2.6 million for the three months ended March 31, 2021 compared to $1.1 million for the three months ended March 31, 2020. The increase of $1.5 million was primarily attributable to increases in patent costs, related legal fees and other outside professional services.

Other Income (expense), net

Other income, net was $82 thousand for the three months ended March 31, 2021 compared to other expense, net of $26 thousand for the three months ended March 31, 2020. The decrease was due to amortization of bond premium from investment activity and the gains (losses) from foreign exchange.

Liquidity and capital resources

Since our inception, we have incurred significant operating losses and negative cash flows from our operations. We expect to incur significant expenses and operating losses for the foreseeable future as we advance the preclinical and clinical development of our research programs and product candidates. We expect that our research and development and general and administrative costs will increase in connection with conducting additional preclinical studies and clinical trials for our current and future research programs and product candidates, including omilancor and NX-13, discovering and developing new product candidates using the LANCE precision medicine platform, contracting with CMOs to support preclinical studies and clinical trials, expanding our intellectual property portfolio, and providing general and administrative support for our operations. As a result, we will need additional capital to fund our operations, which we may obtain from additional equity or debt financings, collaborations, licensing arrangements, or other sources.

We do not currently have any approved products and have never generated any revenue from product sales. To date, we have financed our operations primarily through equity financings. As of March 31, 2021, we had $106.4 million in cash, cash equivalents and marketable securities and an accumulated deficit of $65.5 million. We had no indebtedness as of March 31, 2021.

On February 3, 2021, we completed our IPO in which we issued and sold 6,250,000 shares of our common stock and received net proceeds of $90.5 million, after deducting underwriters' discounts and commissions and expenses payable by us.

The following table summarizes our sources and uses of cash for each of the periods set forth below (in thousands):

	Three Months Ended March 31,	
	2021	2020
Net cash used in operating activities	$ (12,560)	$ (3,368)
Net cash provided by (used in) investing activities	(72,048)	1,707
Net cash provided by financing activities	90,764	—
Net increase (decrease) in cash and cash equivalents	$ 6,156	$ (1,661)

Operating activities

Net cash used in operating activities for the three months ended March 31, 2021 was $12.6 million, consisting primarily of our net loss of $9.8 million as we incurred expenses associated with research activities for our lead product candidates and incurred general and administrative expenses. Net cash used in operating activities for the three months ended March 31, 2020 was $3.4 million, consisting primarily of our net loss of $5.8 million as we incurred expenses associated with research activities for our lead product candidates and incurred general and administrative expenses.

Investing activities

Net cash used in investing activities for the three months ended March 31, 2021 was $72.0 million, consisting of purchases of available-for-sale marketable securities offset by proceeds from sales and maturities of marketable securities. Net provided by investing activities for the three months ended March 31, 2020 was $1.7 million, consisting primarily of maturities of available-for-sale marketable securities.

Financing activities

Net cash provided by financing activities in the three months ended March 31, 2021 of $90.8 million was primarily related to proceeds from our IPO. There was no net cash provided by financing activities in the three months ended March 31, 2020.

Funding requirements

To date, we have not generated any revenues from the commercial sale of approved drug products, and we do not expect to generate substantial revenue for at least the next few years. If we fail to complete the development of our product candidates in a timely manner or fail to obtain their regulatory approval, our ability to generate future revenue will be compromised. We do not know when, or if, we will generate any revenue from our product candidates, and we do not expect to generate significant revenue unless and until we obtain regulatory approval of, and commercialize, our product candidates. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of and seek marketing approval for our product candidates. In addition, if we obtain approval for any of our product candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution. Furthermore, we expect to incur additional costs associated with operating as a public company. We anticipate that we will need substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain

marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of product candidates that we do not expect to be commercially available in the near term, if at all.

We believe that the existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements into 2023. We have based these estimates on assumptions that may prove to be imprecise, and we could utilize our available capital resources sooner than we expect.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical drugs, it is difficult to estimate with certainty the amount of our working capital requirements. Our future funding requirements will depend on many factors, including:

- the scope, progress, costs and results of our ongoing and planned clinical trials of omilancor and NX-13;
- the costs and results of discovery work using our LANCE precision medicine platform;
- the scope, progress, costs and results of preclinical development, laboratory testing and clinical trials for any future product candidates we may decide to pursue;
- the extent to which we in-license or acquire rights to other products, product candidates or technologies;
- the costs and timing of process development and manufacturing scale-up activities associated with our product candidates and other programs we advance them through preclinical and clinical development;
- the number and development requirements of other product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- our ability to establish and maintain strategic collaborations, licensing or other agreements and the financial terms of such agreements; and
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against any intellectual property-related claims.

Further, our operating results may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

Our future commercial revenue, if any, will be derived from sales of products that we do not expect to be commercially available for several years, if at all. Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, other third-party funding, strategic alliances, licensing arrangements and marketing and distribution arrangements. Adequate additional financing may not be available to us on acceptable terms, or at all. We currently have no credit facility or committed sources of capital. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through other third-party funding, collaboration agreements, strategic alliances, licensing arrangements or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual obligations, commitments and contingencies

We enter into contracts in the normal course of business with third-party contract organizations for clinical trials, preclinical studies, manufacturing and other services and products for operating purposes. These contracts generally provide for termination following a certain period after notice and therefore we believe that our non-cancelable obligations under these agreements are not material.

Off-balance sheet arrangements

We have not entered into any off-balance sheet arrangements.

Critical accounting policies and significant judgments and estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, costs and expenses and the disclosure of contingent assets and liabilities in our consolidated 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 an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in the notes to our consolidated financial statements appearing elsewhere in this Quarterly Report, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Research and development expenses

The majority of our operating expenses to date have been incurred in research and development activities. As part of the process of preparing our consolidated financial statements, we estimate our accrued research and development expenses at each consolidated balance sheet date. This process involves reviewing purchase orders and open contracts, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met; however, some require advance payments. We make estimates of our accrued expenses as of each consolidated balance sheet date in our consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments as necessary. The significant estimates in our accrued research and development expenses include the costs incurred for services performed by CROs with research and development activities for which we have not yet been invoiced.

We base our expenses related to research and development activities on our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid accordingly.

Stock-Based Compensation

We account for share-based compensation awards in accordance with FASB ASC Topic 18, Compensation—Stock Compensation (ASC 718). ASC 718 requires all share-based payments, including grants of stock options, to be recognized in the consolidated statements of operations and comprehensive income (loss) based on their respective fair values.

The fair value of our stock options has been determined using the Black-Scholes option-pricing model. The Black-Sholes option-pricing model requires the input of subjective assumptions, including (i) the expected stock price volatility, (ii) the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. Due to the lack of historical and implied volatility data of our common stock, the expected stock price volatility has been estimated based on the historical volatilities of a specified group of companies in our industry for a period equal to the expected life of the option. We selected companies with comparable characteristics, including enterprise value, risk profiles and position within the industry and with historical share price information sufficient to meet the expected term of the stock options. The historical volatility data has been computed using the daily closing prices for the selected companies.

The expected life of the options granted represents the period of time that options granted are expected to be outstanding and is calculated using the simplified method, which is the mid-point between the vesting date and the end of the contractual term for each option. The risk-free interest rate is based on a zero coupon, United States Treasury instrument whose term is consistent with the expected life of the stock option. We have not paid, and do not anticipate paying, cash dividends on our shares of common stock; therefore, the expected dividend yield is zero.

We recognize the grant-date fair value of an award as compensation expense on a straight-line basis over the requisite service period, which typically corresponds to the vesting period for the award. In certain circumstances the amount of compensation cost recognized is adjusted to be at least equal to the portion of the grant-date value of the award that was vested at the balance sheet date. We have elected to account for forfeitures as they occur and, upon forfeiture of an award prior to vesting, we reverse any previously recognized compensation expense related to that award.

Emerging growth company status

We qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or JOBS Act. As an "emerging growth company" we may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- the option to present only two years of audited consolidated financial statements and only two years of related "Management's discussion and analysis of financial condition and results of operations";
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- not being required to comply with any requirements that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the consolidated financial statements (i.e., an auditor discussion and analysis);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions until December 31, 2026, the last day of our fiscal year following the fifth anniversary of the completion of our IPO. However, if any of the following events occur prior to the end of such five-year period, (i) our annual gross revenue exceeds $1.07 billion, (ii) we issue more than $1.0 billion of non-convertible debt in any three-year period or (iii) we become a "large accelerated filer," (as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act), we will cease to be an emerging growth company prior to the end of such five-year period. We will be deemed to be a "large accelerated filer" at such time that we (a) have an aggregate worldwide market value of common equity securities held by non-affiliates of $700.0 million or more as of the last business day of our most recently completed second fiscal quarter, (b) have been required to file annual and quarterly reports under the Exchange Act, for a period of at least 12 months and (c) have filed at least one annual report pursuant to the Exchange Act. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to take advantage of this extended transition period.

Furnish the information required by Item 303 of Regulation S-K (§ 229.303 of this chapter).

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer, who also serves as our principal financial officer and our principal accounting officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report. Based on such evaluation, our Chief Executive Officer has concluded that as of March 31, 2021, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Quarterly Report was (a) reported within the time periods specified by SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding any required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended March 31, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Internal Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. Our management, including our Chief Executive Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud.

PART II—OTHER INFORMATION

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

(a) Recent Sales of Unregistered Equity Securities

On February 8, 2021, upon the closing of our initial public offering, all shares of our then-outstanding convertible preferred stock were automatically converted into 20,549,478 shares of common stock. The issuance of such shares of common stock was exempt from registration under Section 3(a)(9) of the Securities Act.

(b) Use of Proceeds

On February 3, 2021, our Registration Statement on Form S-1, as amended (File No. 333-252083), was declared effective in connection with our initial public offering, in which we issued and sold 6,250,000 shares of our common stock at a public offering and received net proceeds of $90.5 million, after deducting underwriters' discounts and commissions and expenses payable by us. The joint book-running managers of our initial public offering were J.P. Morgan Securities LLC, Jefferies LLC and SVB Leerink LLC, and Raymond James & Associates, Inc. acted as lead manager. There has been no material change in the planned use of proceeds from our initial public offering as described in our prospectus filed pursuant to Rule 424(b)(4) under the Securities Act with the SEC on February 4, 2021.

c) Issuer Purchases of Equity Securities

None.

Item 6. Exhibits.

The exhibits listed on the Exhibit Index are either filed or furnished with this report or incorporated herein by reference.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 00139971), filed with the Securities and Exchange Commission on February 8, 2021).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 to the Company's to the Company's Registration Statement on Form S-1 (File No. 333-252083), filed with the Securities and Exchange Commission on January 28, 2021).
10.1	Form of Indemnification Agreement with Executive Officers and Directors (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 333-252083), filed with the Securities and Exchange Commission on January 28, 2021).
10.2+	2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 333-252083), filed with the Securities and Exchange Commission on January 28, 2021.
10.3+	Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K (File No. 001-39971), filed with the Securities and Exchange Commission on March 30, 2021).
31.1*	Certification of Principal Executive and Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*#	Certification of Principal Executive and Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

+ Indicates management contract or compensatory plan.

This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

Landos Biopharma, Inc.

Date: May 17, 2021

By: /s/ Josep Bassaganya-Riera, Ph.D.

Josep Bassaganya-Riera, Ph.D.

Chairman, President and Chief Executive Officer

(Principal Executive, Financial and Accounting Officer)

Exhibit 31.1

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

I, Josep Bassaganya-Riera, certify that:

1. I have reviewed this 10-Q of Landos Biopharma, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 17, 2021

By: /s/ Josep Bassaganya-Riera

Josep Bassagany-Riera
Chairman, President, and Chief Executive Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Landos Biopharma, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: May 17, 2021

By: /s/ Josep Bassaganya-Riera
Josep Bassaganya-Riera
Chairman, President, and Chief Executive Officer