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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

☐ **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 001-40366

WEREWOLF THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**82-3523180**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
200 Talcott Ave, 2nd Floor	
Watertown, Massachusetts	**02472**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 952-0555

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	HOWL	The Nasdaq Global Select Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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 July 27, 2026, there were 48,599,066 shares of common stock, $0.0001 par value per share, outstanding.

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References to Werewolf

Throughout this Quarterly Report on Form 10-Q, or Quarterly Report, the "Company," "Werewolf," "Werewolf Therapeutics," "we," "us," "our," and similar references, except where the context requires otherwise, refer to Werewolf Therapeutics, Inc. and its consolidated subsidiary, and "board of directors" refers to the board of directors of Werewolf Therapeutics, Inc.

Cautionary Note Regarding Forward-Looking Statements and Industry Data

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act, that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements.

The words "aim," "anticipate," "believe," "contemplate," "continue," "could," "design," "designed to," "engineered," "estimate," "expect," "goal," "intend," "may," "might," "objective," "ongoing," "plan," "potential," "predict," "promise," "project," "should," "target," "will," "would," or the negative of these words or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about:

- the initiation, timing, progress and results of our research and development programs, preclinical studies and clinical trials, including the anticipated timing of data announcements;
- our estimates regarding expenses, capital requirements, need for additional financing and the period over which we believe our existing cash and cash equivalents will be sufficient to fund our operating expenses and capital expenditure requirements;
- our ability to identify strategic alternatives to advance our promising platform and drug development pipeline to maximize stockholder value;
- our ability to continue as a going concern;
- our plans to develop and, if approved, subsequently commercialize product candidates;
- the timing of and our ability to submit applications and obtain and maintain regulatory approvals for product candidates;
- the potential advantages of our PREDATOR platform and our ability to use our platform to identify and develop future product candidates;
- our estimates regarding the potential market opportunities for our product candidates;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our intellectual property position and our expectations regarding our ability to obtain and maintain intellectual property protection;
- our ability to identify additional products, product candidates or technologies with significant commercial potential that are consistent with our commercial objectives;
- the impact of government laws and regulations;
- the impact of general economic conditions, including inflation and the imposition of new or revised global trade tariffs;
- our competitive position and expectations regarding developments and projections relating to our competitors and any competing therapies that are or become available; and
- developments and expectations regarding developments and projections relating to our competitors and our industry.

There are a number of important risks and uncertainties that could cause our actual results to differ materially from those indicated by forward-looking statements. 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 we make. We have included important factors in the cautionary statements included in this Quarterly Report, particularly in Part II, Item 1A. "Risk Factors", that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any

factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, collaborations, joint ventures or investments that we may make or enter into.

You should read this Quarterly Report and the documents that we have filed or incorporated by reference as exhibits to this Quarterly Report completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained in this Quarterly Report are made as of the date of this Quarterly Report, and we do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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

Trademarks and Trade names

We own or have rights to trademarks, service marks and trade names that we use in connection with the operation of our business, including our corporate name, logos and website names. The service marks and trademarks that we own include the marks PREDATOR®, INDUKINE™, and INDUCER™. Other trademarks, service marks and trade names appearing in this Quarterly Report are the property of their respective owners. Solely for convenience, some of the trademarks, service marks and trade names referred to in this Quarterly Report are listed without the ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our trademarks, service marks and trade names.

Risk Factor Summary

Our business is subject to numerous risks that, if realized, could materially and adversely affect our business, financial condition, results of operations and future growth prospects. These risks are discussed more fully in Part II, Item 1A. "Risk Factors" in this Quarterly Report. These risks include, but are not limited to, the following:

- We believe there is substantial doubt about our ability to continue as a going concern for at least twelve months from the date that these condensed consolidated financial statements are issued in this Quarterly Report. We are currently evaluating strategies to raise additional capital, however, there can be no assurances that we will be successful in mitigating the conditions which raise substantial doubt about our ability to continue as a going concern in the near term, if at all.
- Our evaluation of strategic alternatives and ability to extend our capital resources.
- We have a limited operating history, have incurred significant operating losses since our inception and expect to incur significant losses for the foreseeable future.
- We have no products approved for commercial sale and have not generated any revenue from product sales. We may never generate any revenue from product sales or become profitable or, if we achieve profitability, we may not be able to sustain it.
- We will need to obtain substantial additional funding to finance our operations and complete the development and any commercialization of WTX-124, WTX-330, our INDUCER molecules, and any future product candidates.
- We are early in our development efforts and our current product candidates will require successful completion of preclinical and clinical development before we can seek regulatory approval for any product candidates.
- Our business is highly dependent on the success of our initial INDUKINE and INDUCER molecules, which are in the early stages of development and will require significant additional preclinical and clinical development before we can seek regulatory approval for and launch a product commercially.
- Our approach to the discovery and development of product candidates based on our PREDATOR platform is unproven, and we do not know whether we will be able to develop any products of commercial value.
- Manufacturing INDUKINE and INDUCER molecules is subject to risk since they are a novel class of multi-domain biologics that include protease cleavable linkers, and they have never been produced on a commercial scale. We may

be unable to manufacture INDUKINE and INDUCER molecules at the scale needed for clinical development and commercial production on a timely basis or at all.

- Preclinical studies and clinical trials are expensive, time-consuming and difficult to design and implement, and involve uncertain outcomes.
- We may encounter substantial delays in the commencement or completion, or termination or suspension, of our clinical trials, which could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our commercial prospects.
- If we experience delays or difficulties in the enrollment of patients in clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- We are developing WTX-124, and could potentially develop WTX-330 and future product candidates, in combination with third-party drugs, some of which may still be in development, and we will have limited or no control over the safety, supply, regulatory status or regulatory approval of such drugs.
- We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.
- We rely, and expect to continue to rely, on third parties to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval of or commercialize any product candidates.
- The manufacturing of biologics is complex, and we do not have our own clinical manufacturing capabilities. We will rely on third parties to produce preclinical, clinical and commercial supplies of all current and any future product candidates.
- We rely on our license agreement with Harpoon Therapeutics, Inc. for patent rights with respect to our product candidates and may in the future acquire additional third-party intellectual property rights on which we may similarly rely. We face risks with respect to such reliance, including the risk that we could lose these rights that are important to our business if we fail to comply with our obligations under these licenses.
- Our proprietary position in part depends upon patents that are manufacturing, formulation or method-of-use patents, which may not prevent a competitor or other third party from using the same product candidate for another use.
- In the past, we have identified material weaknesses in our internal control over financial reporting, and if we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock may be materially adversely affected.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Werewolf Therapeutics, Inc.
Condensed Consolidated Balance Sheets (unaudited)
(amounts in thousands, except share and per share amounts)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 21,987	$ 57,050
Prepaid expenses and other current assets	905	1,536
Total current assets	22,892	58,586
Property and equipment, net	1,263	4,688
Restricted cash and cash equivalents	—	901
Operating lease right of use asset	—	5,216
Other assets	—	5
Total assets	$ 24,155	$ 69,396
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,939	$ 754
Accrued expenses and other current liabilities	5,924	5,407
Operating lease liability, current	—	1,751
Note payable, net of discount and issuance costs	—	28,236
Total current liabilities	7,863	36,148
Operating lease liability, net of current portion	—	7,684
Derivative liability	—	759
Total liabilities	7,863	44,591
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized as of June 30, 2026 and December 31, 2025; no shares issued or outstanding as of June 30, 2026 and December 31, 2025	—	—
Common stock, $0.0001 par value, 200,000,000 shares authorized as of June 30, 2026 and December 31, 2025; 48,599,066 and 48,596,817 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	5	5
Additional paid-in capital	501,559	500,210
Accumulated deficit	(485,272)	(475,410)
Total stockholders' equity	16,292	24,805
Total liabilities and stockholders' equity	$ 24,155	$ 69,396

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

Werewolf Therapeutics, Inc.
Condensed Consolidated Statements of Operations (unaudited)
(amounts in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenue:				
Collaboration revenue	$ 21,000	$ —	$ 21,000	$ —
Operating expenses:				
Research and development	6,162	13,143	14,343	26,263
General and administrative	7,680	4,399	12,770	9,270
Total operating expenses	13,842	17,542	27,113	35,533
Operating income (loss)	7,158	(17,542)	(6,113)	(35,533)
Other expense:				
Interest income	277	850	710	1,847
Interest expense	(475)	(1,301)	(1,843)	(2,564)
Loss on extinguishment of note payable	(3,354)	—	(3,354)	—
Other income, net	64	11	738	179
Total other expense	(3,488)	(440)	(3,749)	(538)
Net income (loss)	$ 3,670	$ (17,982)	$ (9,862)	$ (36,071)
Net income (loss) per common share, basic and diluted	$ 0.08	$ (0.40)	$ (0.20)	$ (0.80)
Weighted-average common shares outstanding, basic and diluted	48,597,534	44,981,746	48,597,177	44,904,880

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

Werewolf Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity (unaudited)
(amounts in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2025	48,596,817	$ 5	$ 500,210	$ (475,410)	$ 24,805
Stock-based compensation expense	—	—	929	—	929
Net loss	—	—	—	(13,532)	(13,532)
Balance at March 31, 2026	48,596,817	5	501,139	(488,942)	12,202
Issuance of common stock, net	2,249	—	1	—	1
Stock-based compensation expense	—	—	419	—	419
Net income	—	—	—	3,670	3,670
Balance at June 30, 2026	48,599,066	$ 5	$ 501,559	$ (485,272)	$ 16,292

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2024	44,827,159	$ 5	$ 487,973	$ (414,588)	$ 73,390
Stock-based compensation expense	—	—	2,006	—	2,006
Net loss	—	—	—	(18,089)	(18,089)
Balance at March 31, 2025	44,827,159	5	489,979	(432,677)	57,307
Issuance of common stock from at the market offering, net of issuance costs of $255	421,766	—	305	—	305
Issuance of common stock, net	86,340	—	41	—	41
Stock-based compensation expense	—	—	1,793	—	1,793
Net loss	—	—	—	(17,982)	(17,982)
Balance at June 30, 2025	45,335,265	$ 5	$ 492,118	$ (450,659)	$ 41,464

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

Werewolf Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows (unaudited)
(amounts in thousands)

	Six Months Ended June 30,	
	2026	**2025**
Operating activities:		
Net loss	$ (9,862)	$ (36,071)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,348	3,799
Depreciation expense	2,850	832
Loss on sale and disposal of property and equipment, net	159	—
Non-cash interest expense	771	1,010
Non-cash lease expense	307	381
Loss on extinguishment of note payable	3,354	—
Change in fair value of derivative liability	(707)	(190)
Gain on modification of lease liability	(1,142)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	636	(574)
Accounts payable, accrued expenses and other liabilities	1,702	(2,348)
Operating lease liability	(3,384)	(951)
Net cash used in operating activities	(3,968)	(34,112)
Investing activities:		
Proceeds from sale of property and equipment	416	—
Net cash provided by investing activities	416	—
Financing activities:		
Repayment of note payable and extinguishment costs	(32,413)	—
Proceeds from at the market offering of common stock, net of issuance costs	—	347
Proceeds from issuances under Employee Stock Purchase Plan	1	41
Net cash (used in) provided by financing activities	(32,412)	388
Net decrease in cash, cash equivalents and restricted cash and cash equivalents	(35,964)	(33,724)
Cash, cash equivalents and restricted cash and cash equivalents—beginning of period	57,951	112,215
Cash, cash equivalents and restricted cash and cash equivalents—end of period	$ 21,987	$ 78,491
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents to the condensed consolidated balance sheets		
Cash and cash equivalents	$ 21,987	$ 77,596
Restricted cash and cash equivalents	—	895
Total cash, cash equivalents and restricted cash and cash equivalents	$ 21,987	$ 78,491
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,338	$ 1,562
Supplemental disclosure of non-cash investing and financing activities:		
Adjustment to right of use asset in exchange for reduction in lease liability	$ 4,909	$ —
Issuance costs in accounts payable and accrued expenses	$ —	$ 126

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

Werewolf Therapeutics, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Nature of Business

Werewolf Therapeutics, Inc. was incorporated in the state of Delaware in October 2017. As used throughout these unaudited, condensed consolidated financial statements, the terms "Werewolf," the "Company," "we," "us," and "our" refer to the business of Werewolf Therapeutics, Inc., and its wholly owned subsidiary. We are an innovative biopharmaceutical company pioneering the development of therapeutics engineered to stimulate the body's immune system for the treatment of cancer and other immune-mediated conditions. Our headquarters are located in Watertown, Massachusetts.

Since inception, we have devoted substantially all of our efforts and financial resources to organizing and staffing the company; business planning; raising capital; developing and optimizing our platform technology; identifying potential product candidates; enhancing our intellectual property portfolio; undertaking research, preclinical studies, and clinical trials; and enabling manufacturing for our development programs. We are subject to risks and uncertainties common to early-stage companies in the biotechnology industry including, but not limited to, technical risks associated with the successful research, development and manufacturing of product candidates, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional capital to fund operations. Current and future programs will require significant research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure. Even if our product development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales.

2. Strategic Review and Liquidity

In February 2026, we adopted a restructuring plan to extend our capital resources (the "2026 Restructuring") in connection with initiating a process to explore a full range of strategic alternatives to advance our promising platform and drug development pipeline to maximize stockholder value. We have engaged Piper Sandler & Co. ("Piper Sandler") to serve as exclusive financial advisor to assist in the strategic review process. Measures contemplated during the strategic review process include the asset purchase agreement described in Note 4, and may also include, among other options, a sale of the Company, a business combination or merger, a sale of our assets, licensing or collaboration arrangements, or other strategic transactions. There can be no assurance that the strategic review process will result in any agreement or transaction that will enhance stockholder value, or any agreement or transaction at all.

As part of the 2026 Restructuring, our board of directors approved a reduction in force in February 2026, representing 64% of our workforce to better align our resources with our pursuit of strategic alternatives. In May 2026, an additional reduction in force occurred, representing 36% of our workforce at that time. See Note 12 for further discussion of the impact of the 2026 Restructuring.

We had cash and cash equivalents of $22.0 million at June 30, 2026. The outcome of our strategic review process will inform future development plans and the costs associated with those efforts. We expect to incur substantial operating losses and negative cash flows from operations for the foreseeable future as we continue to execute on our strategic review process. Our ability to maintain ongoing operations is dependent on our ability to obtain additional financing, as to which we can make no assurance. These conditions raise substantial doubt about our ability to continue as a going concern for at least twelve months from the date these condensed consolidated financial statements are issued in this Quarterly Report. There can be no assurance that the strategic review process will result in any agreement or transaction that will mitigate the conditions which raise substantial doubt about our ability to continue as a going concern, or at all.

Our condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the ordinary course of business. Our condensed consolidated financial statements do not include any adjustments that might result from the outcome of the conditions described above.

3. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements as of June 30, 2026 and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025, have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") and generally accepted accounting principles in the United States of America ("GAAP") as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") of the Financial Accounting Standards Board ("FASB") for condensed consolidated financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of

management, these condensed consolidated financial statements reflect all normal recurring adjustments which are necessary for a fair presentation of our financial position and results of our operations, as of and for the periods presented. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 27, 2026 (the "2025 Annual Report").

The information presented in the condensed consolidated financial statements and related notes as of June 30, 2026, and for the three and six months ended June 30, 2026 and 2025, is unaudited. The December 31, 2025 condensed consolidated balance sheet included herein was derived from the audited financial statements as of that date, but does not include all disclosures, including notes, required by GAAP for complete financial statements.

Interim results for the three and six months ended June 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2026, or any future period.

The accompanying condensed consolidated financial statements include the accounts of Werewolf Therapeutics, Inc. and its wholly owned subsidiary, Werewolf Therapeutics Mass Securities, Inc. All intercompany transactions and balances have been eliminated in consolidation.

Summary of Significant Accounting Policies

The significant accounting policies and estimates used in the preparation of the condensed consolidated financial statements are described in our audited financial statements as of and for the year ended December 31, 2025, and the notes thereto, which are included in our 2025 Annual Report. Other than as set forth below, there have been no material changes in our significant accounting policies during the six months ended June 30, 2026.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, those related to accrued expenses and assumptions used in the valuation of stock-based compensation expense and the fair value of the derivative liability. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-04)* ("ASU No. 2024-03"), which requires the disclosure of additional information about specific expense categories in the notes to the consolidated financial statements at interim and annual reporting periods. The provisions of ASU No. 2024-03 are effective for annual reporting periods beginning after December 31, 2026, with early adoption permitted. We are currently evaluating the impact that this standard will have on our consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our consolidated financial statements upon adoption.

Subsequent Events

We have evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Other than as described in Note 13, we did not identify any subsequent events that require adjustment or disclosure in the condensed consolidated financial statements.

4. Collaboration Revenue

In April 2022, we entered into an exclusive global collaboration and license agreement (the "Collaboration Agreement") with Jazz Pharmaceuticals Ireland Limited ("Jazz") pursuant to which we granted Jazz certain licenses to develop and commercialize products containing our Interferon alpha ("IFNα") INDUKINE™ molecule, JZP898 (the "898 Program"), as well as products containing certain isolated recombinant polypeptides comprising IFNα that meet specified criteria (each such product, a "Licensed Product"). Under the Collaboration Agreement, we were responsible for certain preclinical development activities with respect to JZP898 and other development activities specified in mutually agreed upon development plans. Jazz had generally reimbursed us for the cost of such activities. Jazz is responsible for all other development and commercialization activities conducted to exploit the Licensed Products, including submission of an investigational new drug application ("IND") to the U.S. Food and Drug Administration (the "FDA"). In June 2024, we executed a transfer agreement (the "Transfer Agreement") to assign our rights in a development agreement with a contract manufacturer of JZP898 to Jazz. The execution of this Transfer Agreement was the last material performance obligation required of us under the Collaboration Agreement. We were eligible to receive up to $515.0 million in development and regulatory milestones, and up to $740.0 million in sales-based milestones for all Licensed Products upon meeting certain conditions.

On May 6, 2026 (the "Closing"), we entered into an asset purchase agreement (the "Purchase Agreement") with Jazz. Subject to the terms and conditions of the Purchase Agreement, we sold to Jazz the 898 Program for the development, manufacturing, commercialization, use and other exploitation of the Licensed Product. Pursuant to the Purchase Agreement and related ancillary agreements, in consideration for all material assets, properties, rights and interests used or held for use in the conduct of the 898 Program, Jazz paid us upfront consideration of $21.0 million, and has agreed to pay an additional $2.0 million upon the consent to the partial assignment of a certain license agreement, as and to the extent such agreement relates to the conduct of the 898 Program. Jazz also assumed certain liabilities of ours relating to the 898 Program arising after the Closing.

The Purchase Agreement contains customary representations, warranties and covenants of each of us and Jazz. The Purchase Agreement further provides that, subject to certain limitations, we and Jazz will each indemnify the other for certain losses arising from such breaches of representations, warranties and covenants and liabilities allocated to such party pursuant to the terms of the Purchase Agreement.

In addition, the Purchase Agreement contains a non-competition covenant pursuant to which we agreed not to exploit any IFNα or variant thereof, or any product containing any IFNα or variant thereof, for a period of eighteen (18) months after the Closing, subject to customary exceptions for change of control transactions.

Effective as of the Closing, the Collaboration Agreement was terminated, and as a result, we are no longer eligible to receive payment for meeting the conditions of the development and regulatory milestones or sales-based milestones for any Licensed Products.

Concurrently with the Purchase Agreement, we also entered into a license agreement (the "New License Agreement") with Jazz to license to them certain patents and "know-how" (the "Licensed Patents" and "Licensed Know-How," respectively). The Licensed Patents and the Licensed Know-How are necessary in the development of the 898 Program, however are not exclusive to the 898 Program.

Accounting Analysis under ASC 606

Identification of the Contracts(s)

We have previously concluded that the Collaboration Agreement represents a contract with a customer within the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

We have assessed the Purchase Agreement and the New License Agreement, and have concluded that they represent a single combined arrangement due to the fact that they were negotiated as a package with a single commercial objective. We have further concluded that the Purchase Agreement and the New License Agreement represent a modification to the Collaboration Agreement within the scope of ASC 606.

Identification of Promises and Performance Obligations

Previously, we have concluded that the license granted to Jazz under the Collaboration Agreement, and the corresponding "know-how" are not capable of being distinct from the other promises within the contract, and as such, determined that the license and the "know-how" combined with the other research and development services and supply represent a single combined performance obligation. Under the Purchase Agreement and the New License Agreement, Jazz continues to have rights to the same patents and "know-how" that were granted under the Collaboration Agreement. However, under the Purchase Agreement, we transferred ownership of certain patents and "know-how" to Jazz. At the time of the Closing, our performance obligation to Jazz had been fulfilled.

Determination of Transaction Price

We have assessed the Purchase Agreement and the New License Agreement, and have concluded that they represent a modification that results in an increase in the overall transaction price of the contract with Jazz. We've determined that the upfront consideration included in the Purchase Agreement of $21.0 million should be added to the overall transaction price.

The Purchase Agreement also includes a $2.0 million contingent payment that is payable to us upon the successful partial assignment of a certain license agreement. We've determined that this contingent payment represents variable consideration that should not be included in the transaction price. We used the most likely amount method to estimate variable consideration and estimated that the most likely amount of the contingent payment was zero at the Closing as the success of completing the partial assignment of the license agreement is highly susceptible to factors outside of our control.

The Collaboration Agreement included various development and regulatory and sales-based milestones. The payments associated with these milestones represented variable consideration that were excluded from the overall transaction price at the inception of the Collaboration Agreement. As of the Closing, we are no longer entitled to receipt of payment for any of the unpaid milestones included in the Collaboration Agreement. Accordingly, the unpaid milestone payments are no longer considered for inclusion in the overall transaction price as of the Closing.

We re-evaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and adjust the transaction price as necessary. During the period from the Closing through June 30, 2026, we did not recognize any adjustment to the transaction price associated with the contingent payment.

Revenue Recognition

As noted above, we have no remaining performance obligation to Jazz as of the Closing. Accordingly, we have recognized revenue of $21.0 million during the three and six months ended June 30, 2026 related to the increase in the overall transaction price described above. As of June 30, 2026, all consideration included in the overall transaction price has been recognized as revenue.

5. Financial Instruments and Fair Value Measurements

Our assets that are required to be measured at fair value on a recurring basis consist of money market funds classified as cash and cash equivalents on our condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025.

Our liabilities that are required to be measured at fair value on a recurring basis consist of a derivative liability pursuant to a loan and security agreement (the "K2HV Loan Agreement") with K2 HealthVentures LLC ("K2HV") (see Note 7, *Term Loan*) on our condensed consolidated balance sheet as of December 31, 2025. We do not have any liabilities that are required to be measured at fair value on a recurring basis as of June 30, 2026.

The carrying amounts reflected in the condensed consolidated balance sheets for cash, prepaid expenses and other current assets, accounts payable and accrued expenses approximate their fair values, due to their short-term nature.

Assets measured at fair value on a recurring basis as of June 30, 2026 were as follows:

	Level 1	Level 2	Level 3	Total
		(in thousands)		
Assets:				
Money market funds	$ 21,489	$ —	$ —	$ 21,489
Total assets	$ 21,489	$ —	$ —	$ 21,489

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 were as follows:

	Level 1	Level 2	Level 3	Total
		(in thousands)		
Assets:				
Money market funds	$ 56,548	$ —	$ —	$ 56,548
Total assets	$ 56,548	$ —	$ —	$ 56,548
Liabilities:				
Derivative liability	$ —	$ —	$ 759	$ 759
Total liabilities	$ —	$ —	$ 759	$ 759

There were no changes in valuation techniques used during the three or six months ended June 30, 2026.

Derivative Liability

In May 2024, we entered into the K2HV Loan Agreement, as further described in Note 7, which provided up to $60.0 million principal in term loans. Pursuant to the terms of the K2HV Loan Agreement, the lenders thereto could elect, prior to the full repayment of the term loans, to convert up to $5.0 million of the outstanding principal of the term loans into shares of our common stock at a conversion price of the lesser of $6.3182 per share (the "Fixed Price Conversion") and the lowest effective price per share of our first equity financing following the closing of the K2HV Loan Agreement (the "Variable Price Conversion"), subject to customary adjustments and 9.99% and 19.99% beneficial ownership limitations. The Fixed Price Conversion and Variable Price Conversion within the K2HV Loan Agreement were required to be bifurcated as a single compound embedded derivative carried at fair value, with subsequent changes in fair value recognized in the condensed consolidated statements of operations.

In May 2026, we repaid all amounts owed under K2HV Loan Agreement, as described in Note 7. Upon repayment of the outstanding principal of the term loan, the lenders' ability to exercise the conversion option expired.

The following table reconciles the change in fair value of the derivative liability based on Level 3 inputs:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Balance at beginning of period	$ 759	$ 2,829
Change in fair value	(707)	(190)
Extinguishment of note payable	(52)	—
Balance at end of period	$ —	$ 2,639

The change in fair value of the derivative liability is included in other income, net in the accompanying condensed consolidated statements of operations. We recognized nominal gains related to change in fair value of the derivative liability during the three months ended June 30, 2026 and 2025. We recognized gains of $0.7 million and $0.2 million related to change in fair value of the derivative liability during the six months ended June 30, 2026 and 2025, respectively. The fair value of the derivative liability immediately prior to repayment of the amounts owed under K2HV Loan Agreement was written off and is included in the loss on extinguishment of note payable in the accompanying condensed consolidated statement of operations in the amount of $0.1 million for the three and six months ended June 30, 2026.

The fair value of the derivative liability in the term loan was estimated using the Monte Carlo and the Black-Scholes models, each weighted based on the probable outcomes of various scenarios. A summary of the weighted-average significant unobservable inputs (Level 3 inputs) used in measuring the derivative liability in the term loan as of December 31, 2025 is as follows:

Stock price	$0.63
Volatility	105.0%
Risk-free rate (continuous)	3.5%
Expected term (in years)	0.25
Dividend yield (continuous)	—%

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities were comprised as follows:

	June 30, 2026	December 31, 2025
	(in thousands)	
Contract research	$ 3,189	$ 2,376
Professional fees	2,316	1,388
Employee compensation and benefits	211	302
Manufacturing	90	928
Restructuring costs	34	—
Accrued interest	—	266
Other	84	147
Total accrued expenses and other current liabilities	$ 5,924	$ 5,407

7. Term Loan

In May 2024, we, as borrower, entered into the K2HV Loan Agreement with K2HV (together with any other lender from time to time, the "Lenders"); K2HV, as administrative agent for the Lenders (in such capacity, together with its successors, the "Administrative Agent"); and Ankura Trust Company, LLC, as collateral trustee for the Lenders (the "Collateral Trustee"). The K2HV Loan Agreement provided up to $60.0 million principal in term loans. We received $30.0 million in gross loan proceeds at closing; $25.0 million from the first tranche commitment and $5.0 million from the second tranche commitment. A third tranche commitment of up to $10.0 million was available to be drawn at our option through June 30, 2025, subject to the achievement, as determined by the Administrative Agent in its discretion, of certain time-based, clinical and regulatory milestones and receipt of not less than $60.0 million in net cash proceeds from certain financing activities, with at least $50.0 million from a single offering of common stock. Our ability to draw upon the third tranche commitment expired on June 30, 2025 without being drawn upon. A fourth tranche commitment of up to $20.0 million was available to be drawn at our option through May 1, 2026, subject to Lender's review of our clinical, financial and operating plan and subject to the Lender's

consent in its sole and absolute discretion. Our ability to draw upon the fourth tranche commitment expired on May 1, 2026 without being drawn upon.

The term loan was scheduled to mature on May 1, 2028, and we were obligated to make interest only payments for the first 24 months followed by equal interest and principal payments each month thereafter through the maturity date. The term loan bore a variable interest rate equal to the greater of (i) 10.3%, and (ii) the sum of (A) the prime rate last quoted in The Wall Street Journal (or a comparable replacement rate if The Wall Street Journal ceases to quote such rate) and (B) 1.8%. We could prepay, at our option, all, but not less than all, of the outstanding principal balance and all accrued and unpaid interest with respect to the principal balance being prepaid of the term loans, subject to a prepayment premium to which the Lenders were entitled and certain notice requirements. We were obligated to pay a final fee equal to 6.95% of the aggregate amount of the term loans funded (the "Final Fee") to occur upon the earliest of (i) the maturity date, (ii) the acceleration of the term loans, and (iii) the prepayment of the term loans. The Final Fee was being accreted to interest expense using the effective interest method over the life of the debt.

The Lenders had the option, prior to the full repayment of the term loans, to convert up to $5.0 million of outstanding principal of the term loans into shares of our common stock, pursuant to the Fixed Price Conversion or the Variable Price Conversion, subject to customary adjustments and 9.99% and 19.99% beneficial ownership limitations. There would have been no prepayment penalty for any principal amount converted into common stock. We determined that the Fixed Price Conversion and the Variable Price Conversion within the K2HV Loan Agreement were required to be bifurcated as an embedded derivative under ASC Topic 815, *Derivatives and Hedging* ("ASC 815"), at fair value, and recorded as a discount on the debt on the date of issuance, with subsequent changes in fair value recognized in the accompanying condensed consolidated statements of operations. See Note 5 for further discussion on this derivative instrument.

As security for our obligations under the K2HV Loan Agreement, we granted the Lenders a first priority security interest on substantially all of our assets (other than intellectual property), subject to certain exceptions. The K2HV Loan Agreement contained customary representations and warranties, events of default and affirmative and negative covenants, including covenants that limited or restricted our ability to, among other things, dispose of assets, make changes to our business, management, ownership or business locations, merge or consolidate, incur additional indebtedness, incur additional liens, pay dividends or other distributions or repurchase equity, make investments, and enter into certain transactions with affiliates, in each case subject to certain exceptions. Upon the occurrence of an event of default, a default interest rate of an additional 5.0% per annum may have been applied to the outstanding loan balances, and the Lenders may have declared all outstanding obligations immediately due and payable and exercised all of their rights and remedies as set forth in the K2HV Loan Agreement and under applicable law.

Subject to certain conditions, we granted the Lenders the right, prior to repayment of the term loans, to invest up to $5.0 million in the aggregate in future offerings of capital stock, at market terms, subject to certain exceptions and conditions.

We incurred debt issuance costs of $0.7 million in connection with the term loans, composed of the facility fee of $0.4 million and other expenses paid to the Lenders of $0.2 million and external legal fees of $0.1 million. These debt issuance costs, together with the fair value of the embedded derivative of $4.5 million at inception of the K2HV Loan Agreement, resulted in a debt discount of $5.1 million which was being amortized to interest expense over the term of the K2HV Loan Agreement using the effective interest method.

On May 6, 2026, we entered into a letter agreement providing for the repayment by us of all amounts owed under the K2HV Loan Agreement. On May 6, 2026, upon payment by us of $31.4 million, all of our indebtedness and obligations to the Collateral Trustee and the Lenders under the K2HV Loan Agreement and any other related loan and collateral security documents was deemed paid and discharged in full. During the three and six months ended June 30, 2026, we recognized a loss on the extinguishment of debt in the amount of $3.4 million, primarily due to the write off of unamortized debt issuance costs and the unaccreted balance of the Final Fee.

The outstanding note payable consisted of the following as of December 31, 2025 (in thousands) :

Note payable	$	30,000
Unamortized debt discount and issuance costs		(1,764)
Net carrying amount of note payable	$	28,236

The following table provides the components of interest expense related to the K2HV Loan Agreement:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Interest expense based on coupon interest rate (10.3%) of outstanding term loans	$ 299	$ 781	$ 1,072	$ 1,554
Amortization of debt discount and accretion of Final Fee (8.94%)	176	520	771	1,010
Total interest expense on effective rate (19.24%)	$ 475	$ 1,301	$ 1,843	$ 2,564

We had presented the full amount of the term loan payable, net of discount and issuance costs, as a current liability as of December 31, 2025 based on our assessment that repayment of the loan was probable in the subsequent twelve months of December 31, 2025.

8. Common and Preferred Stock

Common Stock

We are authorized to issue 200,000,000 shares of common stock. Common stockholders are entitled to dividends if and when declared by our board of directors. As of June 30, 2026, no dividends on common stock had been declared by us.

On May 10, 2022, we entered into a Sales Agreement (the "Sales Agreement") with Leerink Partners LLC ("Leerink Partners"), pursuant to which we are entitled to offer and sell shares of our common stock (the "ATM Offering"). The Sales Agreement provides that Leerink Partners will be entitled to a sales commission equal to 3.0% of the gross sales price per share of all shares sold under the ATM Offering. We were initially entitled to offer and sell shares of our common stock having an aggregate offering price of up to $50.0 million in the ATM Offering, which was subsequently increased in February 2024 to $75.0 million. On May 8, 2025, we filed a new Registration Statement on Form S-3 and filed a new prospectus covering the ATM Offering (the "Prospectus") for the offer and sale of shares of our common stock with an aggregate offering price of up to $12.5 million in the ATM Offering as a result of being subject to General Instruction I.B.6 of Form S-3 (the "Baby Shelf Limitation"). As of June 30, 2026, we remain subject to the Baby Shelf Limitation. During the six months ended June 30, 2026, we did not sell any shares of our common stock under the ATM Offering. During the six months ended June 30, 2025, we sold 421,766 shares of our common stock at an average price of $1.33 per share for net proceeds of $0.3 million after deducting sales commissions and offering expenses.

We have reserved shares of common stock for issuance as follows:

	As of June 30, 2026	As of December 31, 2025
Shares reserved for exercises of outstanding stock options	8,206,431	9,954,872
Shares reserved for issuance under the 2021 Employee Stock Purchase Plan	1,044,648	560,929
Shares reserved for issuance under the 2021 Stock Incentive Plan	6,070,054	2,039,026
Shares reserved for issuance as part of the K2HV Loan Agreement conversion feature	—	791,364
Total shares reserved for future issuance	15,321,133	13,346,191

Preferred Stock

We are authorized to issue 5,000,000 shares of undesignated preferred stock in one or more series. As of June 30, 2026, no shares of preferred stock were issued or outstanding.

9. Stock-based Compensation

2017 Stock Incentive Plan

In December 2017, we adopted the 2017 Stock Incentive Plan (the "2017 Plan"), as amended and restated, pursuant to which we have outstanding stock options. No future awards may be granted under the 2017 Plan.

2021 Stock Incentive Plan

In April 2021, our board of directors adopted and our stockholders approved the 2021 Stock Incentive Plan (the "2021 Plan"), which became effective immediately prior to the effectiveness of our initial public offering (the "IPO"). As a result of the adoption of the 2021 Plan, no further awards will be made under the 2017 Plan.

The 2021 Plan provides for the grant of incentive stock options ("ISOs"), non-qualified stock options, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), stock appreciation rights and other stock-based awards. Our employees, officers, directors, consultants and advisors are eligible to receive awards under the 2021 Plan. The terms of awards, including vesting requirements, are determined by our board of directors, subject to the provisions of the 2021 Plan.

We initially registered 3,352,725 shares of common stock under the 2021 Plan, pursuant to a Registration Statement on Form S-8 filed with the SEC on April 30, 2021, which was comprised of (i) 2,843,116 shares of common stock reserved for issuance under the 2021 Plan, (ii) 31,884 shares of common stock originally reserved for issuance under the 2017 Plan that became available for issuance under the 2021 Plan upon the completion of the IPO, and (iii) 477,725 shares of unvested restricted stock subject to repurchase by us that may become issuable under the 2021 Plan following such repurchase. The 2021 Plan also provides that an additional number of shares will be added annually to the shares authorized for issuance under the 2021 Plan on the first day of each fiscal year, beginning with the fiscal year ending December 31, 2022 and continuing until, and including, the fiscal year ending December 31, 2031. The number of shares added each year will be equal to the lesser of (i) 5% of the number of shares of outstanding common stock on such date and (ii) such amount as determined by our board of directors. As of June 30, 2026, a cumulative total of 9,582,699 additional shares have been added to the total shares authorized for issuance under the 2021 Plan in accordance with these terms.

2021 Employee Stock Purchase Plan

The 2021 Employee Stock Purchase Plan ("2021 ESPP") permits eligible employees to purchase shares of our common stock at a discount and consists of consecutive six-month offering periods, each containing a single six-month purchase period. On the first day of each offering period, each employee who is enrolled in the 2021 ESPP will automatically receive an option to purchase up to a whole number of shares of our common stock. The purchase price of each of the shares purchased, in a given purchase period, will be equal to 85% of the lesser of the closing price of a share of our common stock on (i) the first day of the offering period, or (ii) the last day of the offering period. During the six months ended June 30, 2026 and 2025, 2,249 and 39,853 shares of our common stock, respectively, were purchased by participants of the 2021 ESPP.

Stock-Based Compensation Expense

Total stock-based compensation expense recognized in our condensed consolidated statements of operations was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Research and development	$ 83	$ 973	$ 586	$ 2,028
General and administrative	336	820	762	1,771
Total stock-based compensation	$ 419	$ 1,793	$ 1,348	$ 3,799

As part of the severance benefits offered to former employees impacted by the 2026 Restructuring described in Note 2 (the "Former Employees"), the forfeiture conditions of outstanding stock options belonging to the Former Employees were modified such that the Former Employees will retain their rights to exercise their stock options through the original expiration dates of each respective stock option to the extent that such stock options had become vested at the time that the Former Employees' employment with us was terminated. Absent these modifications, the impacted stock options would have been forfeited by the Former Employees after a period of 90 days following the termination of their employment with us, if not exercised sooner. The expiration date for all stock options impacted by these modifications will occur on the tenth anniversary of the grant date of each respective stock option. For the three and six months ended June 30, 2026, the stock-based compensation expense above includes $0.1 million and $0.7 million, respectively, of expense recognized related to these modifications.

Stock Option Activity

No stock options were granted during the three or six months ended June 30, 2026. The fair value of stock options granted during the three and six months ended June 30, 2025 were calculated on the date of grant using the following weighted-average assumptions:

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Risk-free interest rate	4.0 %	4.4 %
Expected term (in years)	5.8	5.9
Expected annual dividend yield	— %	— %
Expected volatility	95.2 %	95.3 %

Using the Black-Scholes option pricing model, the weighted-average grant date fair value of stock options granted during the three and six months ended June 30, 2025 was $0.82 and $1.17 per share, respectively.

The following table summarizes stock option activity during the six months ended June 30, 2026:

	Options Outstanding			
	Number of Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2025	9,954,872	$ 4.71		
Granted	—	$ —		
Exercised	—	$ —		
Cancelled	(1,748,441)	$ 2.23		
Outstanding at June 30, 2026	8,206,431	$ 5.24	6.35	$ —
Exercisable at June 30, 2026	6,948,699	$ 5.77	6.02	$ —

No stock options were exercised during the three and six months ended June 30, 2026 and 2025.

As of June 30, 2026, we had unrecognized stock-based compensation expense related to unvested stock options of $2.0 million, which we expect to recognize over a weighted-average period of approximately 1.7 years.

10. Net Income (Loss) Attributable to Common Stockholders per Share

We reported net income for the three months ended June 30, 2026 and net losses for the six months ended June 30, 2026 and for the three and six months ended June 30, 2025. For purposes of the diluted net income (loss) attributable to common stockholders per share calculation, outstanding stock options, common stock to be issued under the 2021 ESPP, and the conversion option derivative under the K2HV Loan Agreement are considered to be potentially dilutive securities; however, the following amounts were excluded from the weighted-average common stock outstanding in the calculation of diluted net income (loss) attributable to common stockholders per share because their effect would have been anti-dilutive:

	June 30,	
	2026	2025
Outstanding stock options	8,206,431	10,461,702
Common stock to be issued under the 2021 ESPP	—	70,602
Common stock to be issued upon exercise of the K2HV Loan Agreement conversion feature	—	791,364
Total	8,206,431	11,323,668

11. Segment Information

We have one reportable segment which focuses on the discovery and development of cancer therapeutics. The segment derives its revenue from the Purchase Agreement with Jazz (see Note 4, *Collaboration Revenue*).

Our chief operating decision maker ("CODM") manages our operations on an integrated basis for the purpose of allocating resources. When evaluating our financial performance, our CODM regularly reviews total expenses and expenses by function and makes decisions using this information based on the performance of the enterprise as a whole. Our CODM primarily evaluates the performance of the enterprise based on results that have a direct impact on our available cash and cash equivalents and accordingly places less significance on non-cash expenses such as stock-based compensation and depreciation expenses in determining how to allocate resources.

Segment assets regularly reviewed by our CODM include measures of liquidity, primarily available cash and cash equivalents, and are consistent with the presentation of cash and cash equivalents reported in our condensed consolidated balance sheets.

The following is a summary of our segment and consolidated net income (loss), including significant segment expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Collaboration revenue	$ 21,000	$ —	$ 21,000	$ —
Less:				
General and administrative support	6,678	3,486	11,250	7,309
Clinical development	3,047	5,710	6,690	10,039
Research and discovery	1,028	3,537	3,183	6,856
Manufacturing	218	2,610	1,792	6,698
Other segment expenses[(a)]	2,871	2,199	4,198	4,631
Interest income	277	850	710	1,847
Interest expense	(475)	(1,301)	(1,843)	(2,564)
Loss on extinguishment of note payable	(3,354)	—	(3,354)	—
Other income, net	64	11	738	179
Segment and consolidated net income (loss)	$ 3,670	$ (17,982)	$ (9,862)	$ (36,071)

(a) Other segment expenses includes non-cash expenses for stock-based compensation and depreciation expenses.

12. Restructuring

In February 2026, we initiated a strategic review process and the 2026 Restructuring. The 2026 Restructuring is expected to be completed by the end of 2026.

We estimate that we will incur approximately $6.5 million in costs associated with the 2026 Restructuring, consisting of severance payments, retention bonuses, employee benefits and related taxes, stock-based compensation, and contract termination costs. Our estimate of costs we expect to incur and the expected timing of when the 2026 Restructuring will be completed are subject to a number of assumptions, and actual results may differ. We may also incur additional costs, including, but not limited to, potential impairment charges not currently contemplated that may occur as a result of, or that are associated with the 2026 Restructuring.

The following table summarizes the restructuring costs incurred and the total estimated costs expected to be incurred in connection with the 2026 Restructuring:

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026	Cumulative Costs to Date	Total Estimated Costs
		(in thousands)		
Employee severance, benefits and related taxes	$ 83	$ 2,640	$ 2,640	$ 2,640
Employee retention bonuses, benefits and related taxes	1,296	2,079	2,079	2,881
Stock-based compensation	50	665	665	665
Contract termination costs	(50)	300	300	300
Total restructuring costs	$ 1,379	$ 5,684	$ 5,684	$ 6,486

Total restructuring costs recognized in our condensed consolidated statements of operations were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Research and development	$ 419	$ —	$ 3,477	$ —
General and administrative	960	—	2,207	—
Total restructuring costs	$ 1,379	$ —	$ 5,684	$ —

Accrued restructuring costs, which are included in accrued expenses and other current liabilities on our condensed consolidated balance sheets were as follows (in thousands):

Balance as of December 31, 2025	$ —
Restructuring costs recognized during the period	4,305
Cash payments made during the period	(3,971)
Employee retention bonuses paid in advance	724
Non-cash charges recognized during the period	(615)
Balance as of March 31, 2026	443
Restructuring costs recognized during the period	1,379
Cash payments made during the period	(1,229)
Amortization of employee retention bonuses paid in the prior period	(509)
Non-cash charges recognized during the period	(50)
Balance as of June 30, 2026	$ 34

13. Lease Termination

On May 7, 2026 (the "Modification Date"), we entered into an Agreement for Termination of Lease and Voluntary Surrender of Premises (the "Lease Termination") with ARE-770/784/790 Memorial Drive, LLC (the "Landlord"), pursuant to which we and the Landlord agreed to terminate that certain lease, dated June 1, 2021, as amended, by and between us and the Landlord (the "Lease"), effective October 31, 2026 (the "Lease Termination Date"). Either party may elect to accelerate the Lease Termination Date by providing 30 days' prior written notice to the other party, provided that such notice is given no earlier than July 1, 2026 (the "Termination Option"). Under the Lease, we leased approximately 25,778 square feet of space, consisting of the entire building located at 200 Talcott Avenue, Watertown, Massachusetts. Pursuant to the Lease Termination, we paid the Landlord an aggregate termination fee of $2.7 million, which represented full satisfaction of all remaining payments and other financial obligations due from us to the Landlord under the Lease including, without limitation, Base Rent (as defined in the Lease) for the months of May 2026 through October 2026. We have no further rent obligations to the Landlord pursuant to the Lease after the Lease Termination Date.

We have assessed the Lease Termination and have concluded that it represents a modification to the Lease within the scope of ASC Topic 842, *Leases* ("ASC 842"). Upon the execution of the Lease Termination, we were reasonably certain that the Termination Option would be exercised, and accordingly we estimated that the lease would terminate on July 31, 2026 for purposes of measuring the modified lease liability. On the Modification Date, we measured our modified lease liability to be $2.5 million. We reduced our lease liability to the modified lease liability through an adjustment to our right-of-use asset as of the Modification Date. We have recognized a reduction to our operating expenses during the three and six months ended June 30, 2026 in the amount of $1.1 million, representing the remaining reduction in our lease liability required after our right-of-use asset was reduced to zero. The reduction to our operating expenses has been allocated between research and development and general and administrative operating expenses proportionately with how the operating lease costs have been allocated over the term of the Lease.

As a result of the Lease Termination, we have determined that the estimated useful lives for the majority of our property and equipment will no longer extend beyond July 31, 2026. We have recognized additional depreciation expense during the three and six months ended June 30, 2026 as a result of the change in the estimated useful lives, and will continue to recognize higher-than-expected depreciation expense during each period until our property and equipment is fully depreciated or disposed of.

On July 1, 2026, the Landlord exercised the Termination Option to terminate the Lease, effective July 31, 2026.

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

The following discussion and analysis is meant to provide material information relevant to an assessment of the financial condition and results of operations of our company, including an evaluation of the amounts and uncertainties of cash flows from operations and from outside resources, so as to allow investors to better view our company from management's perspective. The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q, or Quarterly Report, and our Annual Report on Form 10-K for the year ended December 31, 2025, or the 2025 Annual Report, that was filed with the United States Securities and Exchange Commission, or SEC, on March 27, 2026. In addition to historical information, the discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors we believe could cause or contribute to these differences below and elsewhere in this Quarterly Report, including those factors set forth in the section entitled "Cautionary Note Regarding Forward-Looking Statements and Industry Data" and in the section entitled "Risk Factors" in Part II, Item 1A of this Quarterly Report. You should carefully read the section entitled "Risk Factors" in Part II, Item 1A of this Quarterly Report.

Overview

We are an innovative biopharmaceutical company pioneering the development of therapeutics engineered to stimulate the body's immune system for the treatment of cancer and other immune-mediated conditions. We have leveraged our proprietary PREDATOR platform to design conditionally activated molecules that stimulate both adaptive and innate immunity with the goal of addressing the limitations of conventional proinflammatory immune therapies. Our molecules, which we refer to as INDUKINE and INDUCER molecules, are intended to activate selectively in the tumor microenvironment, or TME. Our most advanced product candidates, WTX-124 and WTX-330, are systemically delivered, conditionally activated Interleukin-2 and Interleukin-12, respectively, INDUKINE molecules for the treatment of multiple tumor types.

The Phase 1/1b clinical trial of WTX-124 is expected to be completed in the fourth quarter of 2026. Additional funding will be required to initiate any further development, which could include a registration-enabling trial. We are currently seeking a strategic partnership for the further development of WTX-124.

The dose- and regimen-determining Part A of the Phase 1b/2 clinical trial of WTX-330 is expected to be completed in the fourth quarter of 2026. Additional funding will be required to further develop WTX-330, which could include sequential administration of WTX-330 and WTX-124 that may provide a novel development path in poorly immunogenic tumors. We are currently seeking a strategic partnership for the further development of WTX-330.

Recent Developments

Asset Purchase Agreement; Termination of Collaboration Agreement

On May 6, 2026, or the Closing, we entered into an asset purchase agreement, or the Purchase Agreement, with Jazz Pharmaceuticals Ireland Limited, a corporation organized under the laws of Ireland, or Jazz. In April 2022, we entered into a global collaboration and license agreement, or the Collaboration Agreement, with Jazz under which Jazz acquired exclusive global development and commercialization rights to JZP898, as well as products containing certain isolated recombinant polypeptides comprising IFNα that meet specified criteria (each such product, a Licensed Product). Subject to the terms and conditions of the Purchase Agreement, we sold to Jazz, which we refer to as the Asset Sale, our program, or the 898 Program, for the development, manufacturing, commercialization, use and other exploitation of the Licensed Product. Pursuant to the Purchase Agreement and related ancillary agreements, in consideration for all material assets, properties, rights and interests used or held for use in the conduct of the 898 Program, Jazz paid us upfront consideration of $21.0 million, and has agreed to pay an additional $2.0 million contingent upon the consent to the partial assignment of a certain license agreement, as and to the extent such agreement relates to the conduct of the 898 Program. Jazz also assumed certain liabilities of ours relating to the 898 Program arising after the Closing.

During the six months ended June 30, 2026, we recognized revenue of $21.0 million due to the change in the overall transaction price of the Collaboration Agreement as a result of entering into the Purchase Agreement.

In the future, our ability to generate revenue from the Purchase Agreement will depend on successfully completing the conditions necessary to receive payment of the $2.0 million contingent payment. There can be assurances of the timing of when we will receive the $2.0 million contingent payment, or at all.

Previously, we were eligible to receive up to $515.0 million in development and regulatory milestones, and up to $740.0 million in sales-based milestones for all Licensed Products upon meeting certain conditions under the Collaboration Agreement. Effective as of the Closing, the Collaboration Agreement was terminated, and as a result, we are no longer eligible to receive payment for meeting the conditions of the development and regulatory milestones or sales-based milestones for any Licensed Products.

Loan Repayment

On May 6, 2026, we entered into a letter agreement providing for the repayment by us of all amounts owed under the loan and security agreement, dated May 2, 2024, or the K2HV Loan Agreement, by and among us, the lenders from time to time party hereto, or the Lenders, K2 HealthVentures LLC, or K2HV, as administrative agent for the Lenders, and ANKURA TRUST COMPANY, LLC, as collateral trustee for secured parties, or the Collateral Trustee. On May 6, 2026, upon payment by us of $31.4 million, all of our indebtedness and obligations to the Collateral Trustee and the Lenders under the Loan Agreement and any other related loan and collateral security documents was deemed paid and discharged in full. During the six months ended June 30, 2026, we recognized a loss on the extinguishment of debt in the amount of $3.4 million, primarily due to the write off of unamortized debt issuance costs and the unaccreted balance of the final fee payable under the K2HV Loan Agreement.

Strategic Review

In February 2026, we adopted a restructuring plan to extend our capital resources, or the 2026 Restructuring, in connection with initiating a process to explore a full range of strategic alternatives to advance our promising platform and drug development pipeline to maximize stockholder value. We have engaged Piper Sandler & Co., or Piper Sandler, to serve as exclusive financial advisor to assist in the strategic review process. Measures contemplated during the strategic review process include the Asset Sale and may also include, among other options, a sale of our company, a business combination or merger, a sale of our assets, licensing or collaboration arrangements, or other strategic transactions. There can be no assurance that the strategic review process will result in any agreement or transaction that will enhance stockholder value, or any agreement or transaction at all.

As part of the 2026 Restructuring, our board of directors approved a reduction in force in February 2026, representing 64% of our workforce, to better align our resources with our pursuit of strategic alternatives. In May 2026, an additional reduction in force occurred, representing 36% of our workforce at that time. As a result of the 2026 Restructuring, we recognized costs of $5.7 million during the six months ended June 30, 2026 consisting of severance payments, retention bonuses, employee benefits and related taxes, stock-based compensation, and contract termination costs. We estimate that we will incur approximately $0.8 million in additional costs to complete the 2026 Restructuring, which is expected to be completed by the end of 2026. Our estimate of costs we expect to incur and the expected timing of when the 2026 Restructuring will be completed are subject to a number of assumptions, and actual results may differ. We may also incur additional costs, including, but not limited to, potential impairment charges not currently contemplated that may occur as a result of, or that are associated with the 2026 Restructuring.

Financial Operations Overview

Revenue

Historically, all our revenue has been generated from the Collaboration Agreement with Jazz. In June 2024, we satisfied the last material performance obligation required of us under the Collaboration Agreement. Accordingly, we did not recognize revenue related to the Collaboration Agreement during the six months ended June 30, 2025.

In May 2026, we entered into the Purchase Agreement with Jazz. We recognized $21.0 million in revenue during the six months ended June 30, 2026 related to the Purchase Agreement.

In the future, our ability to generate revenue from the Purchase Agreement will depend on successfully completing the conditions necessary to receive payment of the $2.0 million contingent payment. There can be assurances of the timing of when we will receive the $2.0 million contingent payment, or at all.

Effective as of the Closing, the Collaboration Agreement was terminated.

Operating Expenses

Research and Development Expenses

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

- salaries, benefits and other related costs, including stock-based compensation expense, for personnel engaged in research and development functions;
- expenses incurred under agreements with third parties that conduct research, preclinical and clinical activities on our behalf;
- costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- costs of laboratory supplies and acquiring, developing and manufacturing preclinical study and clinical trial materials; and
- facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. Costs for external development activities are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of performance of the individual arrangements, which may differ from the pattern of billings incurred, and are reflected in our condensed consolidated financial statements as prepaid or accrued research and development expenses.

We typically use our employee and infrastructure resources across our development programs. We track external development costs by product candidate or development program, but generally we do not allocate personnel costs, license payments made under our licensing arrangements or other internal costs to specific development programs or product candidates.

Our external development costs were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
WTX-124	$ 1,941	$ 4,573	$ 3,115	$ 9,368
WTX-330	776	1,758	2,190	3,212
WTX-1011	—	—	71	—
WTX-2022	—	—	50	—
WTX-712	—	17	6	104
WTX-921	—	31	—	40
WTX-518	—	1	—	2
Pre-development candidates	1,064	1,063	1,725	1,644
Total external development costs	$ 3,781	$ 7,443	$ 7,157	$ 14,370

Research and development activities have historically been central to our business model. We expect our research and development costs will decrease in the near future as we explore strategic alternatives available to advance our platform and drug development pipeline.

The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming. We cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete development of our current or future product candidates, if any. The actual probability of success for our product candidates will depend on a variety of factors, including:

- the outcome of our strategic review process;
- the scope, rate of progress and expenses of our research activities as well as any preclinical studies and clinical trials, including our Phase 1/1b clinical trial for WTX-124 and the Phase 1b/2 clinical trial for WTX-330, as well as other research and development activities;
- establishing an appropriate safety profile;
- successful enrollment in and completion of clinical trials;
- whether our product candidates show safety and efficacy in our clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- commercializing product candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of the products following any regulatory approval.

A change in the outcome of any of these variables with respect to the development of our current and future product candidates would significantly change the costs and timing associated with the development of those product candidates, and we may never succeed in achieving regulatory approval for any of our product candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development activities.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, benefits and other related costs, including stock-based compensation, for personnel in our executive, finance, people operations, business development, legal, information technology and administrative functions. General and administrative expenses also include legal fees relating to intellectual property and corporate matters; professional fees for accounting, audit, 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.

At this time, we cannot reasonably estimate the nature, timing, and estimated costs associated with the efforts that will be necessary to complete our strategic review process.

Other Expense

Interest Income

Interest income consists of interest earned from cash and cash equivalents invested in money market funds.

Interest Expense

Interest expense represents interest incurred from our loan and security agreement, or the K2HV Loan Agreement, with K2 HealthVentures LLC, or K2HV, and non-cash interest expense related to the amortization of debt issuance costs.

Loss on Extinguishment of Note Payable

Loss on extinguishment of note payable represents the residual financial impact of notes payable to lenders, specifically the extinguishment of the K2HV Loan Agreement in May 2026.

Other Income, Net

Other income, net primarily consists of the unrealized gain or loss recognized on the change in fair value of the derivative liability associated with the K2HV Loan Agreement.

Results of Operations

Comparison of the Three Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations:

	Three Months Ended June 30,		
	2026	2025	$ Change
	(in thousands)		
Revenue:			
Collaboration revenue	$ 21,000	$ —	$ 21,000
Operating expenses:			
Research and development	6,162	13,143	(6,981)
General and administrative	7,680	4,399	3,281
Total operating expenses	13,842	17,542	(3,700)
Operating income (loss)	7,158	(17,542)	24,700
Other expense:			
Interest income	277	850	(573)
Interest expense	(475)	(1,301)	826
Loss on extinguishment of note payable	(3,354)	—	(3,354)
Other income, net	64	11	53
Total other expense	(3,488)	(440)	(3,048)
Net income (loss)	$ 3,670	$ (17,982)	$ 21,652

Revenue

During the three months ended June 30, 2026, we recognized $21.0 million in revenue related to the Purchase Agreement with Jazz. No revenue was recognized during the three months ended June 30, 2025.

Research and Development Expenses

The following table summarizes our research and development expenses:

	Three Months Ended June 30,		
	2026	2025	$ Change
	(in thousands)		
Clinical trial costs	$ 2,613	$ 4,201	$ (1,588)
Facility costs	1,102	776	326
Contract research organization	1,087	1,190	(103)
Personnel	1,026	3,750	(2,724)
Manufacturing	81	2,052	(1,971)
Lab consumables	81	1,045	(964)
Other	172	129	43
Total research and development expenses	$ 6,162	$ 13,143	$ (6,981)

Research and development expenses for the three months ended June 30, 2026 were $6.2 million compared to $13.1 million for the three months ended June 30, 2025. The decrease of $7.0 million was primarily due to:

- $1.6 million of decreased clinical trial costs, driven by lower patient and site monitoring costs as we approach the completion of the Phase 1/1b clinical trial of WTX-124 and the Phase 1b/2 clinical trial of WTX-330, both of which are expected to be completed in the fourth quarter of 2026;
- $2.7 million of decreased personnel costs, driven primarily by cost savings recognized during the three months ended June 30, 2026 as result of the reductions in force that were completed in February and May 2026; and
- a net decrease of $2.7 million across all other research and development activities. This decrease was due to our decision to significantly curtail our research and development spending in order to conserve our capital resources that

may be necessary in our pursuit of strategic alternatives. Decreases of $3.0 million across the remaining research and development activities were partially offset by an increase in facility and other costs of $0.4 million due to higher depreciation expense recognized during the three months ended June 30, 2026 as a result of a change in the estimated useful lives of our property and equipment, as well as net losses recognized on the sale and disposal of property and equipment during the period.

General and Administrative Expenses

The following table summarizes our general and administrative expenses:

	Three Months Ended June 30,		
	2026	2025	$ Change
	(in thousands)		
Professional services	$ 4,844	$ 1,325	$ 3,519
Personnel	1,840	2,095	(255)
Facility costs	492	326	166
Corporate insurance	260	264	(4)
Information technology costs	150	196	(46)
Other	94	193	(99)
Total general and administrative expenses	$ 7,680	$ 4,399	$ 3,281

General and administrative expenses were $7.7 million for the three months ended June 30, 2026 compared to $4.4 million for three months ended June 30, 2025. The increase of $3.3 million was primarily due to:

- $3.5 million of increased professional services fees, driven by an increased reliance on external legal counsel, consultants, and advisors engaged to assist us in our strategic review process; and
- $0.2 million of increased facility costs due to higher depreciation expense recognized during the three months ended June 30, 2026 as a result of a change in the estimated useful lives of our property and equipment.

These increases were partially offset by a decrease of $0.3 million in personnel costs, driven primarily by cost savings recognized during the three months ended June 30, 2026 as result of the reductions in force that were completed in February and May 2026.

Interest Income

Interest income was $0.3 million for the three months ended June 30, 2026 compared to $0.9 million for the three months ended June 30, 2025. This decrease in interest income was primarily the result of lower balances in money market accounts during the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Interest Expense

Interest expense was $0.5 million for the three months ended June 30, 2026, compared to $1.3 million for the three months ended June 30, 2025. This decrease in interest expense was due to the extinguishment of the K2HV Loan Agreement in May 2026.

Loss on Extinguishment of Note Payable

The extinguishment of the K2HV Loan Agreement in May 2026 resulted in a one-time loss of $3.4 million for the three months ended June 30, 2026. No similar activity occurred during the three months ended June 30, 2025.

Other Income, Net

Other income, net for the three months ended June 30, 2026 and 2025 primarily consists of the gains recognized for the change in fair value of the derivative liability associated with the K2HV Loan Agreement during each period.

Comparison of the Six Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations:

	Six Months Ended June 30,		
	2026	2025	$ Change
	(in thousands)		
Revenue:			
Collaboration revenue	$ 21,000	$ —	$ 21,000
Operating expenses:			
Research and development	14,343	26,263	(11,920)
General and administrative	12,770	9,270	3,500
Total operating expenses	27,113	35,533	(8,420)
Operating loss	(6,113)	(35,533)	29,420
Other expense:			
Interest income	710	1,847	(1,137)
Interest expense	(1,843)	(2,564)	721
Loss on extinguishment of note payable	(3,354)	—	(3,354)
Other income, net	738	179	559
Total other expense	(3,749)	(538)	(3,211)
Net loss	$ (9,862)	$ (36,071)	$ 26,209

Revenue

During the six months ended June 30, 2026, we recognized $21.0 million in revenue related to the Purchase Agreement with Jazz. No revenue was recognized during the six months ended June 30, 2025.

Research and Development Expenses

The following table summarizes our research and development expenses:

	Six Months Ended June 30,		
	2026	2025	$ Change
	(in thousands)		
Personnel	$ 4,961	$ 8,081	$ (3,120)
Clinical trial costs	4,805	6,993	(2,188)
Facility costs	1,728	1,581	147
Contract research organization	1,495	1,862	(367)
Manufacturing	857	5,515	(4,658)
Lab consumables	278	1,987	(1,709)
Other	219	244	(25)
Total research and development expenses	$ 14,343	$ 26,263	$ (11,920)

Research and development expenses for the six months ended June 30, 2026 were $14.3 million compared to $26.3 million for the six months ended June 30, 2025. The decrease of $11.9 million was primarily due to:

- $3.1 million of decreased personnel costs, driven primarily by cost savings recognized during the six months ended June 30, 2026 as result of the reductions in force that were completed in February and May 2026;
- $2.2 million of decreased clinical trial costs, driven by lower patient and site monitoring costs as we approach the completion of the Phase 1/1b clinical trial of WTX-124 and the Phase 1b/2 clinical trial of WTX-330, both of which are expected to be completed in the fourth quarter of 2026; and
- a net decrease of $6.6 million across all other research and development activities. This decrease was due to our decision to significantly curtail our research and development spending in order to conserve our capital resources that may be necessary in our pursuit of strategic alternatives. Decreases of $6.8 million across the remaining research and development activities were partially offset by an increase in facility costs of $0.1 million due to

higher depreciation expense recognized during the six months ended June 30, 2026 as a result of a change in the estimated useful lives of our property and equipment.

General and Administrative Expenses

The following table summarizes our general and administrative expenses:

	Six Months Ended June 30,		
	2026	2025	$ Change
	(in thousands)		
Professional services	$ 6,470	$ 2,462	$ 4,008
Personnel	4,388	4,745	(357)
Facility costs	887	657	230
Corporate insurance	520	537	(17)
Information technology costs	326	367	(41)
Other	179	502	(323)
Total general and administrative expenses	$ 12,770	$ 9,270	$ 3,500

General and administrative expenses were $12.8 million for the six months ended June 30, 2026 compared to $9.3 million for the six months ended June 30, 2025. The increase of $3.5 million was primarily due to:

- $4.0 million of increased professional services fees, driven by an increased reliance on external legal counsel, consultants, and advisors engaged to assist us in our strategic review process; and
- $0.2 million of increased facility costs due to higher depreciation expense recognized during the six months ended June 30, 2026 as a result of a change in the estimated useful lives of our property and equipment.

These increases were partially offset by:

- $0.4 million of decreased personnel costs, driven primarily by cost savings recognized during the six months ended June 30, 2026 as result of the reductions in force that were completed in February and May 2026; and
- $0.4 million of decreased costs across all other general and administrative activities as the result of cost savings initiatives implemented during the period leading up and during six months ended June 30, 2026.

Interest Income

Interest income was $0.7 million for the six months ended June 30, 2026 compared to $1.8 million for the six months ended June 30, 2025. This decrease in interest income was primarily a result of lower balances in money market accounts during the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Interest Expense

Interest expense was $1.8 million for the six months ended June 30, 2026 compared to $2.6 million for the six months ended June 30, 2025. This decrease in interest expense was due to the extinguishment of the K2HV Loan Agreement in May 2026.

Loss on Extinguishment of Note Payable

The extinguishment of the K2HV Loan Agreement in May 2026 resulted in a one-time loss of $3.4 million for the six months ended June 30, 2026. No similar activity occurred during the six months ended June 30, 2025.

Other Income, Net

Other income, net for the six months ended June 30, 2026 and 2025 primarily consists of the gains recognized for the change in fair value of the derivative liability associated with the K2HV Loan Agreement during each period.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception in 2017, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company; business planning; raising capital; developing and optimizing our platform technology; identifying potential product candidates; enhancing our intellectual property portfolio; undertaking research, preclinical studies, and clinical trials; and enabling manufacturing for our development programs. Our net loss was $9.9 million for the six months ended June 30, 2026. As of June 30, 2026, we had cash and cash equivalents of $22.0 million and an accumulated deficit of $485.3 million. As we have no products that are approved for sale, we have not generated any revenue from product sales to date, and we do not

expect to generate any such revenue for the foreseeable future, if at all. Instead, we have financed our operations primarily through aggregate cash proceeds from convertible promissory notes, private placements of our convertible preferred stock, our initial public offering, payments from Jazz under the Collaboration Agreement and the Purchase Agreement, sales of common stock through our at-the-market program, and the drawdown of our term loans. We expect to incur substantial operating losses and negative cash flows from operations for the foreseeable future. There is substantial doubt about our ability to continue as a going concern for at least twelve months from the date these condensed consolidated financial statements are issued in this Quarterly Report, and we expect continuing operations beyond the near term will require additional liquidity.

In February 2026, we initiated the 2026 Restructuring and a process to explore a full range of strategic alternatives to advance our promising platform and drug development pipeline to maximize stockholder value. We engaged Piper Sandler to serve as exclusive financial advisor to assist in the strategic review process. Measures contemplated during the strategic review process include the Asset Sale and may also include, among other options, a sale of our company, a business combination or merger, a sale of our assets, licensing or collaboration arrangements, or other strategic transactions. There can be no assurance that the strategic review process will result in any agreement or transaction that will enhance stockholder value, or any agreement or transaction at all.

As part of the 2026 Restructuring, our board of directors approved a reduction in force, representing 64% of our workforce, to better align our resources with our pursuit of strategic alternatives. In May 2026, an additional reduction in force occurred, representing 36% of our workforce at that time. As a result of the 2026 Restructuring, we have recognized restructuring costs of $5.7 million during the six months ended June 30, 2026 consisting of severance payments, retention bonuses, employee benefits and related taxes, stock-based compensation, and contract termination costs. The 2026 Restructuring is expected to be completed by the end of 2026. We may also incur additional costs, including, but not limited to, potential impairment charges not currently contemplated that may occur as a result of, or that are associated with the 2026 Restructuring.

While our strategic review process is underway, we expect our overall costs will decrease in the near term due to the reduction in force, the completion of our clinical trials, and other cost reduction initiatives. The outcome of our strategic review process will inform our future development plans and the costs associated with those efforts. If we decide to resume enrollment in our clinical trials or development of our preclinical product candidates, however, we expect that our research and development and general and administrative expenses would increase.

We will need additional capital to fund our operations, which we may raise through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances and licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on acceptable terms, or at all. Additionally, the extent to which we use our at-the-market program as a source of future funding will depend on a number of factors, including the prevailing market price of our common stock, general market conditions, the extent to which we are able to secure funds from other sources, and whether we are then subject to limitations on our ability to use Form S-3 to sell more than one-third of the aggregate market value of our public float in the trailing 12-month period, which limitations will remain in place until such time as our public float exceeds $75 million. Our failure to raise capital or enter into such agreements as and when needed could have a material adverse effect on our business, results of operations and financial condition.

Term Loan Facility

In May 2024, we, as borrower, entered into the K2HV Loan Agreement with K2HV (which we refer to, together with any other lender from time to time, as the Lenders); K2HV, as administrative agent for the Lenders (in such capacity, together with its successors, the Administrative Agent); and Ankura Trust Company, LLC, as collateral trustee for the Lenders, or the Collateral Trustee. The K2HV Loan Agreement provided up to $60.0 million principal in term loans. We received $30.0 million in gross loan proceeds at closing; $25.0 million from the first tranche commitment and $5.0 million from the second tranche commitment. A third tranche commitment of up to $10.0 million was available to be drawn at our option through June 30, 2025, subject to the achievement, as determined by the Administrative Agent in its discretion, of certain time-based, clinical and regulatory milestones and receipt of not less than $60.0 million in net cash proceeds from certain financing activities, with at least $50.0 million from a single offering of common stock. Our ability to draw upon the third tranche commitment expired on June 30, 2025 without being drawn upon. A fourth tranche commitment of up to $20.0 million was available to be drawn at our option through May 1, 2026, subject to Lender's review of our clinical, financial and operating plan and subject to the Lender's consent in its sole and absolute discretion. Our ability to draw upon the fourth tranche commitment expired on May 1, 2026 without being drawn upon.

The term loan was scheduled to mature on May 1, 2028, and we were obligated to make interest only payments for the first 24 months followed by equal interest and principal payments each month thereafter through the maturity date. The term loan bore a variable interest rate equal to the greater of (i) 10.3%, and (ii) the sum of (A) the prime rate last quoted in The Wall Street Journal (or a comparable replacement rate if The Wall Street Journal ceases to quote such rate) and (B) 1.8%. We could prepay, at our option, all, but not less than all, of the outstanding principal balance and all accrued and unpaid interest with respect to

the principal balance being prepaid of the term loans, subject to a prepayment premium to which the Lenders were entitled and certain notice requirements. We were obligated to pay a final fee equal to 6.95% of the aggregate amount of the term loans funded, or the Final Fee, to occur upon the earliest of (i) the maturity date, (ii) the acceleration of the term loans, and (iii) the prepayment of the term loans. The Final Fee was being accreted to interest expense using the effective interest method over the life of the debt.

Pursuant to the terms of the K2HV Loan Agreement, the lenders thereto had the option, prior to the full repayment of the term loans, to convert up to $5.0 million of the outstanding principal of the term loans into shares of our common stock at a conversion price of the lesser of $6.3182 per share, or the Fixed Price Conversion, and the lowest effective price per share of our first equity financing following the closing of the K2HV Loan Agreement, or the Variable Price Conversion, subject to customary adjustments and 9.99% and 19.99% beneficial ownership limitations. There would have been no prepayment penalty for any principal amount converted into common stock. We determined that the Fixed Price Conversion and the Variable Price Conversion within the K2HV Loan Agreement were required to be bifurcated as an embedded derivative under ASC Topic 815, *Derivatives and Hedging*, at fair value, and recorded as a discount on the debt on the date of issuance, with subsequent changes in fair value recognized in the accompanying condensed consolidated statements of operations.

As security for our obligations under the K2HV Loan Agreement, we granted the Lenders a first priority security interest on substantially all of our assets (other than intellectual property), subject to certain exceptions. The K2HV Loan Agreement contained customary representations and warranties, events of default and affirmative and negative covenants, including covenants that limited or restricted our ability to, among other things, dispose of assets, make changes to our business, management, ownership or business locations, merge or consolidate, incur additional indebtedness, incur additional liens, pay dividends or other distributions or repurchase equity, make investments, and enter into certain transactions with affiliates, in each case subject to certain exceptions. Upon the occurrence of an event of default, a default interest rate of an additional 5.0% per annum may have been applied to the outstanding loan balances, and the Lenders may have declared all outstanding obligations immediately due and payable and exercised all of its rights and remedies as set forth in the K2HV Loan Agreement and under applicable law.

Subject to certain conditions, we granted the Lenders the right, prior to repayment of the term loans, to invest up to $5.0 million in the aggregate in future offerings of capital stock, at market terms, subject to certain exceptions and conditions.

We incurred debt issuance costs of $0.7 million in connection with the term loans, composed of the facility fee of $0.4 million and other expenses paid to the Lenders of $0.2 million and external legal fees of $0.1 million. These debt issuance costs, together with fair value of the embedded derivative of $4.5 million, resulted in a debt discount of $5.1 million which was being amortized to interest expense over the term of the K2HV Loan Agreement using the effective interest method.

On May 6, 2026, we entered into a letter agreement providing for the repayment by us of all amounts owed under the K2HV Loan Agreement. On May 6, 2026, upon payment by us of $31.4 million, all of our indebtedness and obligations to the Collateral Trustee and the Lenders under the K2HV Loan Agreement and any other related loan and collateral security documents was deemed paid and discharged in full. During the six months ended June 30, 2026, we recognized a loss on the extinguishment of debt in the amount of $3.4 million, primarily due to the write off of unamortized debt issuance costs and the unaccreted balance of the Final Fee.

ATM Offering

On May 10, 2022, we entered into a sales agreement, or the Sales Agreement, with Leerink Partners LLC, or Leerink Partners, pursuant to which, from time to time, we may offer and sell shares of our common stock, which we refer to as the ATM Offering. The Sales Agreement provides that Leerink Partners is entitled to a sales commission equal to 3.0% of the gross sales price per share of all shares sold under the ATM Offering. We were initially entitled to offer and sell shares of our common stock having an aggregate offering price of up to $50.0 million in the ATM Offering, which was subsequently increased in February 2024 to $75.0 million. On May 8, 2025, we filed a new Registration Statement on Form S-3 and filed a new prospectus covering the ATM Offering, or the Prospectus, with an aggregate offering price of up to $12.5 million in the ATM Offering as a result of being subject to General Instruction I.B.6 of Form S-3, or the Baby Shelf Limitation. As of June 30, 2026, we remain subject to the Baby Shelf Limitation. During the six months ended June 30, 2026, we did not sell any shares of our common stock under the ATM Offering.

Jazz Collaboration

As of June 30, 2026, we had received $41.0 million in payments from Jazz, excluding payments for reimbursed costs, under the terms of the Collaboration Agreement and the Purchase Agreement.

Pursuant to the Purchase Agreement, Jazz has agreed to pay us an additional $2.0 million contingent upon the consent to the partial assignment of a certain license agreement, as and to the extent such agreement relates to the conduct of the 898 Program. There can be assurances of the timing of when we will receive the $2.0 million contingent payment, or at all.

Effective as of the Closing, the Collaboration Agreement was terminated, and as a result, we are no longer eligible to receive payment for meeting the conditions of the development and regulatory milestones or sales-based milestones we were previously eligible for under the Collaboration Agreement.

Plan of Operation and Future Funding Requirements

As of June 30, 2026, we had cash and cash equivalents of $22.0 million. Based on our current operating plan, we expect that our cash and cash equivalents will be insufficient to allow us to fund our current operating plan through at least twelve months from the date these condensed consolidated financial statements are issued in this Quarterly Report. These conditions raise substantial doubt about our ability to continue as a going concern for at least twelve months from the date these condensed consolidated financial statements are issued in this Quarterly Report. As described above, we have initiated a process to explore a full range of strategic alternatives to advance our promising platform and drug development pipeline to maximize stockholder value. The outcome of our strategic review process will inform our future funding requirements, however, because of the numerous risks and uncertainties associated with the strategic review process, we are unable to estimate our current operating capital requirements.

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

- the nature, timing, and extent of our strategic review process;
- the pursuit of viable strategic alternatives, if any;
- the scope, progress, timing, costs and results of researching and developing our current product candidates or any future product candidates, including with respect to our clinical trials of WTX-124 and WTX-330 and the costs associated with attracting, hiring and retaining skilled personnel and consultants as our preclinical and clinical activities increase;
- the cost of manufacturing our product candidates WTX-124, WTX-330, and any future product candidates for clinical trials and, if we are able to obtain marketing approval, for commercial sale;
- the costs of any third-party products used in our combination clinical trials that are not covered by such third parties or other sources;
- the success of our collaboration with Jazz;
- the timing of, and the cost involved in, obtaining marketing approval for WTX-124 and WTX-330 or any future product candidates, and our ability to obtain marketing approval and generate revenue from any potential commercial sales of such product candidates;
- the cost of building a sales force in anticipation of product commercialization and the cost of commercialization activities for WTX-124, WTX-330, our INDUCER molecules, or any future product candidates if we receive marketing approval, including marketing, sales and distribution costs;
- the potential emergence of competing therapies and other adverse market developments;
- the amount and timing of any payments we may be required to make pursuant to our license agreement with Harpoon Therapeutics, Inc., or other future license agreements or collaboration agreements;
- our ability to establish future collaborations, licensing or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- any product liability or other lawsuits related to our product candidates;
- the extent to which we in-license or acquire other products and technologies; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial revenue from product sales, we expect to fund our operations and capital funding needs through equity and/or debt financing. We may also consider entering into collaboration arrangements or selectively partnering for clinical development and commercialization. The sale of additional equity may result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations or our ability to incur additional indebtedness or pay dividends, among other items. If we raise additional funds through governmental funding, collaborations, strategic partnerships and alliances or marketing, distribution or licensing arrangements with third parties, we

may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise capital when needed or on acceptable terms, we may be forced to delay, reduce, or eliminate certain costs related to our operations and research and development programs.

Cash Flows

The following table provides information regarding our cash flows:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash (used in) provided by:		
Operating activities	$ (3,968)	$ (34,112)
Investing activities	416	—
Financing activities	(32,412)	388
Net decrease in cash, cash equivalents and restricted cash and cash equivalents	$ (35,964)	$ (33,724)

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2026 was $4.0 million compared to $34.1 million for the six months ended June 30, 2025. The decrease in cash used for operating activities of $30.1 million is the result of receipt of a $21.0 million payment from Jazz related to the Purchase Agreement in May 2026, combined with various cost reduction initiatives implemented during the six months ended June 30, 2026. Our operating expenses, excluding non-cash expenses, have decreased $6.9 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. Similarly, our cash used to pay down our current liabilities, net of prepayments, has decreased $5.3 million due to our lower operating costs. During the six months ended June 30, 2026, we incurred higher lease payments of $2.4 million compared to the six months ended June 30, 2025 due to the termination of our lease in May 2026. Finally, interest income recognized during the six months ended June 30, 2026 decreased by $1.1 million compared to the six months ended June 30, 2025.

Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2026 was $0.4 million, which represents proceeds from the sale of property and equipment during the period. No investing activities occurred during the six months ended June 30, 2025.

Financing Activities

Net cash used for financing activities for the six months ended June 30, 2026 was $32.4 million, which represents the repayment of amounts owed under the K2HV Loan Agreement during the period, plus payment of fees incurred for extinguishment of the note payable. Net cash provided by financing activities for the six months ended June 30, 2025 was $0.4 million, and primarily consisted of net proceeds of $0.3 million from our ATM Offering.

Contractual Obligations

Overview

In the normal course of business, we enter into agreements with contract research organizations, or CROs, contract manufacturers, vendors and other third parties for preclinical studies and clinical trials, manufacturing services and other services and products for operating purposes. These contracts do not contain minimum purchase commitments and are cancellable by us upon prior written notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancelable obligations of our service providers, up to the date of cancellation.

Term Loan Facility

See *"Liquidity and Capital Resources – Sources of Liquidity – Term Loan Facility"* for descriptions of the K2HV Loan Agreement and the repayment thereof.

Lease Agreement

The lease for office and laboratory space that we entered into in June 2021 commenced in May 2022 and was scheduled to expire in May 2030. On May 7, 2026, we entered into an Agreement for Termination of Lease and Voluntary Surrender of Premises (the "Lease Termination") with ARE-770/784/790 Memorial Drive, LLC (the "Landlord"), pursuant to which we and the Landlord agreed to terminate that certain lease, dated June 1, 2021, as amended, by and between us and the Landlord (the "Lease"), effective October 31, 2026 or such sooner date as a party provides notice in accordance with the Lease Termination

(the "Lease Termination Date"). Under the Lease, we leased approximately 25,778 square feet of space, consisting of the entire building located at 200 Talcott Avenue, Watertown, Massachusetts. Pursuant to the Lease Termination, we paid the Landlord an aggregate termination fee of $2.7 million, which represented full satisfaction of all remaining payments and other financial obligations due from us to the Landlord under the Lease, including, without limitation, Base Rent (as defined in the Lease) for the months of May 2026 through October 2026. On July 1, 2026, the Landlord exercised its option to accelerate the Lease Termination Date to July 31, 2026, and we have no further rent obligations under the Lease after that date.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these condensed 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 financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates which include, but are not limited to those related to accrued expenses, assumptions used in the valuation of stock-based compensation expense and the fair value of the derivative liability. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions and conditions.

Our critical accounting policies are described under the heading *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates"* in our 2025 Annual Report, which was filed with the SEC on March 27, 2026. During the three and six months ended June 30, 2026, there were no material changes to our critical accounting policies from those previously disclosed.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, or the Exchange Act, and are not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the 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 the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recent fiscal quarter covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1A. Risk Factors.

Our business is subject to numerous risks. You should carefully consider the risks described below, as well as the other information in this Quarterly Report, including our condensed consolidated financial statements and the related notes and Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations and future growth prospects. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. This Quarterly Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below.

Risks Related to Our Limited Operating History, Financial Position and Capital Requirements

Substantial doubt exists as to our ability to continue as a going concern.

As of June 30, 2026, we had cash and cash equivalents of $22.0 million, an accumulated deficit of $485.3 million and during the six months ended June 30, 2026 we used $4.0 million in cash and cash equivalents to fund operating activities. We expect to incur substantial operating losses and negative cash flows from operations for the foreseeable future. There is substantial doubt about our ability to continue as a going concern for at least twelve months from the date these condensed consolidated financial statements are issued in this Quarterly Report, and we expect continuing operations beyond the near term will require additional liquidity. We have not established a source of revenue to fund operating activities and we have no dedicated source of liquidity available to us other than our ATM Offering. We have been in the past and are currently subject to General Instruction I.B.6 of Form S-3, which may limit our ability to sell shares of our common stock through the ATM Offering for the foreseeable future. We may also be required to reduce our current spending requirements where possible.

If we utilize our capital resources more quickly than anticipated or are unable to obtain additional funding or engage in strategic alternatives to advance our promising platform and drug development pipeline, we may have to significantly curtail, delay, reduce or eliminate one or more of our research and development programs, which could materially adversely affect our business, financial condition, and results of operations. If we are unable to successfully mitigate the conditions which raise substantial doubt about our ability to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that investors will lose all or part of their investment, or our board of directors may conclude that it is in the best interest of our stockholders to cease normal operations and wind down the company through bankruptcy or dissolution proceedings. In such case, we would be required to pay our obligations and set aside funds for reserves prior to making any distribution to stockholders and there would be no assurances that there would be any assets remaining available for distribution to stockholders in such event.

We will need additional funding. If we are unable to raise capital, we could be forced to delay, reduce, or eliminate our product development programs or commercialization efforts, engage in one or more potential transactions, or cease our operations entirely. We are continuing to evaluate strategic alternatives and our ability to extend our capital resources. The potential impact and success of our exploration of any strategic alternatives, if available at all, are uncertain and may not be successful.

Based on our current operating plan, we do not expect that our existing cash resources will be sufficient to fund our operations for at least twelve months from the date these condensed consolidated financial statements are issued in this Quarterly Report. If we are unable to raise additional capital, we may seek to engage in one or more potential transactions, such as the sale of our company, a strategic partnership with one or more parties or the licensing, sale or divestiture of some of our assets or proprietary technologies, or we may be forced to cease our operation entirely. There can be no assurance that we will be able to enter into such a transaction or transactions on a timely basis or on terms that are favorable to us. If we are unable to raise capital when needed or on attractive terms, or should we engage in one or more potential strategic transactions, we could be forced to delay, reduce, or eliminate our research and development programs or any future commercialization efforts or to cease operations entirely. Our future business, prospects, financial position and operating results could be significantly different than those in historical periods or projected by our management.

In February 2026, we announced a plan to explore strategic alternatives to maximize near and long-term stockholder value, which include the Asset Sale described above under the heading "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments – Asset Purchase Agreement; Termination of Collaboration Agreement*" and may also include a sale of our company, a business combination or merger, a sale of assets, licensing or collaboration arrangements, or other strategic transactions. We do not have a defined timeline for the exploration and evaluation of strategic alternatives, and there can be no assurance that the process will result in any strategic alternative being announced or consummated. Because of the significant uncertainty regarding these events, we are not able to accurately predict the impact of any potential changes in our existing business strategy.

The market price of our common stock may reflect a market assumption that a strategic alternative will occur, and a failure to complete a strategic alternative on favorable terms, in an advantageous timeframe, or at all could result in negative investor perceptions and could cause a decline in the market price of our common stock, which could adversely affect our ability to access the equity and financial markets, as well as our ability to explore and enter into future strategic alternatives. In addition, potential strategic alternatives, if available, that require stockholder approval may not be approved by our stockholders.

We have a limited operating history, have incurred significant operating losses since our inception and expect to incur significant losses for the foreseeable future.

We are an early-stage biopharmaceutical company with a limited operating history upon which our business and prospects can be evaluated. We commenced operations in 2017. To date, we have focused primarily on organizing and staffing our company; business planning; raising capital; developing and optimizing our platform technology; identifying potential product candidates; enhancing our intellectual property portfolio; undertaking research, preclinical studies, and clinical trials; and enabling manufacturing for our development programs. Our approach to the discovery and development of product candidates based on our PREDATOR platform is unproven, and we do not know whether we will be able to develop any approved products of commercial value. In addition, we currently only have two product candidates that we are developing independently, WTX-124 and WTX-330, and all of our other development programs are in discovery or preclinical stages. We have not yet demonstrated an ability to successfully complete any Phase 1, Phase 2 or pivotal clinical trials, obtain regulatory approvals, manufacture a commercial-scale product, or arrange for a third party to do so on our behalf, or conduct the sales and marketing activities necessary for successful product commercialization. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a history of successfully developing and commercializing biopharmaceutical products.

We have incurred significant operating losses since our inception and have not yet generated any product revenue. If our product candidates are not successfully developed and approved, we may never generate any product revenue. Our net loss was $9.9 million for the six months ended June 30, 2026. As of June 30, 2026, we had an accumulated deficit of $485.3 million. We expect to continue to incur losses for the foreseeable future, and we anticipate these losses will increase substantially as WTX-124 and WTX-330 advance through development, and any future product candidates advance through preclinical studies and into and through clinical trials, and as we expand our clinical, regulatory, quality and manufacturing capabilities and incur additional costs associated with operating as a public company. If we obtain marketing approval for any of our product candidates, we will incur significant commercialization expenses for marketing, sales, manufacturing and distribution. We may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives. We will need to develop commercial capabilities, and we may not be successful in doing so. The net losses we incur may fluctuate significantly from quarter to quarter and year to year.

We have no products approved for commercial sale and have not generated any revenue from product sales. We may never generate any revenue or become profitable or, if we achieve profitability, we may not be able to sustain it.

To date, we have not generated any revenue from our product candidates or product sales, we do not expect to generate any revenue from the sale of products for a number of years and we may never generate revenue from the sale of products. Our ability to generate product revenue depends on a number of factors, including, but not limited to, our ability to:

- successfully complete preclinical studies;
- successfully submit investigational new drug, or IND, submissions to the U.S. Food and Drug Administration, or FDA, for any future product candidates;
- successfully complete clinical trials for WTX-124 and WTX-330;
- successfully enroll subjects in and complete future clinical trials;
- initiate and successfully complete all safety and efficacy studies to obtain U.S. and foreign regulatory approval for our product candidates;
- establish clinical and commercial manufacturing capabilities or make arrangements with third party manufacturers for clinical supply and commercial manufacturing;
- obtain and maintain patent and trade secret protection or regulatory exclusivity for our product candidates;
- launch commercial sales of our products, if and when approved, whether alone or in collaboration with others;
- obtain and maintain acceptance of the products, if and when approved, by patients, the medical community and third-party payors;
- effectively compete with other therapies;

- obtain and maintain healthcare coverage and adequate reimbursement;
- enforce and defend intellectual property rights and claims; and
- maintain a continued acceptable safety profile of our products following approval.

Because of the numerous risks and uncertainties associated with biopharmaceutical product development, we are unable to accurately predict the timing or amount of expenses we may incur in connection with these activities prior to generating product revenue. In addition, we may never succeed in these activities and, even if we do, may never generate revenues that are significant enough to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product candidates or even continue our operations. A decline in the value of our company could also cause our stockholders to lose all or part of their investment.

We will need to obtain substantial additional funding to finance our operations and complete the development and any commercialization of WTX-124, WTX-330, our INDUCER molecules, and any future product candidates. If we are unable to raise this capital when needed, we may be forced to delay, reduce or eliminate one or more of our research and development programs or other operations.

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

We do not have cash and cash equivalents sufficient to complete development of WTX-124, WTX-330, our INDUCER molecules or any other product candidate. Accordingly, we will be required to obtain further funding through public or private equity offerings, debt financings, collaborations and licensing arrangements or other sources. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed, on acceptable terms or at all, would have a negative effect on our financial condition and our ability to develop and commercialize our current and any future product candidates, and otherwise pursue our business strategy and we may be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

In addition, our cash forecasts are based on assumptions that may prove to be wrong, and we could use our available capital resources earlier than we currently expect. Changing circumstances could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional financing sooner than planned. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Our future capital requirements, both short-term and long-term, will depend on many factors, including:

- the scope, progress, timing, costs and results of researching and developing our current product candidates, including with respect to WTX-124 and WTX-330, our INDUCER molecules, or any future product candidates;
- the costs associated with attracting, hiring and retaining skilled personnel and consultants as our preclinical and clinical activities increase;
- the cost of manufacturing our lead product candidates, WTX-124 and WTX-330, and any future product candidates for clinical trials and, if we are able to obtain marketing approval, for commercial sale;
- the costs of any third-party products used in our combination clinical trials that are not covered by such third parties or other sources;
- the timing of, and the cost involved in, obtaining marketing approval for WTX-124, WTX-330, our INDUCER molecules, or any future product candidates, and our ability to obtain marketing approval and generate revenue from any potential commercial sales of such product candidates;
- the cost of building a sales force in anticipation of product commercialization and the cost of commercialization activities for WTX-124, WTX-330, our INDUCER molecules, or any future product candidates if we receive marketing approval, including marketing, sales and distribution costs;
- the potential emergence of competing therapies and other adverse market developments;
- the amount and timing of any payments we may be required to make pursuant to our license agreement with Harpoon Therapeutics, Inc., or Harpoon, or other future license agreements or collaboration agreements;

- our ability to establish future collaborations, licensing or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- any product liability or other lawsuits related to our product candidates;
- the extent to which we in-license or acquire other products and technologies;
- general economic conditions, including inflation and the imposition of new or revised global trade tariffs; and
- the costs of operating as a public company.

We do not have any committed external source of funds, and adequate additional financing may not be available to us on acceptable terms, or at all. In addition, our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions both inside and outside the U.S. Our failure to raise capital as and when needed or on acceptable terms would have a negative impact on our financial condition and our ability to pursue our business strategy, and we may have to delay, reduce the scope of, suspend or eliminate one or more of our research-stage programs, clinical trials or future commercialization efforts or other operations.

Our revenue, if any, will be derived from sales of products that we do not expect to be commercially available for a number of years, if at all. If we obtain marketing approval for WTX-124, WTX-330 or any other product candidates that we develop, we expect to incur significant commercialization expenses related to product sales, marketing, distribution and manufacturing. Some of these expenses may be incurred in advance of marketing approval and could be substantial.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our platform technology or product candidates.

Unless and until we can generate a substantial amount of product revenue, we expect to seek additional capital through a combination of public or private equity offerings, debt financings, collaborations and licensing arrangements or other sources. Our issuance of additional securities, whether equity or debt, or the possibility of such issuance, may cause the market price of our common stock to decline, and our stockholders may not agree with our financing plans or the terms of such financings. To the extent that we raise additional capital through the sale of equity or convertible debt securities, our stockholders' ownership interests will be diluted and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. The incurrence of indebtedness would result in payment obligations and could require us to comply with certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to declare dividends, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through collaborations and licensing arrangements with third parties, we may have to relinquish valuable rights to our platform technology or product candidates or grant licenses on terms unfavorable to us. In addition, securing additional financing would require a substantial amount of time and attention from our management and may divert a disproportionate amount of their attention away from day-to-day activities, which may adversely affect our management's ability to oversee the development of our product candidates.

Changes in tax laws or in their implementation or interpretation could adversely affect our business and financial condition.

Changes in tax laws or in their implementation or interpretation may adversely affect our business or financial condition. The Tax Cuts and Jobs Act, or the TCJA, as amended by the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, significantly revised the Internal Revenue Code of 1986, as amended, or the Code. The TCJA, among other things, contains significant changes to corporate taxation, including the reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21% and, for taxable years beginning after December 31, 2020, the limitation of the deduction for net operating losses to 80% of current year taxable income for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely but no longer carried back). In addition, beginning in 2022, the TCJA eliminated the option to deduct research and development expenditures currently and generally requires corporations to capitalize and amortize them over five years or 15 years (for expenditures attributable to foreign research).

In addition to the CARES Act, as part of Congress's response to the COVID-19 pandemic, economic relief legislation was enacted in 2020 and 2021 containing tax provisions. The Inflation Reduction Act, or the IRA, which was signed into law in August 2022, also introduced new tax provisions, including a one percent excise tax imposed on certain stock repurchases by publicly traded companies, which generally applies to any acquisition of stock by the publicly traded company (or certain of its affiliates) from a stockholder of the company in exchange for money or other property (other than stock of the company itself), subject to a de minimis exception. Thus, the excise tax could apply to certain transactions that are not traditional stock repurchases. Regulatory guidance under the TCJA and such additional legislation is and continues to be forthcoming, and such

guidance could ultimately increase or lessen their impact on our business and financial condition. Congress may also enact additional legislation, some of which could have an impact on us. In addition, it is uncertain if and to what extent various states will conform to the TCJA and additional tax legislation.

In July 2025, the One Big Beautiful Bill Act, or the OBBBA, which implements certain U.S. tax law changes that may impact our business, was enacted into law. The OBBBA modified and made permanent several provisions of the TCJA, including reductions in scheduled increases for the rate of taxation of foreign income, immediate deductibility of U.S. research and development expenses, and reinstatement of 100% bonus depreciation for capital assets. The effects of the OBBBA on our business and the healthcare industry in general are not yet known.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred substantial losses during our history. We do not anticipate generating revenue from sales of products for the foreseeable future, if ever, and we may never achieve profitability. As of December 31, 2025, we had federal and state net operating loss carryforwards of $215.3 million and $153.7 million, respectively. Under Section 382 of the Code, if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage point change (by value) in the ownership of its equity by certain stockholders over a three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. As a result of our prior private placement financings or other transactions, we have experienced ownership changes on June 10, 2019, August 2, 2019 and August 31, 2022, and we may in the future experience ownership changes as a result of subsequent changes in our stock ownership for purposes of Section 382. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards and other pre-change tax attributes to offset U.S. federal taxable income are subject to limitations, which could result in increased future tax liability to us and could have an adverse effect on our future results of operations. There is also a risk that due to regulatory changes, such as suspension of the use of net operating losses, or for other unforeseen reasons, our existing net operating losses and other tax attributes could expire or otherwise become unavailable to offset future income tax liabilities. As described above in *"Changes in tax laws or in their implementation or interpretation could adversely affect our business and financial condition,"* the TCJA, as amended by the CARES Act, includes changes to U.S. federal tax rates and rules governing net operating loss carryforwards that may significantly impact our ability to utilize net operating losses to offset taxable income in the future. In addition, state net operating losses generated in one state cannot be used to offset income generated in another state. For these reasons, we may be unable to use a material portion of our net operating losses and other tax attributes.

Risks Related to the Discovery, Development, Regulatory Approval and Commercialization of Our Product Candidates

We are early in our development efforts and our current product candidates will require successful completion of preclinical and clinical development before we can seek regulatory approval for any product candidates.

We are early in our development efforts and have invested substantially all of our efforts and financial resources in building our PREDATOR platform and developing our initial INDUKINE and INDUCER molecules by leveraging our PREDATOR platform. Our lead product candidates are in the early stages of clinical trial development. Additionally, we have a portfolio of programs that are in even earlier stages of preclinical development and may never advance to clinical-stage development. Our ability to generate product revenue, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our product candidates, which may never occur. We currently generate no revenue from sales of any product, and we may never be able to develop or commercialize a marketable product.

Our business is highly dependent on the success of our initial INDUKINE and INDUCER molecules, which are in the early stages of development and will require significant additional preclinical and clinical development before we can seek regulatory approval for and launch a product commercially.

Our business and future success is highly dependent on our ability to obtain regulatory approval of and then successfully launch and commercialize our initial INDUKINE and INDUCER molecules, including our most advanced product candidates, WTX-124 and WTX-330.

Commencing clinical trials in the United States is subject to acceptance by the FDA of an IND and finalizing the trial design based on discussions with the FDA and other regulatory authorities. In the event that the FDA requires us to complete additional preclinical studies or we are required to satisfy other FDA requests prior to commencing clinical trials, the start of a clinical trial may be delayed. Even after we receive and incorporate guidance from these regulatory authorities, the FDA or other regulatory authorities could disagree that we have satisfied their requirements to commence any clinical trial or change their position on the acceptability of our trial design or the clinical endpoints selected, which may require us to complete additional preclinical studies or clinical trials or impose stricter approval conditions than we currently expect. There are equivalent processes and risks applicable to clinical trial applications in other countries, including countries in the European Union.

We may experience issues surrounding preliminary trial execution, such as delays in FDA acceptance of our INDs, revisions in trial design and finalization of trial protocols, difficulties with patient recruitment and enrollment, quality and provision of clinical supplies, or early safety signals.

We are not permitted to market any biological product or drug product in the United States until we receive approval of a Biologics License Application, or BLA, or a new drug application, or NDA, from the FDA. We have not previously submitted a BLA or an NDA to the FDA, or similar marketing application to comparable foreign regulatory authorities. A BLA or an NDA must include extensive preclinical and clinical data and supporting information to establish that the product candidate is safe, pure and potent for each desired indication. A BLA or an NDA must also include significant information regarding the chemistry, manufacturing and controls for the product, and the manufacturing facilities must complete a successful pre-license inspection.

FDA approval of a BLA or an NDA is not guaranteed, and the review and approval process is expensive and uncertain and may take several years. The FDA also has substantial discretion in the approval process. The number and types of preclinical studies and clinical trials that will be required for BLA or NDA approval varies depending on the product candidate, the disease or the condition that the product candidate is designed to treat and the regulations applicable to any particular product candidate. Despite the time and expense associated with preclinical studies and clinical trials, failure can occur at any stage.

The FDA may also require a panel of experts, referred to as an Advisory Committee, to deliberate on the adequacy of the safety and efficacy data to support approval. The opinion of the Advisory Committee, although not binding, may have a significant impact on our ability to obtain approval of any product candidate that we develop based on the completed clinical trials.

Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on our ability to successfully develop and commercialize WTX-124, WTX-330, our INDUCER molecules, and any future product candidates. The success of our product candidates will depend on several factors, including the following:

- completion of preclinical studies and clinical trials with favorable results;
- acceptance of INDs by the FDA or similar regulatory filing by comparable foreign regulatory authorities for the conduct of clinical trials of our product candidates and our proposed design of future clinical trials;
- receipt of marketing approvals from applicable regulatory authorities, including BLAs or NDAs from the FDA and maintaining such approvals;
- making arrangements with our third-party manufacturers for, or establishing, commercial manufacturing capabilities;
- maintaining an acceptable safety profile of our products following approval; and
- maintaining and growing an organization of scientists and business people who can develop our products and technology.

Generally, public concern regarding the safety of biopharmaceutical products could delay or limit our ability to obtain regulatory approval, result in the inclusion of unfavorable information in our labeling or require us to undertake other activities that may entail additional costs. We have not obtained FDA approval for any product. This lack of experience may impede our ability to obtain FDA approval in a timely manner, if at all, for WTX-124, WTX-330, our INDUCER molecules, or any future product candidates.

The success of our business, including our ability to finance our company and generate any revenue in the future, will primarily depend on the successful development, regulatory approval and commercialization of WTX-124, WTX-330, our INDUCER molecules, and any future product candidates, which may never occur. Given our early stage of development, it will be years before we are able to demonstrate the safety and efficacy of a treatment sufficient to warrant approval for commercialization, and we may never be able to do so. If we are unable to develop, or obtain regulatory approval for, or, if approved, successfully commercialize our current or any future product candidates, we may not be able to generate sufficient revenue to continue our business.

Our approach to the discovery and development of product candidates based on our PREDATOR platform is unproven, and we do not know whether we will be able to develop any products of commercial value.

The success of our business depends primarily upon our ability to discover, develop and commercialize products based on our novel PREDATOR platform. While we have had favorable preclinical study results related to WTX-124 and WTX-330, both of which we are developing by leveraging our PREDATOR platform, and have announced favorable early-stage clinical trial results related to WTX-124 and WTX-330, we have not yet succeeded and may not succeed in demonstrating efficacy and safety for any product candidates in clinical trials or in obtaining marketing approval thereafter. We have no assurance that our PREDATOR platform will be able to produce product candidates that will successfully progress from preclinical studies into

clinical development and ultimately marketing approval. We have invested substantially all of our efforts and financial resources in building our PREDATOR platform and developing our initial INDUKINE and INDUCER molecules by leveraging our PREDATOR platform, and our future success is highly dependent on the continued successful development of our platform and product candidates that we develop by leveraging our platform. Because all of our product candidates are based upon our PREDATOR platform, any development problems we may experience in the future related to any of our product candidates has the potential to impact the development of our other product candidates and any such development problems have the potential to cause significant delays or unanticipated costs and may ultimately not be able to be solved.

In addition, the clinical trial requirements of the FDA and other regulatory agencies and the criteria these regulators use to determine the safety and efficacy of a product candidate may vary according to the type, complexity, novelty and intended use and market of the potential products. The regulatory approval process for novel product candidates can be more expensive and take longer than for other, better known or extensively studied pharmaceutical or other product candidates. As a result, we may face a greater regulatory burden to initiate clinical trials or to obtain regulatory approval of our product candidates as compared to product candidates based on more established technology. In addition, any product candidates for which we may be able to obtain marketing approval may be subject to extensive post-approval regulatory requirements, including requirements pertaining to manufacturing, distribution and promotion. We may need to devote significant time and resources to compliance with these requirements.

Manufacturing INDUKINE and INDUCER molecules is subject to risk since they are a novel class of multi-domain biologics that include protease cleavable linkers, and they have never been produced on a commercial scale. We may be unable to manufacture INDUKINE or INDUCER molecules at the scale needed for late-stage clinical development and commercial production on a timely basis or at all, which would adversely affect our ability to conduct clinical trials and seek regulatory approvals or commercialize our programs, which would have an adverse effect on our business.

The manufacturing cell line currently in use, and any future cell line that may be used, to manufacture multi-domain proteins that include our protease cleavable linkers presents a risk that unintended proteolysis may occur during the manufacture of INDUKINE or INDUCER molecules and that undesired fragments may not be able to be sufficiently removed by the purification process. The novel multi-domain composition of INDUKINE and INDUCER molecules may present a risk due to their complexity and challenges inherent to the manufacture of biologics. As a result, the risk of delays or failure in the manufacture of our INDUKINE and INDUCER molecules is high. Additionally, each INDUKINE and INDUCER molecule that we may develop is unique, from a manufacturing perspective, so any learnings from the manufacture of other INDUKINE or INDUCER molecules may not apply to the manufacture of new INDUKINE or INDUCER molecules. Before commencing clinical trials for new product candidates, the manufactured INDUKINE and INDUCER molecules must complete extensive analytical testing and be qualified for use in human studies. We cannot be certain of the timely completion or outcome of our analytical testing and suitability for human studies and cannot predict if the FDA or other regulatory authorities will accept our proposed clinical material or if the outcome of our analytical testing will ultimately support the further development of future programs or clinical trials. As a result, we cannot be sure that we will be able to submit INDs or similar applications for any future clinical programs on the timelines we expect, if at all, and we cannot be sure that the submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing future clinical trials to begin. In addition, we cannot be certain that we will be able to produce product candidates at the scale required for our clinical trials and, for any approved products, commercial production on a timely basis or at all, which could also have an adverse effect on our business.

We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

We have chosen to initially develop our lead product candidates, WTX-124 and WTX-330, for the treatment of advanced solid tumors and the treatment of relapsed or refractory advanced or metastatic tumors or lymphoma, respectively. Nevertheless, our development efforts will be limited to a small number of cancer types and we may forego or delay pursuit of opportunities in other cancer types that may prove to have greater potential. Likewise, we may forego or delay the pursuit of opportunities with other potential product candidates that may prove to have greater commercial potential.

Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable product candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other similar arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to the product candidate.

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all, which would have an adverse effect on our business.

Risk of failure for preclinical product candidates is high. Before we can commence clinical trials for our preclinical product candidates, we must complete extensive preclinical testing and studies that support INDs in the United States, or similar applications in other jurisdictions. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA or other regulatory authorities will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to successfully submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Preclinical studies and clinical trials are expensive, time-consuming and difficult to design and implement, and involve uncertain outcomes. Furthermore, results of earlier preclinical studies and clinical trials may not be predictive of results of future preclinical studies or clinical trials.

The risk of failure for our current and any future product candidates is high. It is impossible to predict when or if any of our future product candidates will successfully complete preclinical studies, or if any of our current or future product candidates will complete clinical trials evaluating their safety and effectiveness in humans or will ultimately receive regulatory approval. To obtain the requisite regulatory approvals to market and sell any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our product candidates are safe and effective in humans for use in each target indication. Preclinical and clinical testing is expensive and can take many years to complete, and the outcome is inherently uncertain. Failure can occur at any time during the preclinical or clinical trial process. The outcome of preclinical testing and early clinical trials may not be predictive of the results of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. In particular, while we have conducted certain preclinical studies of WTX-124 and WTX-330 and have entered early clinical stage development, we do not know whether either of these product candidates will perform in our clinical trials as it has performed in these prior preclinical studies. Similarly, there can be no assurance that interim or preliminary clinical data or results, including, without limitation, the Phase 1/1b clinical data reported for WTX-124 and Phase 1 clinical data reported for WTX-330, will be predictive of future clinical data or results, and there can be no assurance that success in early clinical trials will lead to success in later clinical trials. Many companies in the biopharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway, or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in clinical trial procedures set forth in protocols, differences in the size and type of the patient populations, adherence to the dosing regimen and other clinical trial protocols, and the rate of dropout among clinical trial participants. If we fail to produce positive results in preclinical studies or clinical trials of any of our product candidates, the development timeline and regulatory approval and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be materially and adversely affected.

We may encounter substantial delays in the commencement or completion, or termination or suspension, of our clinical trials, which could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our commercial prospects.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidate for its intended indications. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. We may experience numerous unforeseen events during or as a result of clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our current or future product candidates, including:

- we may be unable to generate sufficient preclinical, toxicology, or other *in vivo* or *in vitro* data to obtain regulatory authorizations to commence a clinical trial;
- we may experience issues in reaching a consensus with regulatory authorities on trial design;
- regulators or institutional review boards, or IRBs, or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;

- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- clinical trial sites may deviate from a trial protocol or drop out of a trial or fail to conduct the trial in accordance with regulatory requirements;
- the number of subjects required for clinical trials of our product candidates may be larger than we anticipate or subjects may fail to enroll or remain in clinical trials at the rate we expect;
- subjects that enroll in our studies may misrepresent their eligibility or may otherwise not comply with the clinical trial protocol, resulting in the need to drop the subject from the trial, increase the needed enrollment size for the clinical trial or extend its duration;
- subjects may choose an alternative treatment for the indication for which we are developing our product candidates, or participate in competing clinical trials;
- subjects may experience severe or unexpected drug-related adverse effects;
- clinical trials of our product candidates may produce unfavorable, inconclusive, or clinically insignificant results;
- we may decide to, or regulators or IRBs or ethics committees may require us to, make changes to a clinical trial protocol or conduct additional preclinical studies or clinical trials, or we may decide to abandon product development programs;
- we may need to add new or additional clinical trial sites;
- our third-party contractors, including those manufacturing our product candidates or conducting clinical trials on our behalf, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we may experience manufacturing delays, and any changes to manufacturing processes or third party contractors that may be necessary or desired could result in other delays;
- we or our third party contractors may experience delays due to complications associated with public health crises such as the COVID-19 pandemic;
- the cost of preclinical testing and studies and clinical trials of any product candidates may be greater than we anticipate or greater than our available financial resources;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate or we may not be able to obtain sufficient quantities of combination therapies for use in clinical trials;
- reports may arise from preclinical or clinical testing of other cancer therapies that raise safety or efficacy concerns about our product candidates; and
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond the clinical trials and testing that we contemplate, if we are unable to successfully complete clinical trials or other testing of our product candidates, if the results of these clinical trials or tests are unfavorable or are only modestly favorable or if there are safety concerns associated with any of product candidates, we may:

- incur additional unplanned costs;
- be required to suspend or terminate ongoing clinical trials;
- be delayed in obtaining marketing approval, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing or other requirements;
- be required to perform additional clinical trials to support approval;

- have regulatory authorities withdraw, or suspend, their approval of the drug or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy, or REMS;
- be subject to the addition of labeling statements, such as warnings or contraindications;
- have the product removed from the market after obtaining marketing approval;
- be subject to lawsuits; or
- experience damage to our reputation.

Conducting clinical trials in foreign countries, as we may do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocols as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authority may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial. The FDA or comparable foreign regulatory authority may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authorities, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

In addition, the FDA's and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may be impacted. For example, in December 2022 with the passage of the Food and Drug Omnibus Reform Act of 2022, or FDORA, Congress required sponsors to develop and submit a diversity action plan, or DAP, for each Phase 3 clinical trial or any other "pivotal study" of a new drug or biological product. These plans are meant to encourage the enrollment of more diverse patient populations in late-stage clinical trials of FDA-regulated products. Specifically, actions plans must include the sponsor's goals for enrollment, the underlying rationale for those goals, and an explanation of how the sponsor intends to meet them. In June 2024, as mandated by FDORA, the FDA issued draft guidance outlining the general requirements for DAPs. Unlike most guidance documents issued by the FDA, the DAP guidance when finalized will have the force of law because FDORA specifically dictates that the form and manner for submission of DAPs are specified in FDA guidance.

Similarly, the regulatory landscape related to clinical trials in the European Union, or EU, recently evolved. The EU Clinical Trials Regulation, or CTR, which was adopted in April 2014 and repeals the EU Clinical Trials Directive, became applicable on January 31, 2022. While the Clinical Trials Directive required a separate clinical trial application, or CTA, to be submitted in each member state, to both the competent national health authority and an independent ethics committee, the CTR introduces a centralized process and only requires the submission of a single application to all member states concerned. The CTR allows sponsors to make a single submission to both the competent authority and an ethics committee in each member state, leading to a single decision per member state. The assessment procedure of the CTA has been harmonized as well, including a joint assessment by all member states concerned, and a separate assessment by each member state with respect to specific requirements related to its own territory, including ethics rules. Each member state's decision is communicated to the sponsor via the centralized EU portal. Once the CTA is approved, clinical study development may proceed. If we are not able to adapt to these and other changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may be impacted.

In addition to the factors above, we may make formulation or manufacturing changes to our product candidates, in which case we may need to conduct additional preclinical studies to bridge our modified product candidates to earlier versions, which may be costly, time consuming and may not be successful at all.

Our failure to successfully initiate and complete clinical trials of our product candidates and to demonstrate the efficacy and safety necessary to obtain regulatory approval to market any of our product candidates would significantly harm our business. We cannot provide assurances that our clinical trials will begin as planned or be completed on schedule, if at all, or that we will not need to restructure our clinical trials. Significant preclinical study or clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates, which may harm our business and results of operations. In addition, many of the factors that cause, or lead to, delays of clinical trials may ultimately lead to the denial of regulatory approval of our product candidates.

If we experience delays or difficulties in the enrollment of patients in clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The enrollment of patients depends on many factors, including:

- the severity of the disease under investigation;
- the patient eligibility and the inclusion and exclusion criteria defined in the protocol;
- the size and health of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents;
- our ability to monitor patients adequately during and after treatment;
- the risk that patients enrolled in clinical trials will drop out of the trials before completion; and
- factors we may not be able to control, including the impacts of public health crises such as the COVID-19 pandemic, which may limit the availability of patients, principal investigators or staff or clinical sites.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays or might require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, slow down or halt our product candidate development and approval process and jeopardize our ability to seek and obtain the marketing approval required to commence product sales and generate revenue, which would cause the value of our company to decline and limit our ability to obtain additional financing, if needed.

Our product candidates may cause undesirable or unexpectedly severe side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any.

Undesirable or unexpectedly severe side effects caused by our product candidates could cause us to interrupt, delay or halt preclinical studies or could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities. It is likely that, as is the case with many treatments for cancer, there may be side effects associated with the use of our product candidates. Results of our trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Further, by design, clinical trials rely on a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our product candidates may only be uncovered when a significantly larger number of patients is exposed to the product candidate. If our product candidates receive marketing approval and we or

others identify undesirable side effects caused by such product candidates after such approval, a number of potentially significant negative consequences could result, including:

- regulatory authorities may require the addition of labeling statements, such as a "black box" warning or a contraindication;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- regulatory authorities may require a REMS plan to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;
- we may be required to change the way such product candidates are distributed or administered, conduct additional clinical trials or change the labeling of the product candidates;
- we may be subject to regulatory investigations and government enforcement actions;
- regulatory authorities may withdraw or limit their approval of such product candidates;
- we may decide to remove such product candidates from the marketplace;
- we could be sued and held liable for injury caused to individuals exposed to or taking our product candidates; and
- we may suffer reputational harm.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

Interim top-line and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim top-line or preliminary data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or "top-line" data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects.

We are developing WTX-124, and could potentially develop WTX-330 and future product candidates, in combination with third-party drugs, some of which may still be in development, and we will have limited or no control over the safety, supply, regulatory status or regulatory approval of such drugs.

We are developing WTX-124, and could potentially develop WTX-330 and other future product candidates, in combination with third-party cancer drugs, which may be either approved or unapproved. For example, we are conducting a clinical trial of WTX-124 both as monotherapy and in combination with pembrolizumab. Our ability to develop and ultimately commercialize our current product candidates, and any future product candidates, used in combination with third-party drugs will depend on our ability to access such drugs on commercially reasonable terms for clinical trials and their availability for use with our commercialized product, if approved. We cannot be certain that current or potential future commercial relationships will provide us with a steady supply of such drugs on commercially reasonable terms or at all. Any failure to maintain or enter into new successful commercial relationships, or the expense of purchasing such third-party drugs in the market, may delay our development timelines, increase our costs and jeopardize our ability to develop our current product candidates and any future product candidates as commercially viable therapies. If any of these occur, our business, financial condition, operating results, or prospects may be materially harmed.

Moreover, the development of product candidates for use in combination with another product or product candidate may present challenges that are not faced for single agent product candidates. Checkpoint inhibitors have been shown to have adverse events, including immune-related adverse events involving the lung, liver and other organ systems, which may limit the maximum dose in our clinical trials or otherwise negatively impact our combination clinical trials. In addition, the FDA or comparable foreign regulatory authorities may require us to use more complex clinical trial designs in order to evaluate the contribution of each product and product candidate to any observed effects. It is possible that the results of such trials could show that any positive previous trial results are attributable to the third-party drug and not our product candidate. Developments related to the third-party drug may also impact our clinical trials for the combination as well as our commercial prospects should we receive regulatory approval. Such developments may include changes to the third-party drug's safety or efficacy profile, changes to the availability of the third-party drug, quality, and manufacturing and supply issues with respect to the third-party drug.

If we are able to obtain marketing approval, the FDA or comparable foreign regulatory authorities may require that products used in conjunction with each other be cross labeled for combined use. To the extent that we do not have rights to the third-party drug, this may require us to work with such third party to satisfy such a requirement. We would also continue to be subject to the risks that the FDA or comparable foreign regulatory authorities could revoke approval of the third-party drug used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with such drug. Similarly, if the third-party drugs we use in combination with our product candidates are replaced as the standard of care for the indications we choose for any of our product candidates, the FDA or comparable foreign regulatory authorities may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our own products, if approved, being removed from the market or being less successful commercially.

We may not be successful in our efforts to identify or discover additional product candidates.

Although we intend to explore other therapeutic opportunities in addition to the product candidates that we are currently developing, we may fail to identify or discover viable new product candidates for clinical development for a number of reasons. If we fail to identify additional potential product candidates, our business could be materially harmed.

Research programs to pursue the development of our existing and planned product candidates for additional indications and to identify new product candidates and disease targets require substantial technical, financial and human resources whether or not they are ultimately successful. Our research programs may initially show promise in identifying potential indications and/or product candidates, yet fail to yield results for clinical development for a number of reasons, including:

- the research methodology used may not be successful in identifying potential indications and/or product candidates;
- potential product candidates may, after further study, be shown to have harmful adverse effects or other characteristics that indicate they are unlikely to be effective drugs; or
- it may take greater human and financial resources than we will possess to identify additional therapeutic opportunities for our product candidates or to develop suitable potential product candidates through internal research programs, thereby limiting our ability to develop, diversify and expand our product portfolio.

Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our current product candidates or to develop suitable additional product candidates through internal research programs, which could materially adversely affect our future growth and prospects.

We may become exposed to costly and damaging liability claims, either when testing our product candidates in the clinic or following commercial sale, and any product liability insurance we may obtain may not cover all damages from such claims.

We are exposed to potential product liability risks that are inherent in the research, development, manufacturing, marketing and use of biopharmaceutical products. The use of product candidates by us in clinical trials, and any sale of approved products in the future, may expose us to liability claims. For example, we may be sued if our product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical trials, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts.

Although the clinical trial process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. If any of our product candidates were to cause adverse side effects during clinical trials or after approval thereof, we may be exposed to substantial liabilities. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use our product candidates. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit or cease the development or commercialization of our product candidates or any products for which we may have received marketing approval. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- delay or termination of clinical trials;
- decreased demand for any product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants or difficulties in recruiting new trial participants;
- initiation of investigations by regulators;
- costs to defend or settle the related litigation;

- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- significant negative financial impact; and
- the inability to commercialize any of our product candidates, if approved.

Although we will seek to procure and maintain product liability insurance coverage, such insurance may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage each time we commence a clinical trial and if we successfully commercialize any product candidate. As the expense of insurance coverage is increasing, we may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be materially harmed.

We have never commercialized a product candidate and we may lack the necessary expertise, personnel and resources to successfully commercialize any products that receive regulatory approval, either on our own or together with collaborators.

We have never commercialized a product candidate. We currently have no sales force or marketing or distribution capabilities. To achieve commercial success of our product candidates, if any are approved, we will have to develop our own sales, marketing and supply capabilities or outsource these activities to one or more third parties.

Factors that may affect our ability to commercialize our product candidates on our own include our ability to recruit and retain adequate numbers of effective sales and marketing personnel and obtain access to or persuade adequate numbers of physicians to prescribe our product candidates, as well as any unforeseen costs we may incur in connection with creating an independent sales and marketing organization. Developing a sales and marketing organization requires significant investment, is time-consuming and could delay the launch of our product candidates. We may not be able to build an effective sales and marketing organization in the United States, the European Union or other key global markets. To the extent we need to rely upon one or more third parties, we may have little or no control over the marketing and sales efforts of those third parties and our revenue from product sales may be lower than if we had commercialized our product candidates ourselves. We will also face competition in any search for third parties to assist us with sales and marketing efforts for our product candidates. If we are unable to build our own distribution and marketing capabilities or to find suitable partners for the commercialization of our product candidates, we may have difficulties generating revenue from them.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

The development and commercialization of new drug products is highly competitive. We face competition with respect to our current product candidates and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical, specialty pharmaceutical and biotechnology companies among others. We compete in the segments of the pharmaceutical, biotechnology and other related markets that develop immunotherapies for the treatment of cancer. There are other companies working to develop immunotherapies for the treatment of cancer including divisions of pharmaceutical and biotechnology companies of various sizes. Some of these competitive therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

We are developing our initial product candidates for the treatment of cancer and have not received marketing approval for any of our product candidates. There are already a variety of available therapies marketed for cancer and some of the currently approved therapies are branded and subject to patent protection, and others are available on a generic basis. Many of these approved therapies are well-established and widely accepted by physicians, patients and third-party payors. Insurers and other third-party payors may also encourage the use of generic products. We expect that if our product candidates are approved, they will be priced at a significant premium over competitive generic products. This may make it difficult for us to achieve our business strategy of using our product candidates in combination with existing therapies or replacing existing therapies with our product candidates. Competition may further increase with advances in the commercial applicability of technologies and greater availability of capital for investment in these industries.

We are aware of a number of companies that are developing cytokines as immunotherapies, as well as different modalities, including monoclonal antibodies, cell therapies, oncolytic viruses and vaccines.

Our lead product candidate, WTX-124, if approved, may face competition from other Interleukin-2, or IL-2, based cancer therapies. Proleukin (aldesleukin) has been approved and is marketed for the treatment of both metastatic renal cell carcinoma

and metastatic melanoma. In addition, we are aware of numerous clinical and preclinical IL-2 molecules using different platforms being developed for oncology indications, including programs from Anaveon AG, Anwita Biosciences, Inc., Ascendis Pharma A/S, Asher Biotherapeutics, Inc., Aulos Bioscience, Inc., BioNTech SE, Cue Biopharma, Inc., DEKA Biosciences, Inc., DragonFly Therapeutics, Inc., Merck & Co., Inc., Medicenna Therapeutics Corp., F. Hoffmann-La Roche AG, Synthekine, Inc., Teva Pharmaceutical Industries Ltd., and Xilio Therapeutics, Inc.

There are no approved IL-12 therapies currently on the market for the treatment of cancer. However, if approved, WTX-330 may face competition from other IL-12 cytokine programs in clinical and preclinical development for oncology indications, including programs from DEKA Biosciences, Inc., DragonFly Therapeutics, Inc., IMUNON, Juno Therapeutics, Inc. (Bristol-Myers Squibb Company), OncoSec Medical Incorporated, PDS Biotechnology, Philogen S.p.A., Sonnet BioTherapeutics, Inc., Strand Therapeutics Inc., Turnstone Biologics Corp. (partnered with Takeda Pharmaceutical Company Limited), Xilio Therapeutics, Inc., and Zymeworks Inc.

Our competitors may succeed in developing, acquiring or licensing, on an exclusive basis, products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. We also compete with these organizations in establishing clinical trial sites and patient registration for clinical trials, as well as in recruiting and retaining qualified scientific and management personnel, which could negatively affect our level of expertise and our ability to execute our business plan.

Many of our competitors, either alone or with their collaborators, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products than we do. Established pharmaceutical companies may invest heavily to accelerate discovery and development of novel product candidates or to in-license novel product candidates that could make our product candidates less competitive or obsolete. Smaller or early-stage companies may also prove to be significant competitors, including through collaborative arrangements with large and established companies. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and safety in order to overcome price competition and to be commercially successful. The availability of competing products could limit the demand and the price we are able to charge for product candidates we commercialize, if any. The inability to compete with existing or subsequently introduced drugs would harm our business, financial condition and results of operations.

The sizes of the potential markets for our product candidates are difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our product candidates may be smaller than our estimates.

The potential market opportunities for our product candidates are difficult to estimate and, if our product candidates are approved, will ultimately depend on, among other things, the indications for which our product candidates are approved for sale, any drugs with which our product candidates are co-administered, the success of competing therapies and therapeutic approaches, acceptance by the medical community, patient access, product pricing and reimbursement. Our estimates of the potential market opportunities for our product candidates are predicated on many assumptions, which may include industry knowledge and publications, third-party research reports and other surveys. Although we believe that our internal assumptions are reasonable, these assumptions involve the exercise of significant judgment on the part of our management, are inherently uncertain, and their reasonableness has not been assessed by an independent source. If any of the assumptions proves to be inaccurate, the actual markets for our product candidates could be smaller than our estimates of the potential market opportunities.

The successful commercialization of our product candidates will depend in part on the extent to which we obtain and maintain favorable coverage, adequate reimbursement levels and pricing policies with third party payors.

The availability and adequacy of coverage and reimbursement by third-party payors, including governmental healthcare programs such as Medicare and Medicaid, managed care organizations, and private health insurers, are essential for most patients to be able to afford prescription medications such as our product candidates, if approved. Our ability to achieve acceptable levels of coverage and reimbursement for products by third-party payors will have an effect on our ability to successfully commercialize our product candidates. We cannot be sure that coverage and reimbursement in the United States, the European Union or elsewhere will be available for our product candidates, if approved, or any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Third-party payors increasingly are challenging prices charged for pharmaceutical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs or biologics when an equivalent generic drug, biosimilar or a less expensive therapy is available. It is possible that a third-party payor may consider our product candidates as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our product candidates, pricing of existing third-party therapeutics may limit the amount we will be able to charge for our product candidates. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an

appropriate return on our investment in our product candidates, if approved. Even if our product candidates are approved and we obtain coverage for our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Interim reimbursement levels for new medicines, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Net prices for medicines may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of medicines from countries where they may be sold at lower prices than in the United States. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates, if approved, and may not be able to obtain a satisfactory financial return on our product candidates.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. The regulations that govern marketing approvals, pricing and reimbursement for new medicines vary widely from country to country. In the United States, third-party payors play an important role in determining the extent to which new drugs and biologics will be covered. The Medicare and Medicaid programs increasingly are used as models in the United States for how third-party payors develop their coverage and reimbursement policies for drugs and biologics. Some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they will reimburse healthcare providers who use such therapies. We cannot predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates, if approved.

No uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor and coverage and reimbursement by one payor does not guarantee coverage and reimbursement by another payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our product candidates to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases on short notice, and we believe that changes in these rules and regulations are likely.

Even if a product candidate we develop receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, hospitals, cancer treatment centers, third-party payors and others in the medical community necessary for commercial success.

If any product candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, hospitals, cancer treatment centers, third-party payors, and others in the medical community. For example, cancer treatments like chemotherapy, radiation therapy and certain existing immunotherapies are well established in the medical community, and doctors may continue to rely on these therapies. If the product candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable.

The degree of market acceptance of any product, if approved for commercial sale, will depend on a number of factors, including:

- its efficacy, safety and potential advantages compared to alternative treatments;
- the prevalence and severity of any side effects;
- the product's convenience and ease of administration compared to alternative treatments;
- the clinical indications for which the product is approved;
- the willingness of the target patient population to try a novel treatment and of physicians to prescribe such treatments;
- the recommendations with respect to the product in guidelines published by scientific organizations;
- the ability to obtain sufficient third-party insurance coverage and adequate reimbursement, including, if applicable, with respect to the use of the product as a combination therapy;
- the strength of marketing, sales and distribution support;
- the effectiveness of our sales and marketing efforts;
- the approval of other new products for the same indications; and
- our ability to offer the product for sale at competitive prices.

If we obtain marketing approval for a product but such product does not achieve an adequate level of market acceptance, we may not generate or derive significant revenue from that product and our business, financial condition and results of operations may be adversely affected.

We expect that WTX-124 and WTX-330, and other product candidates we develop, will be regulated as biological products, or biologics, and therefore they may be subject to competition sooner than anticipated.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or BPCIA, which created an abbreviated approval pathway for biologic products that are biosimilar to or interchangeable with an FDA-licensed reference biologic product. Under the BPCIA, a reference biological product is granted 12 years of non-patent exclusivity from the time of first licensure of the product, and the FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity, and potency of the other company's product.

We believe that any of our product candidates approved as a biologic product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider our investigational medicines to be reference products for competing products, potentially creating the opportunity for biosimilar competition sooner than anticipated. Moreover, the extent to which a biosimilar, once licensed, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biologic products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

If competitors are able to obtain regulatory approval for biosimilars referencing our product candidates, our product candidates may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences.

Risks Related to Our Dependence on Third Parties

We rely, and expect to continue to rely, on third parties to conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval of or commercialize any product candidates.

We depend, and expect to continue to depend, upon third parties, including independent investigators and contract research organizations, or CROs, to conduct preclinical studies and clinical trials. We expect to have to negotiate budgets and contracts with CROs and trial sites, and any of these third parties may terminate their engagements with us at any time, any of which may result in delays to our development timelines and increased costs.

Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibility to ensure that each of our trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on third parties does not relieve us of our regulatory responsibilities. We and these third parties are required to comply with current Good Clinical Practices, or cGCP, requirements for clinical trials, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for product candidates in clinical development. Regulatory authorities enforce these cGCP requirements through periodic inspections of trial sponsors, clinical investigators and trial sites. If we or any of these third parties fail to comply with applicable cGCP requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to suspend or terminate these trials or perform additional preclinical studies or clinical trials before approving our marketing applications. We cannot be certain that, upon inspection, such regulatory authorities will determine that any of our clinical trials comply with the cGCP requirements. In addition, our clinical trials must be conducted with biologic product produced under current Good Manufacturing Practice, or cGMP, requirements.

Our failure or any failure by these third parties to comply with the applicable regulations may require us to repeat clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Any third parties conducting our clinical trials will not be our employees and, except for remedies that may be available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our clinical trials. These third parties may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other product development activities, which could affect their performance on our behalf. If these third parties do not successfully carry out their contractual duties or obligations or meet expected

deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize our product candidates. As a result, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

If any of our relationships with these third-party CROs or others terminate, we may not be able to enter into arrangements with alternative CROs or other third parties or to do so on commercially reasonable terms. Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO begins work. As a result, delays may occur, which could materially impact our ability to meet our desired clinical development timelines. Though we plan to carefully manage our relationships with CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

The manufacturing of biologics is complex and we do not have our own clinical manufacturing capabilities. We will rely on third parties to produce preclinical, clinical and commercial supplies of all current and any future product candidates.

To date, we have produced limited quantities of our product candidates at our own facilities for preclinical evaluation. However, going forward we will rely on third-party contract manufacturers to manufacture some of our preclinical supply and all of our clinical trial supply. We do not own manufacturing facilities capable of producing drug products at clinical scale. We have in the past experienced delays in receiving preclinical product supplies from third-party manufacturers and there can be no assurance that our preclinical and clinical development product supplies from third parties will not in the future be limited or interrupted, or be of satisfactory quality or continue to be available at acceptable prices. Additionally, the process of manufacturing biologics is complex, highly regulated, and subject to multiple risks. Manufacturing biologics is highly susceptible to product loss due to contamination, equipment failure, improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects, other supply disruptions and higher costs. If microbial, viral or other contaminations are discovered at the facilities of our contract manufacturing organizations, or CMOs, such facilities may need to be closed for an extended period of time to investigate and remedy the contamination, which could delay clinical trials, result in higher costs of drug product and adversely affect our business.

We have engaged CMOs to provide certain services to support our clinical and preclinical development. Pursuant to the terms of separate contract manufacturing services agreements, we have engaged one CMO to provide drug substance manufacturing process development and to manufacture WTX-124 and WTX-330 drug substance to cGMP specifications for use in the further manufacture of clinical supply and a second CMO to provide drug product manufacturing process development and to manufacture clinical supply of WTX-124 and WTX-330 vialled drug product to cGMP specifications. To support the manufacture of drug substance and drug product, our CMOs will conduct substantial analytical testing of drug substance and vialled drug product. If our CMOs are unable to supply us with sufficient clinical grade quantities of WTX-124 or WTX-330, and we are unable to timely establish an alternate supply from one or more third-party contract manufacturers, we will experience delays in our development efforts as we seek to locate and qualify new manufacturers. In particular, any replacement of our CMOs could require significant effort and expertise because there may be a limited number of qualified replacements or capacity could be limited at each of the qualified replacements. Additionally, contract manufacturers may rely on single source suppliers for certain of the raw materials for our preclinical and clinical product supplies. If current or future suppliers are delayed or unable to supply sufficient raw materials to manufacture product for our preclinical studies and clinical trials, we may experience delays in our development efforts as materials are obtained or we locate and qualify new raw material manufacturers. Further, for our combination clinical trial of WTX-124 with pembrolizumab, an immune checkpoint inhibitor, we will need to procure supply of pembrolizumab for use in the clinical trials. If we are unable to procure sufficient supply from third-party manufacturers or other sources, we may be required to purchase our supply of checkpoint inhibitors on the open market, which may result in significant additional expense.

The manufacturing process for a clinical candidate is subject to FDA and foreign regulatory authority review. Suppliers and manufacturers must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with their standards, such as cGMPs. In the event that any of our CMOs fail to comply with such requirements or to perform their obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third-party, which we may not be able to do on reasonable terms, if at all. The transfer of the manufacturing of biologic products to a new CMO and any additional process development that may be necessary can be lengthy and involve significant additional costs. If we are required to change CMOs for any reason, we will be required to verify that the new CMO maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays

associated with the verification of a new CMO would negatively affect our ability to develop product candidates in a timely manner or within budget.

Further, our reliance on third-party manufacturers exposes us to risks beyond our control, including the:

- inability to meet our drug specifications and quality requirements consistently;
- inability to initiate or continue preclinical studies or clinical trials of product candidates under development;
- delay or inability to procure or expand sufficient manufacturing capacity;
- manufacturing and drug quality issues, including related to scale-up of manufacturing;
- failure to comply with cGMP and similar foreign standards;
- reliance on a limited number of sources, and in some cases, single sources for drug components and raw materials, such that if we are unable to secure a sufficient supply of these drug components and raw materials, we will be unable to manufacture and sell our future product candidate in a timely fashion, in sufficient quantities or under acceptable terms;
- lack of qualified backup suppliers for those components and raw materials that are purchased from a sole or single source supplier;
- inability to negotiate manufacturing agreements with third parties under commercially reasonable terms;
- termination or nonrenewal of manufacturing agreements with third parties in a manner or at a time that is costly or damaging to us;
- disruption of operations by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or the issuance of an FDA Form 483 notice or warning letter, or as a result of the effects of the COVID-19 pandemic on third-party manufacturers;
- carrier disruptions or increased costs that are beyond our control;
- failure to deliver our drugs under specified storage conditions and in a timely manner; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.

Some of these events could be the basis for FDA action, including injunction, recall, seizure or total or partial suspension of production, any of which could result in a failure to begin our clinical trials or having to stop ongoing clinical trials. In addition, our CMOs and suppliers are subject to FDA inspection from time to time. Failure by our CMOs and suppliers to pass such inspections and otherwise satisfactorily complete the FDA approval regimen with respect to our product candidate may result in regulatory actions such as the issuance of FDA Form 483 notices of observations, warning letters or injunctions or the loss of operating licenses. In addition, our CMOs and suppliers are subject to numerous environmental, health and safety laws and regulations, including those governing the handling, use, storage, treatment and disposal of waste products, and failure to comply with such laws and regulations could result in significant costs associated with civil or criminal fines and penalties for such third parties. Based on the severity of the regulatory action, our clinical or commercial supply of drug and packaging and other services could be interrupted or limited, which could harm our business.

In addition, our CMOs are or may be engaged with other companies to supply and manufacture materials or products for such companies, which also exposes our suppliers and CMOs to regulatory risks for the production of such materials and products. As a result, failure to meet the regulatory requirements for the production of those materials and products may also affect the regulatory clearance of a contract supplier's or CMO's facility, which could impact the contract supplier's or CMO's ability to manufacture drug product for us.

We have entered into, and may in the future seek to enter into, collaborations or other similar arrangements for our product candidates. If we are unable to enter into such collaborations, or if these collaborations are not successful, our business could be adversely affected.

A part of our strategy is to strategically evaluate and, as deemed appropriate, enter into collaborations in the future on an asset-by-asset basis to maximize the value of each of our programs. For example, in April 2022, we entered into a Collaboration and License Agreement, or the Collaboration Agreement, with Jazz Pharmaceuticals Ireland Limited, or Jazz, pursuant to which we granted Jazz certain licenses to develop and commercialize products containing our Interferon alpha, or IFNα, INDUKINE molecule, JZP898, as well as products containing certain isolated recombinant polypeptides comprising IFNα that meet specified criteria. Although we terminated the Collaboration Agreement in May 2026, we may also enter into other collaborations in connection with our platform technology in order to advance the development of programs beyond our initial focus in cytokines. Such collaborations may include the development and commercialization of any of our product candidates

or the commercialization of any of our product candidates that are approved for marketing outside the United States. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We have limited capabilities for product development and do not yet have any capability for commercialization. Accordingly, we may enter into collaborations with other companies to provide us with important technologies and funding for our programs and platform technology. We will face significant competition in seeking appropriate collaborators. We may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for any product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view such product candidates as having the requisite potential to demonstrate safety and efficacy. We may also be restricted under future license agreements from entering into agreements on certain terms or at all with potential collaborators.

Existing and future collaborations involving our product candidates may pose significant risks to us, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- collaborators may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or drugs, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such products;
- a collaborator's sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays in or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our or their intellectual property rights or may use our or their proprietary information in such a way as to invite litigation that could jeopardize or invalidate such intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- collaborators may not provide us with timely and accurate information regarding development, regulatory or commercialization status or results, which could adversely impact our ability to manage our own development efforts, accurately forecast financial results or provide timely information to our stockholders regarding our out-licensed product candidates;
- if a collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated; and
- collaborations may be terminated, including for the convenience of the collaborator, and, if terminated, we may find it more difficult to enter into future collaborations or be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Any collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. In addition, all of the risks relating to product development, regulatory approval and commercialization described in this Quarterly Report will apply to the activities of any of our collaborators.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent protection for any product candidates we develop or for our PREDATOR platform and other proprietary technologies we may develop, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize product candidates and technology similar or identical to our product candidates and technology, and our ability to successfully commercialize any product candidates we may develop, and our technology may be adversely affected.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our PREDATOR platform, our product candidates, their respective components, formulations, combination therapies, methods used to manufacture them and methods of treatment and development that are important to our business. If we do not adequately protect our intellectual property rights, competitors may be able to erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. To protect our proprietary position, we file patent applications in the United States and abroad related to our PREDATOR platform and our product candidates that are important to our business; we also license and may in the future license or purchase additional patents and patent applications filed by others. If we are unable to secure or maintain patent protection with respect to our PREDATOR platform, our product candidates and any proprietary products and technology we develop, our business, financial condition, results of operations and prospects could be materially harmed.

If the scope of the patent protection we or our potential licensors obtain is not sufficiently broad, we may not be able to prevent others from developing and commercializing technology and products similar or identical to ours. The degree of patent protection we require to successfully compete in the marketplace may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our patents have, or that any of our pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect our current and future product candidates or otherwise provide any competitive advantage. In addition, to the extent that we license intellectual property in the future, we cannot provide assurances that those licenses will remain in force. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized.

Our patents and pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our patents by developing similar or alternative technologies or therapeutics in a non-infringing manner. For example, a third party may develop a competitive therapy that provides benefits similar to one or more of our product candidates but that uses a formulation and/or a device that falls outside the scope of our patent protection. If the patent protection provided by the patents and patent applications we hold or pursue with respect to our product candidates is not sufficiently broad to impede such competition, our ability to successfully commercialize our product candidates could be negatively affected, which would harm our business.

Patent positions of life sciences companies can be uncertain and involve complex factual and legal questions. No consistent policy governing the scope of claims allowable in the field of engineered therapeutic proteins has emerged in the United States. The scope of patent protection in jurisdictions outside of the United States is also uncertain. Changes in either the patent laws or their interpretation in any jurisdiction that we seek patent protection may diminish our ability to protect our inventions, maintain and enforce our intellectual property rights; and, more generally, may affect the value of our intellectual property, including the narrowing of the scope of our patents and any that we may license.

The patent prosecution process is complex, expensive, time-consuming and inconsistent across jurisdictions. We may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patent rights at a commercially reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant markets. It is possible that we will fail to identify important patentable aspects of our research and development efforts in time to obtain appropriate or any patent protection. While we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development efforts, including for example, our employees, external academic scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose our confidential or proprietary information before a patent application is filed, thereby endangering our ability to seek patent protection. In addition, publications of discoveries in the scientific and scholarly literature often lag behind

the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Consequently, we cannot be certain that we were the first to file for patent protection on the inventions claimed in our patents or pending patent applications.

The issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Pending patent applications cannot be enforced against third parties unless, and until, patents issue from such applications, and then only to the extent the issued claims cover the technology. There can be no assurance that our patent applications or any patent applications that we may license in the future will result in patents being issued. Further, the scope of the invention claimed in a patent application can be significantly reduced before the patent is issued, and this scope can be reinterpreted after issuance. Even if patent applications we currently own or that we may license in the future issue as patents, they may not issue in a form that will provide us with adequate protection to prevent competitors or other third parties from competing with us, or otherwise provide us with a competitive advantage. Any patents that eventually issue may be challenged, narrowed or invalidated by third parties. Consequently, we do not know whether our PREDATOR platform or any of our product candidates will be protectable or remain protected by valid and enforceable patent rights. Our competitors or other third parties may be able to evade our patent rights by developing new products that are similar to our product candidates, biosimilars of our product candidates, or alternative technologies or products in a non-infringing manner.

The issuance or grant of a patent is not irrefutable as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. There may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim. There also may be prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. We may in the future, become subject to a third-party pre-issuance submission of prior art or opposition, derivation, revocation, re-examination, post-grant and *inter partes* review, or interference proceeding and other similar proceedings challenging our patent rights or the patent rights of others in the U.S. Patent and Trademark Office, or USPTO, or other foreign patent office. An unfavorable determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or extinguish our ability to manufacture or commercialize products without infringing third-party patent rights.

In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our intellectual property may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, some of our owned and in-licensed patents and patent applications may in the future be co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we or our licensors may need the cooperation of any such co-owners of our owned and in-licensed patents in order to enforce such patents against third parties, and such cooperation may not be provided to us or our licensors. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We rely on the Harpoon Agreement for patent rights with respect to our product candidates and may in the future acquire additional third-party intellectual property rights on which we may similarly rely. We face risks with respect to such reliance, including the risk that we could lose these rights that are important to our business if we fail to comply with our obligations under these licenses.

We rely on our Second Amended and Restated Assignment and License Agreement, or the Harpoon Agreement, with Harpoon, pursuant to which we have non-exclusive and exclusive rights to technology that is incorporated into our PREDATOR platform, development programs and product candidates. The Harpoon Agreement gives us non-exclusive, sublicensable, worldwide rights to develop, manufacture, and commercialize products containing certain of Harpoon's patented technology and exclusive, irrevocable rights to certain other Harpoon inventions that may be made during a limited collaboration period. The Harpoon Agreement imposes disclosure, royalty payment and other obligations on us.

Moreover, the growth of our business may depend in part on our ability to acquire, in-license or use additional third-party intellectual property rights. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Licenses to additional third-party intellectual property, technology and materials that may be required for the development and commercialization of our product candidates or technology may not be available at all or on commercially reasonable terms. In that event, we may be required to expend significant time and resources to redesign our product candidates or to develop or license replacement technology, all of which may not be feasible

on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize our future product candidates or technologies, which could materially harm our business, financial condition, results of operations and growth prospects.

Under the Harpoon Agreement, Harpoon is responsible for prosecution and maintenance of the licensed patents and any future third party from whom we may license patent rights may similarly be responsible for prosecution and maintenance of such patents. We have limited control over the activities that are the responsibility of Harpoon and would have limited control over the activities that are the responsibility of any future licensor, and it is possible that prosecution and maintenance of licensed patents by Harpoon or any future licensor may be less vigorous than had we conducted such activities ourselves. Furthermore, the Harpoon Agreement is subject to, and we expect our future license agreements may also be subject to, a reservation of rights by the licensor and/or one or more third parties. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Disputes may arise regarding intellectual property subject to the Harpoon Agreement or any future license agreements of ours, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- our or our licensor's ability to defend intellectual property and to enforce intellectual property rights against third parties;
- the extent to which our technology, product candidates and processes infringe, misappropriate or otherwise violate any intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under the license agreement;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and any partners of ours; and
- the priority of invention of patented technology.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. We are generally also subject to all of the same risks described in this Quarterly Report with respect to protection of intellectual property that we license as we are for intellectual property that we own. If we or our licensors fail to adequately protect this intellectual property, our ability to commercialize products could suffer.

Harpoon and any potential future licensors might conclude that we have materially breached our license agreements and might therefore terminate the relevant license agreements, thereby removing our ability to develop and commercialize products and technology covered by such license agreements. If any of our current or future inbound license agreements are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, products that are covered by such license agreements and underlying patents, which might be identical to our products or product candidates. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations and growth prospects. Our business also would suffer if any current or future licensors fail to abide by the terms of the license or fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

Any licensor of ours may have relied on third-party consultants or collaborators or on funds from third parties, such as the United States government, such that such licensor is not the sole and exclusive owners of the patents we in-licensed. If other third parties have ownership rights or other rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

If our efforts to protect the proprietary nature of the intellectual property related to our technologies and product candidates are not adequate, we may not be able to compete effectively in our market.

Biotechnology and pharmaceutical companies generally, and we in particular, compete in a crowded competitive space characterized by rapidly evolving technologies and aggressive defense of intellectual property. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. Our or our licensor's failure to comply with all such provisions during the patent process could result in abandonment or lapse of a patent or patent application that we own or license, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market and compete with us earlier than would otherwise have been the case.

We rely upon a combination of patents, confidentiality agreements, trade secret protection and license agreements to protect the intellectual property related to our technologies and our product candidates. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements and product candidates, thus eroding our competitive position in our market. We, or any future partners, collaborators, or licensees, may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, we may miss potential opportunities to strengthen our patent position.

It is possible that defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, claim scope, or requests for patent term adjustments. If we or our partners, collaborators, licensees or licensors fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our partners, collaborators, licensees or licensors are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form, preparation, prosecution, or enforcement of our patents or patent applications, such patents may be invalid and/or unenforceable, and such applications may never result in valid, enforceable patents. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

We seek or plan to seek patent protection for our PREDATOR platform and product candidates by filing and prosecuting patent applications in the United States and other countries as appropriate. However, we cannot predict:

- if and when patents will issue;
- if patents will issue with claims that cover our product candidates;
- the degree and range of protection any issued patents will afford us against competitors including whether third parties will find ways to invalidate or otherwise circumvent our patents;
- whether any of our intellectual property will provide any competitive advantage;
- whether any of our patents that may be issued may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications; or
- whether we will need to initiate or defend litigation or administrative proceedings which may be costly regardless of whether we win or lose.

Additionally, we cannot be certain that the claims in our pending patent applications covering our product candidates, PREDATOR platform and research programs will be considered patentable by the USPTO, or by patent offices in foreign countries, or that the claims in any of our issued patents will be considered valid by courts in the United States or foreign countries.

The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. The patent applications that we own or in-license may fail to result in issued patents with claims that cover our product candidates or technology or uses thereof in the United States or in other foreign countries. Even if patents do successfully issue, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. If the breadth or strength of protection provided by the patents and patent applications we hold with respect to our product candidates or technology is threatened, it could dissuade companies from collaborating with us to develop, and threaten our ability to commercialize, our product candidates. Further, if we encounter delays in our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced. Since patent applications in the United States

and most other countries are confidential for a period of time after filing, we cannot be certain that we were the first to file any patent application related to our product candidates. Furthermore, for U.S. applications in which all claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third-party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. We cannot be certain that we are the first to invent the inventions covered by pending patent applications and, if we are not, we may be subject to priority disputes. We may be required to disclaim part or all of the term of certain patents or all of the term of certain patent applications. Various post-grant review proceedings, such as *inter partes* review, post-grant review and derivation proceedings, are available and may be pursued by any interested third party in the USPTO to challenge the patentability of claims issued in patents to us or our licensors. No assurance can be given as to the outcome of any such post-grant review proceedings. No assurance can be given that if challenged, our patents would be declared by a court to be valid or enforceable or that even if found valid and enforceable, a competitor's technology or product would be found by a court to infringe our patents. We may analyze patents or patent applications of our competitors that we believe are relevant to our activities, and consider that we are free to operate in relation to our product candidates, but our competitors may achieve issued claims, including in patents we consider to be unrelated, which block our efforts or may potentially result in our product candidates or our activities infringing such claims. The possibility exists that others will develop products which have the same effect as our products on an independent basis which do not infringe our patents or other intellectual property rights, or will design around the claims of patents that we have had issued that cover our products.

Recent or future patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. In March 2013, under the Leahy-Smith America Invents Act, or America Invents Act, the United States moved from a "first to invent" to a "first-to-file" system. Under a "first-to-file" system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. The America Invents Act includes a number of other significant changes to U.S. patent law, including provisions that affect the way patent applications are prosecuted, redefine prior art and establish a USPTO-administered post-grant review system that has affected patent litigation. The America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may be able to make or use polypeptides or nucleic acids that are similar to our product candidates or components of our product candidates but that are not covered by the claims of our patents;
- the active biological ingredients in our current product candidates will eventually become commercially available in biosimilar drug products, and no patent protection may be available with regard to formulation or method of use;
- we or our licensors, as the case may be, may fail to meet our obligations to the U.S. government in regards to any patents and patent applications funded by U.S. government grants, leading to the loss of patent rights;
- we or our licensors, as the case may be, might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- it is possible that our pending patent applications will not result in issued patents;
- it is possible that there are prior public disclosures that could invalidate our or our licensors' patents, as the case may be, or parts of our or their patents;
- it is possible that others may circumvent our owned or in-licensed patents;
- it is possible that there are unpublished applications or patent applications maintained in secrecy that may later issue with claims covering our products or technology similar to ours;
- the laws of foreign countries may not protect our or our licensors', as the case may be, proprietary rights to the same extent as the laws of the United States;
- the claims of our owned or in-licensed issued patents or patent applications, if and when issued, may not cover our product candidates or technology;
- our owned or in-licensed issued patents may not provide us with any competitive advantages, may be narrowed in scope, or be held invalid or unenforceable as a result of legal challenges by third parties;

- the inventors of our owned or in-licensed patents or patent applications may become involved with competitors, develop products or processes which design around our patents, or become hostile to us or the patents or patent applications on which they are named as inventors;
- it is possible that our owned or in-licensed patents or patent applications omit individual(s) that should be listed as inventor(s) or include individual(s) that should not be listed as inventor(s), which may cause these patents or patents issuing from these patent applications to be held invalid or unenforceable;
- we have engaged in scientific collaborations in the past and will continue to do so in the future, and such collaborators may develop adjacent or competing products to ours that are outside the scope of our patents;
- we may not develop additional proprietary technologies for which we can obtain patent protection;
- it is possible that product candidates or technology we develop may be covered by third parties' patents or other exclusive rights; or
- the patents of others may have an adverse effect on our business.

Our proprietary position in part depends upon patents that are manufacturing, formulation or method-of-use patents, which may not prevent a competitor or other third party from using the same product candidate for another use.

Composition of matter patents for biological and pharmaceutical products are generally considered to be the strongest form of intellectual property protection for those types of products, as such patents provide protection without regard to any method of making or method of use. We have issued patents with certain composition of matter claims with respect to WTX-124 and IL-12 INDUKINE molecules and also have pending patent applications with other composition of matter claims with respect to our product candidates. We cannot be certain, however, that the claims in our pending patent applications, including those claims covering the composition of matter of our product candidates, will be considered patentable by the USPTO or by patent offices in foreign countries, or that the claims in any of our patents that have issued or may issue will be considered valid and enforceable by courts in the United States or foreign countries. Furthermore, in some cases, we may not be able to obtain issued claims covering compositions of matter relating to our product candidates, and instead may need to rely on filing patent applications with claims covering a method of use and/or method of manufacture. Method of use patents protect a specified method of using a product, such as a method of use for treating a particular medical indication. This type of patent does not prevent a competitor from making and marketing a product that is identical to our product for an indication that is outside the scope of the patented method. Moreover, even if competitors do not actively promote their products for our targeted indications, physicians may prescribe these products "off-label" for those uses that are covered by our method of use patents. Although off-label prescriptions may infringe or contribute to the infringement of method of use patents, the practice is common and such infringement is difficult to prevent by enforcing patent rights or otherwise. There can be no assurance that any such patent applications will issue as granted patents, and even if they do issue, such patent claims may be insufficient to prevent third parties, such as our competitors, from utilizing our technology. Any failure to obtain or maintain patent protection with respect to our product candidates could have a material adverse effect on our business, financial condition, results of operations, and prospects.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to the protection afforded by patents, we seek to rely on trade secret protection, confidentiality agreements, and license and other agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our product discovery and development processes that involve proprietary know-how, information, or technology that is not covered by patents. We cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition.

Courts outside the United States are sometimes less willing to protect trade secrets. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. For example, significant elements of our product candidates and PREDATOR platform, including aspects of sample preparation, methods of manufacturing, cell culturing conditions, computational-biological algorithms and related processes are based on unpatented trade secrets that are not publicly disclosed. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants,

third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology.

Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or entity during the course of the party's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary technology by third parties. We have also adopted policies and conduct training that provides guidance on our expectations, and our advice for best practices, in protecting our trade secrets. However, we cannot provide assurance that these agreements and policies will not be breached by our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors and that our trade secrets and other proprietary and confidential information will not be disclosed publicly or to competitors.

Third-party claims of intellectual property infringement may prevent or delay our product discovery and development efforts.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including interference, reexamination, and post-grant review proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. We may be exposed to, or threatened with, future litigation by third parties having patent or other intellectual property rights alleging that our product candidates and/or proprietary technologies infringe their intellectual property rights. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may give rise to claims of infringement of the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our product candidates, technologies or methods.

If a third party claims that we infringe its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement and other intellectual property claims which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business;
- substantial damages for infringement, which we may have to pay if a court decides that the product candidate or technology at issue infringes on or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees;
- a court prohibiting us from developing, manufacturing, marketing or selling our product candidates, or from using our proprietary technologies, unless the third party licenses its product rights to us, which it is not required to do;
- if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our products; and
- redesigning our product candidates or processes so they do not infringe third party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Third parties may assert that we are employing their proprietary technology without authorization. Generally, conducting preclinical and clinical trials and other development activities in the United States is not considered an act of infringement. If any product candidate we develop is approved by the FDA, a third party may then seek to enforce its patent by filing a patent infringement lawsuit against us. For example, we have received, and we may in the future receive, correspondence from third parties or their legal counsel disclosing that such third party owns patents that may encompass one or more of our product candidates. It is also possible that a third party may file a lawsuit against us alleging infringement of its patents. The outcome of any such proceeding is uncertain and would likely result in the expenditure of significant financial resources and the diversion

of management's time and resources, which could harm our business. While we do not believe that any claims that could otherwise have a materially adverse effect on the commercialization of our product candidates are valid and enforceable, we may be incorrect in this belief, or we may not be able to prove it in litigation. In this regard, patents issued in the United States by law enjoy a presumption of validity that can be rebutted only with evidence that is "clear and convincing," a heightened standard of proof. There may be issued third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Patent applications can take many years to issue. There may be currently pending patent applications which may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Moreover, we may fail to identify relevant patents or incorrectly conclude that a patent is invalid, not enforceable, exhausted, or not infringed by our activities. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our product candidates, constructs or molecules used in or formed during the manufacturing process, or any final product itself, the holders of any such patents may be able to block our ability to commercialize the product candidate unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product candidate unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our product candidates may be impaired or delayed, which could in turn significantly harm our business. Even if we obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Defense of these claims, regardless of their merit, could involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available on commercially reasonable terms or at all. Furthermore, even in the absence of litigation, we may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our product candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our product candidates, which could harm our business significantly.

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses.

Presently we have certain intellectual property rights, under patents and patent applications that we own or will own and under the Harpoon Agreement, related to WTX-124, WTX-330, WTX-712, WTX-518, WTX-921, WTX-1011, WTX-2022 and other product candidates we may develop in the future. Our development of additional product candidates may require the use of proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to acquire, in-license or use these proprietary rights. In addition, while we have patent rights directed to certain INDUKINE and INDUCER constructs we may not be able to obtain intellectual property to broad INDUKINE or INDUCER polypeptides or engineered INDUKINE or INDUCER constructs.

Our product candidates may also require specific formulations to work effectively and efficiently, and rights to such formulation technology may be held by others. Similarly, efficient production or delivery of our product candidates may also require specific compositions or methods, and the rights to these may be owned by third parties. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary or important to our business operations. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all, which would harm our business. We may need to cease use of the compositions or methods covered by such third-party intellectual property rights and may need to seek to develop alternative approaches that do not infringe on such intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology. Moreover, the specific components, such as linkers and antibody fragments, that will be used with our product candidates may be covered by the intellectual property rights of others.

Additionally, we may collaborate with or sponsor research at academic institutions to accelerate our preclinical research or development under written agreements with these institutions. In certain cases, these institutions may provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration or sponsorship. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to others, potentially blocking our ability to pursue our program. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of such program and our business and financial condition could suffer.

The licensing and acquisition of third-party intellectual property rights is a competitive area, and companies, which may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file lawsuits with infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that one or more of our patents is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our patent applications at risk of not issuing. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure.

Post-grant proceedings provoked by third parties or brought by the USPTO may be necessary to determine the validity or priority of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could result in a loss of our current patent rights and could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, or at all. Litigation or post-grant proceedings may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Some of our patent applications have been granted or may be granted or allowed in the future. We cannot be certain that an allowed patent application will become an issued patent. There may be events that can cause the allowance of a patent application to be withdrawn. For example, after a patent application has been allowed, but prior to being issued, material that could be relevant to patentability may be identified. In such circumstances, the applicant may pull the application from allowance in order for the USPTO to review the application in view of the new material. We cannot be certain that the USPTO will re-allow the application in view of the new material. Further, periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and following the issuance of a patent. We rely on our outside counsel and other professionals or our licensing partners to pay these fees due to the USPTO and non-U.S. government patent agencies and to help us comply with other procedural, documentary and other similar requirements and we are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the

applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Issued patents covering our product candidates or technology could be found invalid or unenforceable if challenged in court or the USPTO.

If we or one of our licensors initiate legal proceedings against a third party to enforce a patent covering one of our product candidates or our technology, the defendant could counterclaim that the patent covering our product candidate or technology, as applicable, is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, *inter partes* review, post-grant review and equivalent proceedings in foreign jurisdictions (such as opposition proceedings). Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover our product candidates or technology. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, or if we are otherwise unable to adequately protect our rights, we would lose at least part, and perhaps all, of the patent protection on our product candidates or technology. Such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize or license our technology and product candidates.

Changes to patent law in the United States and in foreign jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involve both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. In addition, the United States continues to adapt to wide-ranging patent reform legislation that became effective starting in 2012. Moreover, recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. For example, in the case *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.,* the U.S. Supreme Court held that certain claims to DNA molecules are not patentable. While we do not believe that any of the patents owned or licensed by us will be found invalid based on this decision, we cannot predict how future decisions by the courts, Congress or the USPTO may impact the value of our patents. Similarly, changes in the patent laws of other jurisdictions could adversely affect our ability to obtain and effectively enforce our patent rights, which would have a material adverse effect on our business and financial condition.

We have limited foreign intellectual property rights and may not be able to protect our intellectual property rights throughout the world.

We have obtained granted patents in the United States that we consider to be important for certain of our product candidates, however, we may have less robust intellectual property rights outside the United States, and, in particular, we may not be able to pursue generic coverage of our PREDATOR platform or of our INDUKINE or INDUCER molecules outside of the United States. Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Most of our patent portfolio is at the very early stage. We will need to decide whether and in which jurisdictions to pursue protection for the various inventions in our portfolio prior to applicable deadlines.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of

patents, trade secrets and other intellectual property protection, particularly those relating to biopharmaceutical products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

In addition, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. Many countries also limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business and financial condition may be adversely affected.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

We generally enter into confidentiality and intellectual property assignment agreements with our employees, consultants, and contractors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, those agreements may not be honored and may not effectively assign intellectual property rights to us. Moreover, there may be some circumstances, where we are unable to negotiate for such ownership rights. Disputes regarding ownership or inventorship of intellectual property can also arise in other contexts, such as collaborations and sponsored research. If we are subject to a dispute challenging our rights in or to patents or other intellectual property, such a dispute could be expensive and time consuming. If we were unsuccessful, we could lose valuable rights in intellectual property that we regard as our own.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed confidential information of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

Many of our employees were previously employed at other pharmaceutical companies, including our competitors or potential competitors, in some cases until recently. We may be subject to claims that we or our employees have inadvertently or otherwise used or disclosed trade secrets or other confidential information of these former employers or competitors. In addition, we have been and may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. If our defense to those claims fails, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Any litigation or the threat thereof may adversely affect our ability to hire employees. A loss of key personnel or their work product could hamper or prevent our ability to commercialize product candidates, which could have an adverse effect on our business, results of operations and financial condition.

If we do not obtain patent term extension and data exclusivity for any of our current or future product candidates, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any of our current or future product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our marks of interest and our business may be adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to be infringing on other marks. We rely on both registration and common law protection for our trademarks. We may not be able to protect our

rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During the trademark registration process, we may receive Office Actions from the USPTO objecting to the registration of our trademark. Although we would be given an opportunity to respond to those objections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and/or to seek the cancellation of registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Numerous factors may limit any potential competitive advantage provided by our intellectual property rights.

The degree of future protection afforded by our intellectual property rights, whether owned or in-licensed, is uncertain because intellectual property rights have limitations, and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage. Moreover, if a third party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The factors that may limit any potential competitive advantage provided by our intellectual property rights include:

- pending patent applications that we own or license may not lead to issued patents;
- patents, should they issue, that we own or license, may not provide us with any competitive advantages, or may be challenged and held invalid or unenforceable;
- others may be able to develop and/or practice technology that is similar to our technology or aspects of our technology but that is not covered by the claims of any of our owned or in-licensed patents, should any such patents issue;
- third parties may compete with us in jurisdictions where we do not pursue and obtain patent protection;
- we (or our licensors) might not have been the first to make the inventions covered by a pending patent application that we own or license;
- we (or our licensors) might not have been the first to file patent applications covering a particular invention;
- others may independently develop similar or alternative technologies without infringing our intellectual property rights;
- we may not be able to obtain and/or maintain necessary licenses on reasonable terms or at all;
- third parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights, or any rights at all, over that intellectual property;
- we may not be able to maintain the confidentiality of our trade secrets or other proprietary information;
- we may not develop or in-license additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, they could significantly harm our business and results of operation.

Risks Related to Regulatory Approval and Marketing of Our Product Candidates and Other Legal Compliance Matters

Even if we complete the necessary preclinical studies and clinical trials, the regulatory approval process is expensive, time consuming and uncertain and may prevent us from obtaining approvals for the commercialization of some or all of our product candidates. As a result, we cannot predict when or if, and in which territories, we will obtain marketing approval to commercialize a product candidate.

The research, testing, manufacturing, labeling, approval, selling, marketing, promotion and distribution of products are subject to extensive regulation by the FDA and comparable foreign regulatory authorities. We are not permitted to market our product candidates in the United States or in other countries until we receive approval of an NDA or BLA from the FDA or marketing approval from applicable regulatory authorities outside the United States. Our product candidates are in various stages of development and are subject to the risks of failure inherent in development. We have not submitted an application for or received marketing approval for any of our product candidates in the United States or in any other jurisdiction. We have no experience as a company in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs to assist us in this process.

The process of obtaining marketing approvals, both in the United States and abroad, is lengthy, expensive and uncertain. It may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type,

complexity and novelty of the product candidates involved. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information, including manufacturing information, to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. The FDA or other regulatory authorities may determine that our product candidates are not safe and effective, only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use.

In addition, changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

Further, under the Pediatric Research Equity Act, a BLA or supplement to a BLA for certain biological products must contain data to assess the safety and effectiveness of the biological product in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective, unless the sponsor receives a deferral or waiver from the FDA. A deferral may be granted for several reasons, including a finding that the product or therapeutic candidate is ready for approval for use in adults before pediatric trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric trials begin. The applicable legislation in the EU also requires sponsors to either conduct clinical trials in a pediatric population in accordance with a Pediatric Investigation Plan approved by the Pediatric Committee of the European Medicines Agency, or EMA, or to obtain a waiver or deferral from the conduct of these studies by this Committee. For any of our product candidates for which we are seeking regulatory approval in the U.S. or the EU, we cannot guarantee that we will be able to obtain a waiver or alternatively complete any required studies and other requirements in a timely manner, or at all, which could result in associated reputational harm and subject us to enforcement action.

Under the current presidential administration, there have been significant and wide-ranging reforms to federal policy and the federal government. In particular, as in recent preceding presidential administrations, drug pricing and reimbursement reform is a focus of reform efforts. Other healthcare reform efforts or other actions under the current presidential administration may adversely affect the development of new drug therapies, access to healthcare coverage or the funding of healthcare benefits, although the full impact of such efforts or actions cannot be predicted. For example, the Congressional Budget Office has estimated that Medicaid provisions in the OBBBA, including restrictions in eligibility and funding for Medicaid, as well as changes to the healthcare marketplace will increase the number of uninsured by 16 million by 2034.

Any delay in obtaining or failure to obtain required approvals could negatively affect our ability or that of any future collaborators to generate revenue from the particular product candidate, which likely would result in significant harm to our financial position and adversely impact our stock price.

Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad. Any approval we may be granted for our product candidates in the United States would not assure approval of our product candidates in foreign jurisdictions and any of our product candidates that may be approved for marketing in a foreign jurisdiction will be subject to risks associated with foreign operations.

In order to market and sell our products in the EU and other foreign jurisdictions, we must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The marketing approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. We may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may file for marketing approvals but not receive necessary approvals to commercialize our products in any market.

In many countries outside the United States, a product candidate must also be approved for reimbursement before it can be sold in that country. In some cases, the price that we intend to charge for our products, if approved, is also subject to approval. Obtaining non-U.S. regulatory approvals and compliance with non-U.S. regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our product candidates in certain countries. In addition, if we fail to obtain the non-U.S. approvals required to market our product candidates outside the United States or if we fail to comply with applicable non-U.S. regulatory requirements, our target markets will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business, financial condition, results of operations and prospects may be adversely affected.

As of January 1, 2025, a new international recognition procedure, or IRP, applies, which intends to facilitate approval of pharmaceutical products in the U.K. The IRP is open to applicants that have already received an authorization for the same product from one of the MHRA's specified Reference Regulators, or RRs. The RRs notably include EMA and regulators in the EU/European Economic Area, or EEA, member states for approvals in the EU centralized procedure and mutual recognition procedure as well as the FDA (for product approvals granted in the U.S.). Should we or our collaborators seek to rely on the IRP to obtain regulatory approval in the U.K., any delay in obtaining, or an inability to obtain, any marketing approvals from RRs may force us or our collaborators to restrict or delay efforts to seek regulatory approval in the U.K. for our product candidates, which could significantly and materially harm our business.

In addition, foreign regulatory authorities may change their approval policies and new regulations may be enacted. For instance, the EU pharmaceutical legislation is currently undergoing a complete review process, in the context of the Pharmaceutical Strategy for Europe initiative, launched by the European Commission in November 2020. The European Commission's proposal for revision of several legislative instruments related to medicinal products (potentially reducing the duration of regulatory data protection, revising the eligibility for expedited pathways, etc.) was published on April 26, 2023. On April 10, 2024, the European Parliament adopted a position on the proposal requesting several amendments to the package. The proposed revisions remain to be agreed and adopted by the European Parliament and European Council and the proposals may therefore be substantially revised before adoption, which is not anticipated before early 2026. The revisions may, however, have a significant impact on the pharmaceutical industry and our business in the long term.

We expect that we will be subject to additional risks in commercializing any of our product candidates that receive marketing approval outside the United States, including tariffs, trade barriers and regulatory requirements; economic weakness, including inflation, or political instability in particular foreign economies and markets; compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; and workforce uncertainty in countries where labor unrest is more common than in the United States.

We may not be able to obtain orphan drug designation or orphan drug exclusivity for our product candidates and, even if we do, that exclusivity may not prevent the FDA or the EMA from approving competing products.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States. Generally, a product with orphan drug designation only becomes entitled to orphan drug exclusivity if it receives the first marketing approval for the indication for which it has such designation, in which case the FDA or the EMA will be precluded from approving another marketing application for the same product for that indication for the applicable exclusivity period. The applicable exclusivity period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a product no longer meets the criteria for orphan drug designation or if the product is sufficiently profitable so that market exclusivity is no longer justified.

We may seek orphan drug designations for our product candidates and may be unable to obtain such designations. Even if we do secure such designations and orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different products can be approved for the same condition. Further, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later product is clinically superior in that it is shown to be safer, to be more effective or to make a major contribution to patient care. Finally, orphan drug exclusivity may be lost if the FDA or the EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition.

It is also possible that current or future litigation or action by Congress could change the scope of available orphan exclusivity. Any changes to the orphan drug provisions could change our opportunities for, or likelihood of success in obtaining, orphan drug exclusivity and could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

We do not know if, when, or how the FDA or Congress may change the orphan drug regulations and policies in the future, and it is uncertain how any changes might affect our business. Depending on what changes the FDA may make to its orphan drug regulations and policies, our business could be adversely impacted.

In addition, to obtain orphan drug designation in the EU, we would need to demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the medicinal product will be of significant benefit to those affected by that condition. There is no assurance that we would be able to meet that standard for any of our product candidates. Further, if we do obtain orphan drug designation for a candidate product in the EU, we will not be able to maintain that designation if we are not able to show, to the satisfaction of the EU regulatory authorities, that the candidate product is of significant benefit to patients over available commercial products for the

indication in the EU and any additional products that are ahead of our product candidate in clinical development for the indication.

Any product candidate for which we obtain marketing approval is subject to ongoing regulation and could be subject to restrictions or withdrawal from the market, and we may be subject to substantial penalties if we fail to comply with regulatory requirements, when and if any of our product candidates are approved.

Any product candidate for which we obtain marketing approval will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control and manufacturing, quality assurance and corresponding maintenance of records and documents, and requirements regarding the distribution of samples to physicians and recordkeeping. In addition, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the medicine, including the requirement to implement a risk evaluation and mitigation strategy.

In addition, later discovery of previously unknown adverse events or other problems with any product for which we may obtain marketing approval and its manufacturers or manufacturing processes or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on distribution or use of a product;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- damage to relationships with collaborators;
- unfavorable press coverage and damage to our reputation;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions or the imposition of civil or criminal penalties; and
- litigation involving patients using our products.

Post-approval restrictions apply to the approval of products in the EU. The holder of a marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. These include: compliance with the EU's stringent pharmacovigilance or safety reporting rules, which can impose post-authorization studies and additional monitoring obligations; the manufacturing of authorized medicinal products, for which a separate manufacturer's license is mandatory; and the marketing and promotion of authorized drugs, which are strictly regulated in the EU and are also subject to EU Member State laws. The failure to comply with these and other EU requirements can also lead to significant penalties and sanctions.

Accordingly, if we receive marketing approval for one or more of our product candidates, we will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control. If we fail to comply with these requirements, we could have the marketing approvals for our products withdrawn by regulatory authorities and our ability to market any products could be limited, which could adversely affect our ability to achieve or sustain profitability.

Any regulatory approval to market our products will be limited by indication. If we fail to comply or are found to be in violation of FDA regulations restricting the promotion of our products for unapproved uses, we could be subject to criminal penalties, substantial fines or other sanctions and damage awards.

The regulations relating to the promotion of products for unapproved uses are complex and subject to substantial interpretation by the FDA, EMA, MHRA and other government agencies. In September 2021, the FDA published final regulations which describe the types of evidence that the agency will consider in determining the intended use of a drug product. Physicians may nevertheless prescribe our products off-label to their patients in a manner that is inconsistent with the approved label. We intend to implement compliance and training programs designed to ensure that our sales and marketing practices comply with applicable regulations. Notwithstanding these programs, the FDA or other government agencies may allege or find that our practices constitute prohibited promotion of our products for unapproved uses. We also cannot be sure that our employees will comply with company policies and applicable regulations regarding the promotion of products for unapproved uses.

Notwithstanding the regulatory restrictions on off-label promotion, the FDA and other regulatory authorities allow companies to engage in truthful, non-misleading, and non-promotional scientific communications concerning their products in certain circumstances. For example, in January 2025, the FDA published final guidance outlining its policies governing the distribution of scientific information to healthcare providers about unapproved uses of approved products. The final guidance calls for such communications to be truthful, non-misleading and scientifically sound and to include all information necessary for healthcare providers to interpret the strengths and weaknesses and validity and utility of the information about the unapproved use of the approved product. If a company engages in such communications consistent with the guidance's recommendations, the FDA indicated that it will not treat such communications as evidence of unlawful promotion of a new intended use for the approved product. We will need to carefully navigate the FDA's various regulations, guidance and policies, along with recently enacted legislation, to ensure compliance with restrictions governing promotion of our products.

In addition, under some relatively recent guidance from the FDA and the Pre-Approval Information Exchange Act signed into law as part of the Consolidated Appropriations Act of 2023, companies may also promote information that is consistent with the prescribing information and proactively speak to formulary committee members of payors regarding data for an unapproved drug or unapproved uses of an approved drug. We may engage in these discussions and communicate with healthcare providers, payors and other constituencies in compliance with all applicable laws, regulatory guidance and industry best practices. We will need to carefully navigate the FDA's various regulations, guidance and policies, along with recently enacted legislation, to ensure compliance with restrictions governing promotion of our products.

In recent years, a significant number of pharmaceutical and biotechnology companies have been the target of inquiries and investigations by various federal and state regulatory, investigative, prosecutorial and administrative entities in connection with the promotion of products for unapproved uses and other sales practices, including the Department of Justice and various U.S. Attorneys' Offices, the Office of Inspector General of the Department of Health and Human Services, the FDA, the Federal Trade Commission, or the FTC, and various state Attorneys General offices. These investigations have alleged violations of various federal and state laws and regulations, including claims asserting antitrust violations, violations of the Federal Food, Drug, and Cosmetic Act, the False Claims Act, the Prescription Drug Marketing Act and anti-kickback laws and other alleged violations in connection with the promotion of products for unapproved uses, pricing and Medicare and/or Medicaid reimbursement. Many of these investigations originate as *qui tam* actions under the False Claims Act. Under the False Claims Act, any individual can bring a claim on behalf of the government alleging that a person or entity has presented a false claim or caused a false claim to be submitted to the government for payment. The person bringing a *qui tam* suit is entitled to a share of any recovery or settlement. *Qui tam* suits, also commonly referred to as whistleblower suits, are often brought by current or former employees. In a *qui tam* suit, the government must decide whether to intervene and prosecute the case. If it declines, the individual may pursue the case alone.

If the FDA or any other governmental agency initiates an enforcement action against us or if we are the subject of a *qui tam* suit and it is determined that we violated prohibitions relating to the promotion of products for unapproved uses, we could be subject to substantial civil or criminal fines or damage awards and other sanctions such as consent decrees and corporate integrity agreements pursuant to which our activities would be subject to ongoing scrutiny and monitoring to ensure compliance with applicable laws and regulations. Any such fines, awards or other sanctions would have an adverse effect on our revenue, business, financial prospects and reputation.

We may seek certain designations for our product candidates, including Breakthrough Therapy, Fast Track and Priority Review designations, but we might not receive such designations, and even if we do, such designations may not lead to a faster development or regulatory review or approval process.

We may seek certain designations for one or more of our product candidates that could expedite review and approval by the FDA. A Breakthrough Therapy product is defined as a product that is intended, alone or in combination with one or more other products, to treat a serious condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects

observed early in clinical development. For products that have been designated as Breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens.

The FDA may also designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product's application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product may be effective.

We may also seek a priority review designation for one or more of our product candidates. If the FDA determines that a product candidate is intended to treat a serious condition and, if approved, offers a significant improvement in safety or effectiveness, the FDA may designate the product candidate for priority review. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority review designation means that the goal for the FDA to review an application is six months, rather than the standard review period of ten months.

These designations are within the discretion of the FDA. Accordingly, even if we believe that one of our product candidates meets the criteria for these designations, the FDA may disagree and instead determine not to make such designation. Further, even if we receive a designation, the receipt of such designation for a product candidate may not result in a faster development or regulatory review or approval process compared to products considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualifies for these designations, the FDA may later decide that the product candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

We may seek PRIME Designation in the EU for one or more of our product candidates, but we might not receive such designations and, even if we do, such designations may not lead to a faster development or regulatory review or approval process.

In the EU, we may seek PRIME designation for our product candidates in the future. PRIME is a voluntary program aimed at enhancing the EMA's role to reinforce scientific and regulatory support in order to optimize development and enable accelerated assessment of new medicines that are of major public health interest with the potential to address unmet medical needs. The program focuses on medicines that target conditions for which there exists no satisfactory method of treatment in the EU or even if such a method exists, it may offer a major therapeutic advantage over existing treatments. PRIME is limited to medicines under development and not authorized in the EU and the applicant intends to apply for an initial marketing authorization application through the centralized procedure. To be accepted for PRIME, a product candidate must meet the eligibility criteria in respect of its major public health interest and therapeutic innovation based on information that is capable of substantiating the claims.

The benefits of a PRIME designation include the appointment of a rapporteur from the Committee for Human Medicinal Products to provide continued support and help to build knowledge ahead of a marketing authorization application, early dialogue and scientific advice at key development milestones, and the potential to qualify products for accelerated review, meaning reduction in the review time for an opinion on approvability to be issued earlier in the application process. PRIME designation enables an applicant to request parallel EMA scientific advice and health technology assessment advice to facilitate timely market access. Even if we receive PRIME designation for any of our product candidates, the designation may not result in a materially faster development process, review or approval compared to conventional EMA procedures. Further, obtaining PRIME designation does not assure or increase the likelihood of EMA's grant of a marketing authorization.

Accelerated approval by the FDA, even if granted for any of our current or future product candidates, may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek approval of any of our current and future product candidates using the FDA's accelerated approval pathway. A product may be eligible for accelerated approval if it treats a serious or life-threatening condition, generally provides a meaningful advantage over available therapies, and demonstrates an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit. The FDA or other applicable regulatory agency makes the determination regarding whether a surrogate endpoint is reasonably likely to predict long-term clinical benefit.

Prior to seeking such accelerated approval, we will seek feedback from the FDA and otherwise evaluate our ability to seek and receive such accelerated approval. As a condition of approval, the FDA requires that a sponsor of a product receiving accelerated approval perform an adequate and well-controlled post-marketing confirmatory clinical trial or trials. These

confirmatory trials must be completed with due diligence and we may be required to evaluate different or additional endpoints in these post-marketing confirmatory trials. These confirmatory trials may require enrollment of more patients than we currently anticipate and will result in additional costs, which may be greater than the estimated costs we currently anticipate. In addition, the FDA currently requires as a condition for accelerated approval preapproval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

There can be no assurance that the FDA will agree with any proposed surrogate endpoints or that we will decide to pursue or submit a BLA or NDA for accelerated approval or any other form of expedited development, review or approval for any of our current or future product candidates. Similarly, there can be no assurance that, after feedback from FDA, we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval or under another expedited regulatory designation, there can be no assurance that such submission or application will be accepted or that any expedited review or approval will be granted on a timely basis, or at all.

The FDA may withdraw approval of a product candidate approved under the accelerated approval pathway if, for example, the trial required to verify the predicted clinical benefit of our product candidate fails to verify such benefit or does not demonstrate sufficient clinical benefit to justify the risks associated with the drug. The FDA may also withdraw approval if other evidence demonstrates that our product candidate is not shown to be safe or effective under the conditions of use, we fail to conduct any required post approval trial of our product candidate with due diligence or we disseminate false or misleading promotional materials relating to our product candidate. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidates, or withdrawal of a product candidate, would result in a longer time period for commercialization of such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

Further, there can be no assurance that we will satisfy all FDA requirements, including new provisions, that govern accelerated approval. For example, with passage of the FDORA in December 2022, Congress modified certain provisions governing accelerated approval of drug and biologic products. Specifically, the new legislation authorized the FDA to require a sponsor to have its confirmatory clinical trial underway before accelerated approval is awarded and to submit progress reports on its post-approval studies to FDA every six months until the study is completed. Moreover, FDORA established expedited procedures authorizing FDA to withdraw an accelerated approval if certain conditions are met, including where a required confirmatory study fails to verify and describe the predicted clinical benefit or where evidence demonstrates the product is not shown to be safe or effective under the conditions of use. The FDA may also use such procedures to withdraw an accelerated approval if a sponsor fails to conduct any required post-approval study of the product with due diligence, including with respect to "conditions specified by the Secretary." The new procedures include the provision of due notice and an explanation for a proposed withdrawal, and opportunities for a meeting with the Commissioner or the Commissioner's designee and a written appeal, among other things. We will need to fully comply with these and other requirements in connection with the development and approval of any product candidate that qualifies for accelerated approval.

More recently, in March 2023, the FDA issued draft guidance that outlines its current thinking and approach to accelerated approval. The FDA indicated that the accelerated approval pathway is commonly used for approval of oncology drugs due to the serious and life-threatening nature of cancer. Although single-arm trials have been commonly used to support accelerated approval, a randomized controlled trial is the preferred approach as it provides a more robust efficacy and safety assessment and allows for direct comparisons to an available therapy. To that end, the FDA outlined considerations for designing, conducting, and analyzing data for trials intended to support accelerated approvals of oncology therapeutics. Subsequently, in December 2024 and January 2025, the FDA issued additional draft guidances relating to accelerated approval. These guidances describe FDA's views on what it means to conduct a confirmatory trial with due diligence and how the agency plans to interpret whether such a study needs to be underway at the time of approval. While these guidances are currently only in draft form and will ultimately not be legally binding even when finalized, sponsors typically observe the FDA's guidance closely to ensure that their investigational products qualify for accelerated approval.

In the EU, a "conditional" marketing authorization may be granted in cases where all the required safety and efficacy data are not yet available. A conditional marketing authorization is subject to conditions to be fulfilled for generating missing data or ensuring increased safety measures. A conditional marketing authorization is valid for one year and has to be renewed annually until fulfillment of all relevant conditions. Once the applicable pending studies are provided, a conditional marketing authorization can become a "standard" marketing authorization. However, if the conditions are not fulfilled within the timeframe set by the EMA, the marketing authorization will cease to be renewed.

We and our contract manufacturers are subject to significant regulation. The manufacturing facilities on which we rely may not continue to meet regulatory requirements, which could materially harm our business.

All entities involved in the preparation of product candidates for clinical trials or commercial sale, including any contract manufacturers, are subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale

or used in late-stage clinical trials must be manufactured in accordance with cGMP. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of adventitious agents or other contaminants or to inadvertent changes in the properties or stability of our product candidates that may not be detectable in final product testing.

We or our contract manufacturer must supply all necessary documentation in support of a BLA or an NDA on a timely basis and must adhere to the FDA's current Good Laboratory Practice and cGMP regulations enforced through its facilities inspection program. Our facilities and quality systems and the facilities and quality systems of some or all of our third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of any product candidate. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of our product candidates or the associated quality systems for compliance with the regulations applicable to the activities being conducted. If these facilities do not pass a pre-approval plant inspection, FDA approval of the products will not be granted.

The regulatory authorities also may, at any time following approval of a product for sale, audit our manufacturing facilities or those of our third-party contractors. If any such inspection or audit identifies failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time-consuming for us or a third party to implement and that may include the temporary or permanent suspension of a clinical trial or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business.

If we or any of our third-party manufacturers fail to maintain regulatory compliance, the FDA can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new product, or revocation of a pre-existing approval. Any such consequence would severely harm our business, financial condition and results of operations.

We intend in the future to conduct clinical trials for certain of our product candidates at sites outside the United States. The FDA may not accept data from trials conducted in such locations and the conduct of trials outside the United States could subject us to additional delays and expense.

We intend in the future to conduct one or more of our clinical trials with trial sites that are located outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of these data is subject to certain conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and performed by qualified investigators in accordance with good clinical practice. The FDA must be able to validate the data from the trial through an onsite inspection if necessary. The trial population must also have a similar profile to the U.S. population, and the data must be applicable to the U.S. population and U.S. medical practice in ways that the FDA deems clinically meaningful, except to the extent the disease being studied does not typically occur in the United States. In addition, while these clinical trials are subject to the applicable local laws, the FDA acceptance of the data will be dependent upon its determination that the trials also complied with all applicable U.S. laws and regulations. There can be no assurance that the FDA will accept data from clinical trials conducted outside of the United States. If the FDA does not accept the data from any trial that we conduct outside the United States, it would likely result in the need for additional trials, which would be costly and time-consuming and delay or permanently halt our development of our product candidates.

In addition, the conduct of clinical trials outside the United States could have a significant adverse impact on us or the trial results. Risks inherent in conducting international clinical trials include:

- clinical practice patterns and standards of care that vary widely among countries;
- non-U.S. regulatory authority requirements that could restrict or limit our ability to conduct our clinical trials;
- administrative burdens of conducting clinical trials under multiple non-U.S. regulatory authority schema;
- foreign exchange rate fluctuations; and
- diminished protection of intellectual property in some countries.

Current and future legislation may increase the difficulty and cost for us to obtain reimbursement for any of our candidate products that do receive marketing approval.

In the United States and foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result

in more rigorous coverage criteria and in additional downward pressure on the price that we may receive for any approved products. If reimbursement of our products is unavailable or limited in scope, our business could be materially harmed.

The ACA substantially changed the way healthcare is financed by both governmental and private insurers and continues to significantly impact the U.S. pharmaceutical industry.

During the first Trump administration, the Congress and administration sought to overturn the ACA and related measures. Shortly after taking office in January 2025, President Trump revoked numerous executive orders issued by President Biden, including at least two executive orders (e.g., E.O. 14009, Strengthening Medicaid and the Affordable Care Act, and E.O. 14070, Continuing to Strengthen Americans' Access to Affordable, Quality Health Coverage) where were designed to further implement the ACA. We anticipate similar efforts to undermine the ACA, and the accompanying uncertainty, for the foreseeable future.

The ACA has been subject to litigation challenging its provisions, and such litigation is likely to continue with uncertain results. In addition, other legislative changes have been proposed and adopted since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013 and will remain in effect until fiscal year 2032 unless additional congressional action is taken. Additionally, the Inflation Reduction Act, or the IRA, also capped Medicare out-of-pocket drug costs at an estimated $2,000 a year (to be adjusted annually for inflation) beginning in 2025.

In the EU, on December 13, 2021, Regulation No 2021/2282 on Health Technology Assessment, or HTA, amending Directive 2011/24/EU, was adopted. While the Regulation entered into force in January 2022, it began to apply from January 2025 onward, with preparatory and implementation-related steps to take place in the interim. Once applicable, it will have a phased implementation depending on the concerned products. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products as well as certain high-risk medical devices, and provide the basis for cooperation at the EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the highest potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

Current and future legislative efforts may limit the costs for our products, if and when they are licensed for marketing, and that could materially impact our ability to generate revenues.

The prices of prescription pharmaceuticals have also been the subject of considerable discussion in the United States. There have been several recent U.S. congressional inquiries, as well as proposed and enacted state and federal legislation designed to, among other things, bring more transparency to pharmaceutical pricing, review the relationship between pricing and manufacturer patient programs, and reduce the costs of pharmaceuticals under Medicare and Medicaid.

For example, in August 2022, the IRA was signed into law by President Biden. The legislation requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap, imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation, and replaces the Part D coverage gap discount program with a new discounting. The IRA permits the Secretary of the HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years.

Specifically, with respect to price negotiations, Congress authorized Medicare to negotiate lower prices for certain costly single-source drug and biologic products that do not have competing generics or biosimilars and are reimbursed under Medicare Part B and Part D. Ten high-cost drugs paid for by Medicare Part D are subject to negotiated prices starting in 2026, to be followed by 15 Part D drugs in 2027, 15 Part B or Part D drugs in 2028, and 20 Part B or Part D drugs in 2029 and beyond. This provision applies to drug products that have been approved for at least 9 years and biologics that have been licensed for 13 years. When originally enacted, the IRA explicitly excluded from price negotiation orphan drugs designated for only one rare disease or condition and for which the only active approved indication is for such disease or condition. However, the One Big Beautiful Bill Act signed into law on July 4, 2025 amended the applicable statute to broaden the orphan drug exclusion to include products with more than one orphan designation and more than one approved indication. Further, the legislation subjects drug manufacturers to civil monetary penalties and a potential excise tax for failing to comply with the legislation by offering a price that is not equal to or less than the negotiated "maximum fair price" under the law.

CMS has and continues to take steps to implement the IRA, including negotiating and publishing "maximum fair prices" for drugs selected under the IRA's price negotiation framework and releasing quarterly lists of Medicare Part B products and annual lists of Medicare Part D products that are subject to adjusted coinsurance rates based on the inflationary rebate provisions of the IRA. While it remains to be seen how the drug pricing provisions imposed by the IRA will affect the broader pharmaceutical industry, several pharmaceutical manufacturers and other industry stakeholders have challenged the law, including through lawsuits brought against the HHS, the Secretary of the HHS, CMS, and the CMS Administrator challenging the constitutionality and administrative implementation of the IRA's drug price negotiation provisions. This litigation is ongoing and its results, and potential impacts on our business, are uncertain.

In addition, in October 2020, HHS and the FDA published a final rule allowing states and other entities to develop a Section 804 Importation Program to import certain prescription drugs from Canada into the U.S. That regulation was challenged in a lawsuit by the Pharmaceutical Research and Manufacturers of America ("PhRMA") but the case was dismissed by a federal district court in February 2023 after the court found that PhRMA did not have standing to sue HHS. Several states have passed laws allowing for the importation of drugs from Canada.

In addition, the IRA potentially raises legal risks with respect to individuals participating in a Medicare Part D prescription drug plan who may experience a gap in coverage if they required coverage above their initial annual coverage limit before they reached the higher threshold, or "catastrophic period" of the plan. Individuals requiring services exceeding the initial annual coverage limit and below the catastrophic period, must pay 100% of the cost of their prescriptions until they reach the catastrophic period. Among other things, the IRA contains many provisions aimed at reducing this financial burden on individuals by reducing the co-insurance and co-payment costs, expanding eligibility for lower income subsidy plans, and price caps on annual out-of-pocket expenses, each of which could have potential pricing and reporting implications.

The OBBBA eliminated certain provisions of the IRA, and effective for the 2028 initial price applicability year, all orphan drugs, regardless of the number of orphan drug designations or indications, are exempt from the Medicare drug price negotiation program. The implementation of the IRA is currently subject to ongoing litigation challenging the constitutionality of the IRA's Medicare drug price negotiation program. We expect that litigation involving these and other provisions of the IRA will continue, with unpredictable and uncertain results.

On April 15, 2025, President Trump issued an Executive Order that directs HHS to take steps to reduce the prices of pharmaceutical products. The executive order repeats many of the proposals advanced during the first Trump administration, including directing the FDA to streamline and improve its existing drug importation program so as to make it easier for states to obtain approval without sacrificing the safety or quality of drug products. With respect to the IRA's Medicare drug pricing program, the executive order, among other things, calls for alignment in "the treatment of small molecule prescription drugs with that of biological products, ending the distortion that undermines relative investment in small molecule prescription drugs, coupled with other reforms to prevent any increase in overall costs to Medicare and its beneficiaries."

Subsequently, on May 12, 2025, President Trump issued an additional executive order, or the Additional Order, calling on pharmaceutical manufacturers to voluntarily reduce the prices of medicines in the U.S. The Additional Order directs the Secretary of HHS to communicate most-favored-nation, or MFN, price targets to pharmaceutical manufacturers to bring prices in line with comparably developed nations. Since the Additional Order, the Trump administration has continued to exert pressure on drug manufacturers to implement "most-favored-nation" pricing. For example, in November 2025, CMS announced a new voluntary payment initiative called the GENEROUS Model (GENErating cost Reductions for U.S. Medicaid Model) where drug manufacturers may voluntarily offer supplemental rebates to participating state Medicaid programs that are intended to provide such Medicaid programs with a "most-favored-nation" price for participating manufacturers' products. Additionally, on December 21, 2025, CMS issued two proposed rules that, if implemented, would introduce two mandatory payment models, the Global Benchmark for Efficient Drug Pricing (GLOBE) and Guarding U.S. Medicare Against Rising Drug Costs (GUARD) models, where manufacturers of certain Medicare Part B and Medicare Part D drugs would be assessed rebates if the prices for such products exceed those paid in economically comparable countries. Most recently, on April 2, 2026, President Trump issued an executive order establishing a tariff framework for imported patented pharmaceuticals and related inputs, with more favorable rates and/or exceptions tied to most-favored-nation pricing and domestic manufacturing commitments. It remains to be seen how these drug pricing initiatives will affect the broader pharmaceutical industry.

At the U.S. state level, legislatures are increasingly passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Another emerging trend at the state level is the establishment of prescription drug affordability boards, some of which will prospectively permit certain states to establish upper payment limits for drugs that the state has determined to be "high-cost." Prescription drug affordability boards in several states have begun identifying products for affordability reviews and issuing information requests to manufacturers to determine whether upper payment limits may be justified. In addition, regional health care authorities and individual hospitals are increasingly using

bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures. This may be increasingly true with respect to products approved pursuant to the accelerated approval pathway. State Medicaid programs and other payers are developing strategies and implementing significant coverage barriers, or refusing to cover these products outright, arguing that accelerated approval drugs have insufficient or limited evidence despite meeting the FDA's standards for accelerated approval.

Finally, outside the United States, in some nations, including those of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control and access. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we or our collaborators may be required to conduct a clinical trial that compares the cost-effectiveness of our product to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed.

We may be subject to certain healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, fines, disgorgement, exclusion from participation in government healthcare programs, curtailment or restricting of our operations, and diminished profits and future earnings.

Healthcare providers, physicians, and third-party payors will play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third-party payors, and customers will subject us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we conduct clinical research as well as market, sell and distribute any products for which we obtain marketing approval. These include, but are not limited to the following:

Anti-Kickback Statute. The federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid.

False Claims Laws. The federal false claims laws and civil monetary penalties laws, including the federal civil False Claims Act, impose criminal and civil penalties, including those from civil whistleblower or qui tam actions against individuals or entities for, among other things, knowingly presenting, or causing to be presented to the federal government, claims for payment that are false or fraudulent or making a false statement or record material payment of a false claim or avoiding decreasing or concealing an obligation to pay money to the federal government.

HIPAA. The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program.

HIPAA and HITECH. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or the HITECH Act, also imposes obligations on certain types of individuals and entities, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information.

False Statements Statute. The federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.

Transparency Requirements. The federal Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report annually to CMS information related to payments and other transfers of value made to U.S.-licensed physicians (defined to include doctors, dentists, optometrists, podiatrists, and chiropractors) and certain other U.S.-licensed healthcare providers and U.S. teaching hospitals, as well as information regarding ownership and investment interests by physicians and their immediate family members. As of January 1, 2022, applicable manufacturers are also required to report such information regarding its payments and other transfers of value to physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives during the previous year.

Analogous State and Foreign Laws. Analogous state and foreign fraud and abuse laws and regulations, such as state anti-kickback and false claims laws, and transparency laws, may apply to sales or marketing arrangements, and claims involving healthcare items or services reimbursed by non-governmental third party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the

relevant compliance guidance promulgated by the federal government, in addition to requiring manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures. Many state laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Foreign laws also govern the privacy and security of health information in many circumstances.

The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is prohibited in the European Union. Payments made to physicians in certain European Union Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual European Union Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct applicable in the European Union Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

Efforts to ensure that our business arrangements with third parties, and our business generally, will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from federal healthcare programs, such as Medicare and Medicaid, disgorgement, contractual damages, and reputational harm, any of which could substantially disrupt our operations. If any of the physicians or other providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from federal healthcare programs.

Compliance with state, national and international privacy and data security requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data globally, and the failure to comply with such requirements could subject us to a variety of harms, including significant fines and penalties, litigation and reputational damage, any of which may have a material adverse effect on our business, financial condition or results of operations.

We are subject to data privacy and protection laws and regulations, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information, including comprehensive regulatory systems in the U.S., EU and United Kingdom. The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

In the United States, there are numerous federal and state laws and regulations related to the privacy and security of personal information that may be applicable to our current and future activities, and a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. The FTC and state Attorneys General are all aggressive in reviewing privacy and data security protections for consumers. New laws also are being considered at both the state and federal levels. For example, the FTC has been particularly focused on the unpermitted processing of health and genetic data through its recent enforcement actions and is expanding the types of privacy violations that it interprets to be "unfair" under Section 5 of the Federal Trade Commission Act, as well as the types of activities it views to trigger the Health Breach Notification Rule (which the FTC also has the authority to enforce). The agency is also in the process of developing rules related to commercial surveillance and data security that may impact our business. We will need to account for the FTC's evolving rules and guidance for proper privacy and data security practices in order to mitigate our risk for a potential enforcement action, which may be costly. If we are subject to a potential FTC enforcement action, we may be subject to a settlement order that requires us to adhere to very specific privacy and data security practices, which may impact our business. We may also be required to pay fines as part of a settlement (depending on the nature of the alleged violations). If we violate any consent order that we reach with the FTC, we may be subject to additional fines and compliance requirements.

In addition to existing laws, a broad range of legislative measures have been introduced at both the federal and state levels. For example, the California Consumer Privacy Act, or CCPA, which went into effect on January 1, 2020, imposed many requirements on businesses that process the personal information of California residents, including requiring businesses to provide notice to data subjects regarding the information collected about them and how such information is used and shared, and providing data subjects the right to request access to such personal information and, in certain cases, request the erasure of such personal information. Additionally, in November 2020, California voters approved a new privacy law, the California Privacy Rights Act, or CPRA, which expands the CCPA to incorporate additional provisions, including requiring that the use,

retention, and sharing of personal information of California residents be reasonably necessary and proportionate to the purposes of collection or processing, granting additional protections for sensitive personal information, and requiring greater disclosures related to notice to residents regarding retention of information. Most CPRA provisions took effect on January 1, 2023, though the obligations apply to any personal information collected after January 1, 2022.

In addition to California, several other states have passed comprehensive privacy laws similar to the CCPA and CPRA. These laws are either in effect or will go into effect sometime before the end of 2026. Like the CCPA and CPRA, these laws create obligations related to the processing of personal information, as well as special obligations for the processing of "sensitive" data (which includes health data in some cases). Some of the provisions of these laws may apply to our business activities. Other states will be considering these laws in the future, and Congress has also been debating passing a federal privacy law. These laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products.

Plaintiffs' lawyers are also increasingly using privacy-related statutes at both the state and federal level to bring lawsuits against companies for their data-related practices. In particular, there have been a significant number of cases filed against companies for their use of pixels and other web trackers. These cases often allege violations of the California Invasion of Privacy Act and other state laws regulating wiretapping, as well as the federal Video Privacy Protection Act. The rise in these types of lawsuits creates potential risk for our business.

A wide range of enforcement agencies at both the state and federal levels can review companies for privacy and data security concerns based on general consumer protection laws. For example, the FTC and state Attorneys General are aggressive in reviewing privacy and data security protections for consumers. In addition to the risks associated with enforcement activities, there also is the threat of consumer class actions related to these laws and the overall protection of personal data. Even if we are not determined to have violated the law, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our reputation and our business.

Similar to the laws in the United States, there are significant privacy and data security laws that apply in Europe and other countries. For example, the collection, use, disclosure, transfer, or other processing of personal data, including personal health data, regarding individuals who are located in the European Economic Area, or the EEA, is subject to the EU General Data Protection Regulation, or the GDPR, which took effect across all member states of the EEA in May 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including strict rules on the transfer of personal data to countries outside the European Union, including the United States. The GDPR also permits data protection authorities to require destruction of improperly gathered or used personal information and/or impose substantial fines for violations of the GDPR, which can be up to four percent of annual global revenues or 20 million Euros, whichever is greater, and it also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR provides that European Union member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data. As a result, there is increased scrutiny on the extent to which clinical trial sites located in the EEA should apply the GDPR to transfers of personal data from such sites to countries that are considered to lack an adequate level of data protection, such as the United States. There are also open questions about how personal data will be protected in the United Kingdom and whether personal information can transfer from the EU to the United Kingdom.

In October 2022, President Biden signed an executive order to implement the EU-U.S. Data Privacy Framework, which serves as a replacement to the EU-U.S. Privacy Shield. The European Commission adopted the adequacy decision on July 10, 2023. The adequacy decision permits U.S. companies who self-certify to the EU-U.S. Data Privacy Framework to rely on it as a valid data transfer mechanism for data transfers from the European Union to the United States. However, some privacy advocacy groups have already suggested that they will be challenging the EU-U.S. Data Privacy Framework. If these challenges are successful, or there are other developments involving the arrangements that underlie this framework, they may not only impact the EU-U.S. Data Privacy Framework, but also further limit the viability of the standard contractual clauses and other data transfer mechanisms. The uncertainty around this issue has the potential to impact our business.

These evolving compliance and operational requirements impose significant costs that are likely to increase over time. Preparing for and complying with such requirements is rigorous and time intensive. It requires significant resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data, and may require us to modify our data processing practices and policies, divert resources from other initiatives and projects, and restrict the way products and services involving data are offered. Further, current and future laws or regulations associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal information from our clinical trials, could require us to change our business practices and put in place additional compliance mechanisms, interrupt or delay our development, regulatory and commercialization activities and increase our cost of doing business, and could lead to government enforcement actions, private

litigation and significant fines and penalties against us. Any of these events could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to U.S. and certain foreign export control, import, sanctions, anti-corruption, and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, third-party intermediaries, joint venture partners and collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. We may have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. In addition, we may engage third party intermediaries to promote our clinical research activities abroad and/or to obtain necessary permits, licenses, and other regulatory approvals. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners and agents, even if we do not explicitly authorize or have actual knowledge of such activities.

Noncompliance with the laws and regulations described above could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas, investigations or other enforcement actions are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense and compliance costs and other professional fees. In certain cases, enforcement authorities may even cause us to appoint an independent compliance monitor which can result in added costs and administrative burdens.

Changes in and uncertainty surrounding U.S. and international trade policies could have a material adverse impact on our business, financial condition and results of operations.

As a result of numerous changes in tariffs and trade restrictions that have been announced and/or implemented by the Trump administration since taking office, and other countries in response to Trump administration actions, and the underlying uncertainty currently surrounding international trade, we could experience a negative impact on our costs of materials or supply chain disruptions and delays. If we are unable to obtain necessary raw materials or product components in sufficient quantity and in a timely manner due to disruptions in the global supply chain caused by macroeconomic events and conditions, the development, testing and clinical trials of our product candidates may be delayed or rendered infeasible, and regulatory approval or commercial launch of any resulting product may be delayed, which could significantly harm our business. We cannot yet predict the effect of recently imposed U.S. tariffs, or of possible future U.S. tariffs, including, but not limited to, tariffs on pharmaceuticals, pharmaceutical ingredients, including finished drug products, medical countermeasures, critical inputs such as active pharmaceutical ingredients (API) and key starting materials, and derivative products of those items, on imports, or the extent to which other countries will impose quotas, duties, tariffs, taxes or other similar restrictions upon imports or exports in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business.

Changes in U.S. and international trade policies, particularly with respect to China, may adversely impact our business and operating results.

Trade tensions and conflicts between the United States and China have been escalating in recent years and, as such, we are exposed to the possibility of product supply disruption and increased costs and expenses in the event of changes to the laws, rules, regulations and policies of the governments of the United States or China, or as a result of geopolitical unrest or unstable economic conditions. Certain Chinese biotechnology companies may become subject to trade restrictions, sanctions, other regulatory requirements or proposed legislation by the U.S. government, which could restrict or even prohibit our ability to work with such entities, thereby potentially disrupting their supply of material to us. For example, in February 2024, U.S. lawmakers called for investigations into and the imposition of possible trade sanctions against certain Chinese biotechnology companies, including WuXi AppTec and WuXi Biologics, or collectively WuXi, over alleged ties to the Chinese military. Sustained uncertainty about or further escalating trade and political tensions between the United States and China may prevent or hinder the export of materials or technical information between us and third parties, such as pharmaceutical partners, or could result in trade or retaliatory restrictions that may hinder or potentially inhibit our ability to rely on contract CDMOs and other service providers that operate in China. These third parties may voluntarily require compliance or supply chain requirements

that go above and beyond potential legislation to address perceived risk of "pass through," which would make it difficult for us to operate our business.

In December 2025, Congress enacted a law that, subject to certain grandfather provisions, will prohibit U.S. federal agencies from procuring or obtaining "biotechnology equipment or services" from certain Chinese companies designated as "biotechnology companies of concern." It will also prohibit U.S. federal agencies from entering into, extending or renewing contracts with any entity that either uses biotechnology equipment or services provided by a designated biotechnology company of concern in performance of the contract or enters into any contract with a third party that requires either party to use biotechnology equipment or services produced or provided by a biotechnology company of concern. It also prohibits an executive agency from obligating or expending a loan or grant to procure biotechnology equipment or services produced or provided by a designated biotechnology company of concern. Regulatory or legislative action taken by the U.S. government to impose restrictions on transactions with China, like the restrictions described above, could have the potential to severely restrict the ability of companies like ours to contract with Chinese biotechnology companies of concern, which could have adverse effects on the development of our product candidates and our business operations.

Any unfavorable government policies on international trade, such as export controls, capital controls or tariffs, may increase the cost of manufacturing our product candidates and platform materials, affect the demand for our drug products (if and once approved), the competitive position of our product candidates, and the import or export of raw materials and finished product candidate used in our and our collaborators' preclinical studies and clinical trials, particularly with respect to any product candidates and materials that we import from China. If any new tariffs, export controls, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if either the U.S. or Chinese government takes retaliatory trade actions due to the recent trade tension, such changes could have an adverse effect on our business, financial condition and results of operations.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. From time to time and in the future, our operations may involve the use of hazardous and flammable materials, including chemicals and biological materials, and may also produce hazardous waste products. Even if we contract with third parties for the disposal of these materials and waste products, we cannot completely eliminate the risk of contamination or injury resulting from these materials. In the event of contamination or injury resulting from the use or disposal of our hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, however this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. Current or future environmental laws and regulations may impair our research, development or production efforts. In addition, failure to comply with these laws and regulations may result in substantial fines, penalties or other sanctions.

Our employees, independent contractors, CROs, consultants, commercial partners, vendors and principal investigators may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, CROs, consultants, commercial partners, vendors and, if we commence clinical trials, our principal investigators. Misconduct by these parties could include intentional failures to comply with FDA regulations or the regulations applicable in the European Union and other jurisdictions, provide accurate information to the FDA, the European Commission and other regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately, or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements.

Such misconduct also could involve the improper use of information obtained in the course of clinical trials or interactions with the FDA or other regulatory authorities, which could result in regulatory sanctions and cause serious harm to our reputation. Even with appropriate policies and procedures, it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent such activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions or lawsuits stemming from a failure to comply with these laws or

regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

The biopharmaceutical industry is subject to extensive regulatory obligations and policies that may be subject to change, including due to judicial challenges, election cycles, and resulting regulatory updates and changes in policy priorities.

In June 2024, the U.S. Supreme Court issued an opinion in *Loper Bright Enterprises v. Raimondo* holding that courts reviewing agency action pursuant to the Administrative Procedure Act "must exercise their independent judgment" and "may not defer to an agency interpretation of the law simply because a statute is ambiguous." The decision has impacted how lower courts evaluate challenges to agency interpretations of law, including those by the FDA, HHS, CMS and other agencies with significant oversight of the biopharmaceutical industry. This is likely to increase both the frequency of such challenges and their odds of success by eliminating one way in which the government previously prevailed in such cases. As a result, significant regulatory policies will be subject to increased litigation and judicial scrutiny.

In addition, federal agency activities, priorities, leadership, policies, rulemaking, communications, spending and staffing may be significantly impacted by election cycles and legislative developments. For example, the current presidential administration aims to significantly reduce government spending through cuts to federal healthcare programs and reductions in the workforces of key government agencies, such as the FDA, HHS, and CMS. Efforts by the current administration to limit federal agency budgets or personnel may result in reductions to agency budgets, employees and operations. The administration and agencies have also made abrupt announcements about new or changed regulatory policies, such as policies related to use of artificial intelligence to review product applications. Additionally, any federal government shutdowns may prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities, and may significantly impact the ability of the FDA to timely review and process our regulatory submissions. These developments may lead to slower response times and longer review periods, potentially affecting our ability to progress development of our product candidates or obtain regulatory approval for our product candidates. Any resulting changes in regulation may result in unexpected delays, increased costs, or other negative impacts on our business that are difficult to predict.

Risks Related to Our Business Operations, Employee Matters and Managing Growth

Our future success depends on our ability to retain key employees, consultants and advisors and to attract, retain and motivate qualified personnel.

We are highly dependent on the management, research and development, clinical, financial and business development expertise of our executive officers, as well as the other members of our scientific and clinical teams. Although we have employment offer letters which outline the terms of employment with each of our executive officers, each of them may terminate their employment with us at any time. As such, these employment offer letters do not guarantee our retention of our executive officers for any period of time. We do not maintain "key person" insurance for any of our employees.

Recruiting and retaining qualified scientific and clinical personnel and, if we are successful in obtaining marketing approval for our product candidates, sales and marketing personnel, is critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and other key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval for and commercialize our product candidates. We are based in the Boston area, a region that is home to many other biopharmaceutical companies as well as many academic and research institutions, resulting in fierce competition for qualified personnel. Furthermore, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited, and could harm our business, prospects, financial condition and results of operations.

We may encounter difficulties in managing the growth of our organization, which could disrupt our operations.

In February 2026, we implemented a reduction in force affecting approximately 64% of our workforce as part of a restructuring plan intended to better align our resources with our pursuit of strategic alternatives. In May 2026, an additional reduction in force occurred, representing 36% of our workforce at that time. Additional risks associated with the continuing impact of our restructuring plan include employee attrition beyond our intended reduction-in-force and adverse effects on employee morale, diversion of management attention, and adverse effects to our reputation as an employer (which could make it more difficult for

us to hire employees in the future). If we do not realize the expected benefits of our restructuring plan on a timely basis or at all, our business, results of operations and financial condition could be adversely affected.

Over the next few years, assuming we are able to raise sufficient capital, we expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of clinical development, regulatory affairs, finance and, if any of our product candidates receive marketing approval, sales, marketing and distribution. Our management may need to divert a disproportionate amount of its attention away from our day-to-day activities to devote time to managing these growth activities. To manage these growth activities, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. Our inability to effectively manage the expansion of our operations may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of additional product candidates. If our management is unable to effectively manage our expected growth, our expenses may increase more than expected, our potential ability to generate revenue could be reduced and we may not be able to implement our business strategy.

Our business could be negatively affected by cyberattacks or a deficiency in our cybersecurity.

A cyberattack or similar incident could occur and result in information theft, data corruption, operational disruption, damage to our reputation, or financial loss. We are increasingly dependent on information technology systems and infrastructure, including mobile technologies, to operate our business. Our technologies, systems, networks, or other proprietary information, and those of our vendors, suppliers and other business partners, may become the target of cyberattacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss, or destruction of proprietary and other information, or could otherwise lead to the disruption of our business operations. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Moreover, certain cyber incidents, such as surveillance, may remain undetected for an extended period and could lead to disruptions in critical systems or the unauthorized release of confidential or otherwise protected information. These events could lead to financial loss due to remedial actions, loss of business, disruption of operations, damage to our reputation, or potential liability. Our systems and insurance coverage for protecting against cybersecurity risks may not be sufficient. Furthermore, as cyberattacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyberattacks.

Our internal computer systems, or those used by our third-party research institution collaborators, CROs or other contractors or consultants, may fail or suffer security breaches.

Despite the implementation of security measures, our internal computer systems and those of our CROs and other contractors, vendors, and consultants may be vulnerable to damage from cybersecurity risks, including attempts to gain unauthorized access to and to harm sensitive or confidential information and networks, insider threats, and ransomware. These vulnerabilities may be heightened as a result of flexible work arrangements, including hybrid or remote work policies implemented by us and our third-party contractors, that were first adopted in response to the COVID-19 pandemic and have continued by many businesses in an effort to attract and retain talent.

Investigations into and remedial efforts in connection with any security incidents, even those with immaterial impact, can be costly and time-consuming and could be material, or cause significant disruption, to our business. For example, the loss of clinical trial data from ongoing or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for research and development, the manufacture and supply of drug product and drug substance and to conduct clinical trials. We depend on these third parties to implement adequate controls and safeguards to protect against and report cybersecurity incidents. If they fail to do so, we may suffer financial and other harm, including to our information, operations, performance, and reputation. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our product candidates could be delayed.

Cybersecurity threats, both on premises and in the cloud, are evolving and include, but are not limited to: malicious software, destructive malware, ransomware, attempts to gain unauthorized access to systems or data, disruption to operations, critical systems or denial of service attacks; unauthorized release of confidential, personal or otherwise protected information; corruption of data, networks or systems; harm to individuals; and loss of assets. In addition, we could be impacted by cybersecurity threats or other disruptions or vulnerabilities found in products or services we use that are provided to us by third parties. The techniques used by criminal elements to attack computer systems are sophisticated, change frequently and may

originate from less regulated and remote areas of the world. As a result, we may not be able to address these techniques proactively or implement adequate preventative measures. These events, if not prevented or effectively mitigated, could damage our reputation, require remedial actions and lead to loss of business, regulatory actions, potential liability and other financial losses.

Certain data breaches must also be reported to affected individuals and various government and/or regulatory agencies, and in some cases to the media, under provisions of HIPAA, as amended by HITECH, other U.S. federal and state law, and requirements of non-U.S. jurisdictions, including the European Union Data Protection Directive, and financial penalties may also apply.

Our insurance policies may not be adequate to compensate us for the potential losses arising from breaches, failures or disruptions of our infrastructure, catastrophic events and disasters or otherwise. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention.

Business disruptions and unfavorable economic conditions could seriously harm our business, future revenue and financial condition, and could increase our costs and expenses.

We depend on our employees, consultants, contract manufacturers, and CROs, and other parties, for the continued operation of our business. Our or their operations could be significantly disrupted by earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, ice and snowstorms, extreme weather conditions, medical epidemics or pandemics, wars or other armed conflicts, geopolitical tensions or trade wars, terrorist attacks, and other natural or man-made disasters or business interruptions, for which we are, and they may be, predominantly self-insured. Because we rely on third-party contract manufacturers to produce our product candidates, our ability to obtain clinical supplies of our product candidates could be disrupted if the operations of these suppliers were affected by a man-made or natural disaster or other business interruption. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

In addition, unfavorable economic conditions both inside and outside the U.S., including, without limitation, heightened inflation, capital market volatility, interest rate and currency rate fluctuations, any potential economic slowdown or recession, banking disruptions, public health crises such as the COVID-19 pandemic and geopolitical events, including trade wars or civil or political unrest (such as the ongoing war between Ukraine and Russia and conflict in the Middle East), have resulted in a significant disruption of global financial markets. If the disruption persists or deepens, we could experience an increase in our costs and expenses, including an increase in financing costs, and restrictions on our access to potential sources of future capital. If we are unable to raise additional capital when needed or on attractive terms, our business, financial condition, stock price and results of operations could be adversely affected, and we could be forced to delay, reduce or altogether terminate one or more current or future research and development programs. Further, we hold our cash and cash equivalents that we use to meet our working capital and operating expense needs in deposit accounts at multiple financial institutions, and if a financial institution in which we hold such funds fails or is subject to significant adverse conditions in the financial or credit markets, we could be subject to a risk of loss of all or a portion of any uninsured funds or be subject to a delay in accessing all or a portion of such uninsured funds. Any such loss or lack of access to these funds could adversely impact our short-term liquidity and ability to meet our operating expense obligations. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive such difficult economic times, which could directly affect our ability to attain our operating goals. Any of the foregoing could harm our business, future revenue and financial condition.

A variety of risks associated with marketing our product candidates internationally, if approved, could materially adversely affect our business.

We may seek regulatory approval of our product candidates outside of the United States and, accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including:

- regulatory requirements in foreign countries that differ from those in the United States;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;

- complexities associated with managing multiple payor reimbursement regimes, government payors or patient self-pay systems;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the FCPA or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

Any of these factors could harm our future international expansion and operations and, consequently, our results of operations.

We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.

From time to time, we may consider strategic transactions, such as acquisitions of companies, asset purchases and out-licensing or in-licensing of intellectual property, products or technologies. Additional potential transactions that we may consider in the future include a variety of business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments. Any future transactions could increase our near and long-term expenditures, result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition. Accordingly, although there can be no assurance that we will undertake or successfully complete any additional transactions of the nature described above, any additional transactions that we do complete could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Related to Ownership of Our Common Stock and Our Status as a Public Company

We have received a notice from Nasdaq that we are not in compliance with the minimum bid price requirement for continued listing, and our common stock may be delisted if we do not regain compliance.

We are required to comply with the continued listing requirements of the Nasdaq Stock Market LLC, or Nasdaq, including, among other things, maintaining a minimum closing bid price of $1.00 per share, referred to as the minimum bid price requirement. On February 4, 2026, we received a deficiency letter, or the Notice, from the Nasdaq Listing Qualifications Department, or the Staff, notifying us that we had failed to meet the bid price requirement. The Notice has no immediate effect on the listing of our common stock. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we have an initial period of 180 calendar days, which expires on August 3, 2026, to regain compliance with the bid requirement. To regain compliance, the closing bid price of our common stock must be at least $1.00 per share for a minimum of 10 consecutive business days during this 180 calendar day period, at which time the Staff will provide written notification to us that we comply with the bid requirement, unless the Staff exercises its discretion to extend this ten-day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H).

As of the date of this Quarterly Report, we have not regained compliance with the minimum bid price requirement. If we do not regain compliance by August 3, 2026, we may be eligible for an additional 180-day compliance period if, at that time, we satisfy the requirements for continued listing (other than the minimum bid price requirement) applicable to companies listed on the Nasdaq Capital Market and we notify Nasdaq of our intent to cure the deficiency. There can be no assurance that we would be eligible for a second compliance period or that we would regain compliance during any such period. If we do not regain compliance and are not eligible for, or fail to regain compliance during, a second compliance period, the Staff will notify us that our common stock is subject to delisting, which determination we may appeal to a Nasdaq Hearings Panel. Our common stock would remain listed pending the panel's decision, although there can be no assurance that any such appeal would be successful.

Any delisting of our common stock from Nasdaq would have a material adverse effect on the market for, and liquidity and price of, our common stock and would adversely affect our ability to raise capital on terms acceptable to us, or at all. Delisting from Nasdaq could also have other negative results, including, without limitation, the potential loss of confidence by investors,

customers and employees and fewer business development opportunities. Any delisting of our common stock from Nasdaq would also make it more difficult for our stockholders to sell their shares of our common stock in the public market.

The price of our common stock could be subject to volatility related or unrelated to our operations.

Our stock price is likely to be volatile. For example, from January 1, 2025, until July 27, 2026, our stock price has ranged from $0.27 to $2.38. The stock market in general and the market for biotechnology and pharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at an attractive price or at all. The market price for our common stock may be influenced by many factors, including:

- adverse results from preclinical studies;
- the commencement, enrollment or results of any clinical trials we may conduct, or changes in the development status of our product candidates;
- adverse results from, delays in initiating or completing, or termination of clinical trials;
- unanticipated serious safety concerns related to the use of our product candidates;
- clinical trial results from, or regulatory approval of, a competitor's product candidate;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- lower than expected market acceptance of our product candidates following approval for commercialization;
- adverse developments concerning our manufacturers;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- introduction of new products or services by our competitors;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- conditions or trends in our industry;
- our cash position;
- sales of our common stock by us or our stockholders in the future;
- adoption of new accounting standards;
- ineffectiveness of our internal controls;
- changes in the market valuations of similar companies;
- stock market price and volume fluctuations of comparable companies and, in particular, those that operate in the biotechnology and pharmaceutical industry;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- investors' general perception of our company and our business;
- recruitment or departure of key personnel;
- overall performance of the equity markets;
- trading volume of our common stock;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies and product candidates;
- significant lawsuits, including patent or stockholder litigation;

- proposed changes to healthcare laws or pharmaceutical pricing in the United States or foreign jurisdictions, or speculation regarding such changes;
- general political and economic conditions, including the imposition of new or revised global trade tariffs; and
- other events or factors, many of which are beyond our control.

In addition, in the past, stockholders have initiated class action lawsuits against pharmaceutical and biotechnology companies following periods of volatility in the market prices of these companies' stock. This risk is especially relevant for us because biopharmaceutical companies have experienced significant stock price volatility in recent years. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources from our business.

If securities or industry analysts do not publish or cease publishing research or reports about our company, or if they issue unfavorable or inaccurate research regarding our business, our share price and trading volume could decline.

The trading market for our common stock relies, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have research control over these analysts. There can be no assurance that existing analysts will continue to cover us or that new analysts will begin to cover us. There is also no assurance that any covering analysts with provide favorable coverage. Although we have obtained coverage, if one or more of the analysts covering us downgrades our stock or publishes unfavorable or inaccurate research about our business, our stock price may decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

We have broad discretion regarding use of our cash and cash equivalents, and we may use them in ways that do not enhance our operating results or the market price of our common stock.

Our management has broad discretion in the application of our cash and cash equivalents. We could utilize our cash and cash equivalents in ways our stockholders may not agree with or that do not yield a favorable return, if any, and our management might not apply our cash and cash equivalents in ways that ultimately increase the value of our stockholders' investments. If we do not utilize our cash and cash equivalents in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock.

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future.

We have incurred and will continue to incur increased costs as a result of operating as a public company, and our management has devoted and will continue to be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses that we did not previously incur as a private company. The Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Nasdaq listing requirements, and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel have and will need to continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs, particularly as we hire additional financial and accounting employees to meet public company internal control and financial reporting requirements and will make some activities more time-consuming and costly compared to when we were a private company.

We are continually evaluating these rules and regulations and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If notwithstanding our efforts to comply with new laws, regulations and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, we are required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company or a smaller reporting company with less than $100.0 million in annual revenue, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with

Section 404 within the prescribed period, we are engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, including through hiring additional financial and accounting personnel, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses in our internal control over financial reporting, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

In the past, we have identified material weaknesses in our internal control over financial reporting, and if we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock may be materially adversely affected.

In the past, we have identified material weaknesses in our internal control over financial reporting. All material weaknesses previously identified have been fully remediated.

If, in the future we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of our stock to fall. In addition, as a public company we are required to file accurate and timely quarterly and annual reports with the SEC under the Exchange Act. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from the Nasdaq Global Select Market or other adverse consequences that would materially harm our business. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, and other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation and our financial condition, or divert financial and management resources from our core business.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, is designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. As discussed above, we have identified material weaknesses in the past which have since been remediated. However, our remediation of previous material weaknesses may not prevent any future deficiency in our internal control over financial reporting. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could harm our business and have a negative effect on the trading price of our stock.

We are required to disclose changes made in our internal controls and procedures on a quarterly basis, and our management is required to assess the effectiveness of these controls annually. However, for as long as we are an emerging growth company under the Jumpstart Our Business Startups Act, or the JOBS Act, enacted in April 2012 or a smaller reporting company with less than $100.0 million in annual revenue, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. We could be an emerging growth company for up to five years. An independent assessment of the effectiveness of our internal control over financial reporting could detect problems that our management’s assessment might not. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation, which could have a negative effect on the trading price of our stock.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to certain reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal control over

financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current directors and members of management.

Provisions in our restated certificate of incorporation, or our certificate of incorporation, and our second amended and restated bylaws, or our bylaws, may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which our stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that only one of three classes of directors is elected each year;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from our board of directors;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a "poison pill" that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast to amend or repeal specified provisions of our certificate of incorporation or bylaws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, or the DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our restated certificate of incorporation designates the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers and employees and increase the costs to our stockholders of bringing such claims.

Our restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders;
- any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or
- any action asserting a claim arising pursuant to any provision of our certificate of incorporation or bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine.

These choice of forum provisions will not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any claims arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors, officers or employees, and increase the costs to such stockholders of bringing such a claim, either of which may discourage such lawsuits against us and our directors, officers and employees. If a court were to find either exclusive forum provision contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving such action in other jurisdictions, all of which could materially adversely affect our business, financial condition and operating results.

Item 5. Other Events.

Nasdaq Continued Listing Matters

As previously disclosed in our Current Report on Form 8-K filed with the Securities and Exchange Commission on February 6, 2026, on February 4, 2026, we received a deficiency letter (the “Notice”) from the Listing Qualifications Department (the “Staff”) of The Nasdaq Stock Market LLC (“Nasdaq”) notifying us that, for the preceding 30 consecutive business days, the bid price of our common stock had closed below $1.00 per share, which is the minimum bid price required to maintain continued listing on the Nasdaq Global Select Market under Nasdaq Listing Rule 5450(a)(1) (the “Minimum Bid Requirement”). The Notice had no immediate effect on the listing of our common stock, which continues to trade on the Nasdaq Global Select Market under the symbol "HOWL."

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided an initial period of 180 calendar days, or until August 3, 2026, to regain compliance with the Minimum Bid Requirement. To regain compliance, the closing bid price of our common stock must be at least $1.00 per share for a minimum of 10 consecutive business days during this compliance period, unless the Staff exercises its discretion to extend this ten-day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H). As of the date of this Quarterly Report on Form 10-Q, we have not regained compliance with the Minimum Bid Requirement.

If we do not regain compliance with the Minimum Bid Requirement by August 3, 2026, we may be eligible for an additional 180 calendar day compliance period. To qualify, we would be required to transfer the listing of our common stock to the Nasdaq Capital Market and to satisfy the continued listing requirement for the market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the Minimum Bid Requirement. Among those initial listing standards is a requirement, under the equity standard set forth in Nasdaq Listing Rule 5505(b)(1), that we maintain stockholders’ equity of at least $5.0 million. To effect any such transfer, we would also be required to pay an application fee to Nasdaq and to provide written notice to the Staff of our intention to cure the Minimum Bid Requirement deficiency during the second compliance period, including, if necessary, by effecting a reverse stock split.

As reflected in our condensed consolidated balance sheet as of June 30, 2026 included in Part I, Item 1 of this Quarterly Report, we had total stockholders' equity of $16.3 million, which exceeds the $5.0 million stockholders' equity requirement under the Nasdaq Capital Market equity standard described above. Based on our current financial condition and anticipated cash utilization, we currently expect that our stockholders' equity will remain in excess of $5.0 million through August 3, 2026.

We intend to continue to monitor the closing bid price of our common stock and to evaluate the options available to us to regain compliance with, or otherwise address, the Minimum Bid Requirement, including a transfer of the listing of our common stock to the Nasdaq Capital Market in order to obtain the additional 180 calendar day compliance period described above. There can be no assurance, however, that we will regain compliance with the Minimum Bid Requirement during the initial compliance period, that we will be eligible for, or that Nasdaq will grant, the additional compliance period, that we will continue to satisfy the stockholders' equity requirement or the other initial listing standards of the Nasdaq Capital Market, or that we will otherwise maintain compliance with the applicable Nasdaq listing requirements. Our ability to maintain stockholders' equity in excess of $5.0 million is subject to a number of risks and uncertainties, including those described under Part II, Item 1A, "Risk Factors,"

in this Quarterly Report and the substantial doubt about our ability to continue as a going concern described in Note 2 to the condensed consolidated financial statements included in this Quarterly Report. If our common stock were to be delisted from Nasdaq, the liquidity and market price of our common stock, and our ability to raise capital, could be materially and adversely affected.

Item 6. Exhibits

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 5, 2021, File No. 001-40366).
3.2	Third Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 13, 2025).
10.1*‡	Asset Purchase Agreement dated as of May 6, 2026, by and between Werewolf Therapeutics, Inc. and Jazz Pharmaceuticals Ireland Limited.
10.2*‡	Agreement for Termination of Lease and Voluntary Surrender of Premises, dated as of May 7, 2026, by and between Werewolf Therapeutics, Inc. and ARE-770/784/790 Memorial Drive, LLC.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1†	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – 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 (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

* Filed herewith.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report, are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Werewolf Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in such filing.

‡ Certain schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K, and certain identified information has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type that the Registrant customarily and actually treats as private or confidential. The Registrant agrees to furnish supplementally a copy of any omitted schedule or attachment to the Securities and Exchange Commission or its staff upon request.

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.

WEREWOLF THERAPEUTICS, INC.

Date: July 31, 2026

By: /s/ Daniel J. Hicklin

Daniel J. Hicklin, Ph.D.
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: July 31, 2026

By: /s/ Michael J. Urban

Michael J. Urban
Vice President of Finance and Corporate Controller
(Principal Financial and Accounting Officer)

Exhibit 10.1

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT ITS BOTH NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS [***].

Execution Version

ASSET PURCHASE AGREEMENT

by and between

JAZZ PHARMACEUTICALS IRELAND LIMITED

and

WEREWOLF THERAPEUTICS, INC.

Dated as of May 6, 2026

v.

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Disclosure Schedule

Schedules:

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of May 6, 2026, by and between Jazz Pharmaceuticals Ireland Limited, a corporation organized under the laws of Ireland (the "Buyer"), and Werewolf Therapeutics, Inc., a Delaware corporation (the "Seller"). The Buyer and the Seller are referred to herein collectively as the "Parties" and individually as a "Party."

Introduction

The Buyer and the Seller are parties to that certain Collaboration and License Agreement, dated April 6, 2022, pursuant to which the Buyer obtained an exclusive license to Exploit (as defined in the Original License Agreement) Licensed Products (as defined in the Original License Agreement) from the Seller (the "Original License Agreement").

The Seller desires to sell, transfer and assign to the Buyer, and the Buyer desires to purchase from the Seller, the Transferred Assets (as defined below), subject to the assumption by the Buyer of the Assumed Liabilities (as defined below), upon the terms and subject to the conditions set forth in this Agreement.

Simultaneous with the execution of this Agreement, the Seller and the Buyer agree to terminate the Original License [***].

In consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, [***] and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Buyer and the Seller agree as follows:

ARTICLE I

PURCHASE AND SALE OF THE TRANSFERRED ASSETS

1.1 Purchase and Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, the Seller agrees to sell, convey, transfer, assign and make available for transfer to the Buyer, and the Buyer agrees to purchase, acquire and accept from the Seller, all of Seller's right, title and interest in, to and under the Transferred Assets, in each case, free and clear of all Liens other than Permitted Liens. For purposes of this Agreement, "Transferred Assets" means all of Seller's right, title and interest in the following assets as the same exist as of immediately prior to the Closing:

(a) the Patents set forth on Schedule 1.1(a) (the "Transferred Patents"), and the Seller's right, title and interest in and to all patent files, correspondence, opinions, studies, search results and documentation that are in the possession or control of the Seller as of immediately prior to the Closing to the extent related to such Transferred Patents (the "Transferred Patent Files"); provided that the Seller shall have the right to retain copies of any such Transferred Patent Files for its compliance records;

(b) any and all Know-How owned by the Seller and primarily used by either Party in connection with the 898 Program or any Product as of immediately prior to the Closing, including the Know-How set forth on Schedule 1.1(b) (the "Transferred Know-How");

(c) the compound set forth on Schedule 1.1(c) (the "Transferred Compound");

(d) the regulatory files, submissions and documentation to the extent relating to the 898 Program, any Product or the Regulatory Approvals, including all Regulatory Approvals, regulatory correspondence, meeting minutes, clinical and non-clinical study reports submitted to or received from any Regulatory Authority, adverse event reports, pharmacovigilance files, regulatory strategies, and all other material communications, filings, and records to the extent relating to Regulatory Approvals, including the documentation set forth on Schedule 1.1(d) (the "Transferred Regulatory Documentation"); and

(e) the Seller's right, title and interest in and to all books, documentation, specifications, preclinical studies, lab notebooks, lab reports, ledgers, files, reports, plans and operating records that are in the possession or control of the Seller, in each case to the extent related to the Products as of immediately prior to the Closing (the "Transferred Books and Records"); provided that (i) the Seller shall have the right to retain copies of any such Transferred Books and Records, including lab notebooks, for its compliance records and (ii) the Seller shall have the right to retain originals of any lab notebooks included in the Transferred Books and Records and provide the Buyer with copies of such notebooks.

1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the Buyer is only purchasing the Transferred Assets, and the Transferred Assets shall not include any of the Excluded Assets. For purposes of this Agreement, "Excluded Assets" means all assets, rights and properties of the Seller or any of its Affiliates other than the Transferred Assets. Without limitation of the foregoing, the Excluded Assets shall include the following:

(a) any Other Active Ingredient;

(b) all accounts receivable, pre-paid expenses, cash and cash equivalents or similar investments, other current assets, bank accounts, commercial paper, certificates of deposit, Treasury bills and other marketable securities, including security deposits, reserves, prepaid rents and prepaid expenses;

(c) other than the Transferred Intellectual Property, all Intellectual Property owned by or licensed to the Seller or any of its Affiliates (including all Seller Names and Marks and the Licensed IP);

(d) all insurance policies, surety bonds or self-insurance of the Seller or any of its Affiliates and all claims, credits, causes of action or rights thereunder (including rights to assert claims thereunder);

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(e) (i) all books, records, files and papers, whether in hard copy or computer format, (A) prepared in connection with or in respect of this Agreement, any Ancillary Agreement or the Contemplated Transactions, (B) prepared and maintained by the Seller or any of its Affiliates in connection with the Seller's or its Affiliates' regulatory or other legal compliance, including any regulatory filings, correspondence with Governmental Entities, market research data and marketing data, in each case under clauses "(A)" and "(B)" of this sentence to the extent not related to the Transferred Assets, (C) relating to employees of the Seller or its Affiliates or (D) that form part of the general ledger of the Seller or any of its Affiliates, that are working papers of the auditors of the Seller or any of its Affiliates or that are records related to Taxes payable by the Seller or any of its Affiliates, and (ii) all minute books of the Seller and its Affiliates and other corporate records of the Seller and its Affiliates;

(f) all accounting goodwill related to the Transferred Assets;

(g) all privileged communications between the Seller and any of its Affiliates and its and their respective attorneys, and any other privileged documents;

(h) all rights of the Seller or any of its Affiliates arising under this Agreement, the Ancillary Agreements or the Contemplated Transactions;

(i) all interests in the capital stock and other equity interests of the Seller or any of its Affiliates or any other Person;

(j) all Tax refunds, Tax credits, Tax deposits and other Tax assets or any other rights relating to the recovery or recoupment of Taxes (including any refunds or rights or claims to refunds of Taxes, Tax deposits, Tax credits or other Tax assets) for any Tax period (or portion thereof) ending on the Closing Date to the extent relating to the Transferred Assets;

(k) all Tax books and records;

(l) all claims, causes of action, defenses, counterclaims or other rights, if any, arising out of or relating to, in each case in respect of the period prior to the Closing (i) any of the Transferred Assets or any Product or the Assumed Liabilities (other than any claims with respect to infringement of Transferred Patents or misappropriation of Transferred Know-How, which claims shall constitute Transferred Assets) or (ii) any Excluded Asset or Retained Liability; and

(m) all rights that accrue or will accrue to the benefit of the Seller under this Agreement or the Ancillary Agreements.

1.3 Assumption of Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, the Buyer shall assume and agree to perform, pay, satisfy or discharge when due the Assumed Liabilities. For purposes of this Agreement, "Assumed Liabilities" means the following Liabilities:

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(a) all Liabilities arising out of the prosecution, ownership, operation, maintenance, sale, lease or use of any Transferred Asset or any Product from and after the Closing, but excluding, in each event, any Liabilities from a third party claim arising after the Closing that are based on facts, circumstances or occurrences arising prior to the Closing, or relating to any breach, violation or failure to perform other than such breach, violation or failure to perform arising out of the conduct of the Buyer that occurred prior to the Closing;

(b) all Liabilities for which the Buyer agrees to be liable hereunder or that are otherwise apportioned to the Buyer hereunder; and

(c) the Liabilities set forth on Schedule 1.3(c).

1.4 Retained Liabilities. Notwithstanding anything to the contrary in this Agreement, the Assumed Liabilities shall not include any of the Retained Liabilities, and the Buyer hereby does not and shall not assume or in any way undertake to perform, pay, satisfy or discharge any Retained Liabilities. For purposes of this Agreement, "Retained Liabilities" means all Liabilities other than the Assumed Liabilities. Without limitation of the foregoing, the Retained Liabilities shall include the following:

(a) all Liabilities to the extent relating to any Excluded Assets (and not otherwise constituting Assumed Liabilities); and

(b) all Liabilities for (i) any and all Taxes in respect of any Product or otherwise related to the Transferred Assets that are attributable to any taxable period (or portion thereof) ending on or prior to the Closing Date, (ii) any and all Taxes of the Seller, (iii) any and all Taxes of another person for which the Seller is liable, including Taxes for which the Seller is liable by reason of Treasury Regulations Section 1.1502-6 (or any comparable or similar provision of federal, state, local or foreign law), being a transferee or successor, any contractual obligation or otherwise, (iv) Seller's portion of any Transfer Taxes in accordance with Section 1.7 and (v) Seller's portion of any Apportioned Obligations in accordance with Section 4.7(b).

1.5 Closing Date Consideration. At the Closing, upon the terms and subject to the conditions set forth herein, the Buyer shall purchase from the Seller the Transferred Assets in exchange for the Closing Purchase Price as set forth in this Agreement, [***], the assumption of the Assumed Liabilities [***].

1.6 Closing; Delivery and Payment.

(a) The Closing shall take place simultaneously with the execution and delivery of this Agreement (such date on which the Closing occurs, the "Closing Date"), at the offices of Arnold & Porter Kaye Scholer LLP, 250 West 55th Street, New York, NY 10019, unless another date, time or place is agreed to in writing by the Buyer and the Seller. All transactions at the Closing shall be deemed to take place simultaneously, and no transaction shall be deemed to have been completed and no documents or certificates shall be deemed to have been delivered until all other transactions are completed and all other documents and certificates are delivered. The Closing may take place remotely, via electronic exchange of documents.

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(b) At the Closing:

(i) the Buyer shall deliver the Closing Purchase Price by wire transfer of immediately available funds to an account designated in writing by the Seller;

(ii) the Seller shall execute and deliver to the Buyer a Bill of Sale in the form attached hereto as Exhibit A (the "Bill of Sale");

(iii) the Seller shall execute and deliver to the Buyer a Patent Assignment in the form attached hereto as Exhibit B (the "Patent Assignment");

(iv) the Seller shall execute and deliver to the Buyer such other customary instruments of transfer, conveyance and assignment as the Buyer may reasonably request and as are reasonably necessary in order to effect the sale, transfer, conveyance and assignment to the Buyer of all right, title and interest in and to the Transferred Assets in accordance with the terms and conditions of this Agreement (the "Additional Transfer Documents");

(v) the Buyer shall execute and deliver to the Seller an Assumption Agreement in the form attached hereto as Exhibit C (the "Assumption Agreement");

(vi) [***] (together with the Bill of Sale, the Patent Assignment, the Assumption Agreement and the Additional Transfer Documents (if any), the "Ancillary Agreements");

(vii) the Seller shall deliver to the Buyer electronically, in accordance with the Buyer's reasonable instructions (provided in writing a reasonable period of time prior to the Closing), all Transferred Assets of an electronic nature;

(viii) the Seller shall deliver to the Buyer a certificate, executed by the Seller's corporate secretary on behalf of the Seller, certifying as to the resolutions of the board of directors of the Seller authorizing and approving the sale of the Transferred Assets to the Buyer pursuant to this Agreement and the other Contemplated Transactions;

(ix) the Buyer shall deliver to the Seller a certificate, executed by the Buyer's corporate secretary on behalf of the Buyer, certifying as to the resolutions of the board of directors of the Buyer authorizing and approving the purchase of the Transferred Assets by the Buyer pursuant to this Agreement and the other Contemplated Transactions;

(x) the Seller shall deliver to the Buyer evidence, in form and substance reasonably satisfactory to the Buyer, that the Seller has obtained all of the consents set forth in Schedule 1.6(b)(x) (the "Required Consents");

(xi) the Seller shall deliver to the Buyer a certification that the Seller is not a foreign person in accordance with the Treasury Regulations under Section 1445 of the Code; and

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(xii) [***]

1.7 Taxes and Fees.

(a) Transfer Taxes. All transfer, sales, and use taxes, deed excise stamps and similar charges ("Transfer Taxes") related to the Contemplated Transactions shall be borne one-half by the Seller and one-half by the Buyer. The required Party shall file all necessary Tax Returns and other documentation with respect to such Transfer Taxes required by a Governmental Entity to be filed and, if required by applicable Law, the other Party will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation. The Seller and the Buyer shall cooperate in the preparation and filing of all forms and documentation necessary to provide exemption from Transfer Tax, to the extent permitted by applicable Law.

(b) Withholding Taxes. The Buyer will be entitled to deduct and withhold from the amounts otherwise payable by it pursuant to this Agreement such amounts as it reasonably determines that it is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign Tax Law, and to collect any necessary Tax forms, including Forms W-8 or W-9, as applicable, or any similar information, from the Seller and any other recipient of payments hereunder; provided, however, that the Buyer will (i) promptly (and in any event no later than [***] prior to the date on which such payment is made or, in the case of a change in applicable Law after the date of this Agreement that would require withholding from such amounts, as soon as practicable) notify the Seller of any intention to so deduct and withhold and provide the Seller the opportunity to provide any statement, form, or other documentation that would reduce or eliminate any such requirement to deduct and withhold; (ii) remit and report any such amount required to be deducted and withheld to the applicable Governmental Entity in accordance with applicable Law; (iii) promptly provide to the Seller a certificate, receipt or other documentation of proof of such remittance reasonably acceptable to the Seller; and (iv) cooperate with the Seller as reasonably requested with respect to the filing of any Tax Return or conduct of any claim relating to any available refund of such amount remitted. In the event that any amount is so deducted and withheld, and properly remitted, such amount will be treated for all purposes of this Agreement as having been paid to the person to whom the payment from which such amount was withheld was made.

1.8 Wrong Pocket Assets. If at any time or from time to time after the Closing until the date that is [***] after the Closing Date, (i) any Excluded Asset is inadvertently transferred from the Seller to the Buyer, the Buyer shall execute, deliver and record (where appropriate) any and all instruments or other documents of transfer, conveyance and assignment, or amend or correct any such existing instruments or documents, and take such other action as the Seller may reasonably request, as may be necessary or advisable to effect or evidence the transfer of such Excluded Assets to the Seller in accordance with the terms of this Agreement, (ii) any Retained Liability is inadvertently transferred from the Seller to the Buyer, the Seller shall execute, deliver and record (where appropriate) any and all instruments or other documents of transfer, conveyance and assignment, or amend or correct any such existing instruments or

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documents, and take such other action as the Buyer may reasonably request, as may be necessary or advisable to effect or evidence the transfer of such Retained Liabilities to the Seller in accordance with the terms of this Agreement, (iii) any Transferred Asset is inadvertently retained by the Seller, the Seller shall execute, deliver and record (where appropriate) any and all instruments or other documents of transfer, conveyance and assignment, or amend or correct any such existing instruments or documents, and take such other action as the Buyer may reasonably request, as may be necessary or advisable to effect or evidence the transfer of such Transferred Assets to the Buyer (or to any Person as directed by the Buyer) in accordance with the terms of this Agreement, or (iv) any Assumed Liability is inadvertently retained by the Seller, the Buyer shall execute, deliver and record (where appropriate) any and all instruments or other documents of transfer, conveyance and assignment, or amend or correct any such existing instruments or documents, and take such other action as the Seller may reasonably request, as may be necessary or advisable to effect or evidence the transfer of such Assumed Liability to the Buyer (or to any Person as directed by the Buyer) in accordance with the terms of this Agreement. Prior to any such transfer in accordance with this Section 1.8, the Person receiving or possessing such asset shall hold such asset in trust for such other Person. Without limitation of the foregoing, in the event the Seller or any of its Affiliates receives any payment in respect of any Transferred Asset or the Buyer or any of its Affiliates receives any payment in respect of an Excluded Asset, the Seller or the Buyer (as applicable) shall promptly deliver such payment to an account designated in writing by the Buyer or the Seller (as applicable) by wire transfer of immediately available funds.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer as of the date hereof as follows, except as set forth herein or in the Disclosure Schedule.

2.1 Organization, Standing and Power. The Seller is duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite corporate power and authority to own the Transferred Assets.

2.2 Authority; No Conflict; Required Filings and Consents.

(a) The Seller has all requisite corporate power and authority to enter into this Agreement and each of the Ancillary Agreements to which it is a party and to consummate the Contemplated Transactions. The execution, delivery and performance by the Seller of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation by the Seller of the Contemplated Transactions have been duly authorized by all necessary corporate or similar action on the part of the Seller. This Agreement and each such Ancillary Agreement has been duly executed and delivered by the Seller and this Agreement and each such Ancillary Agreement is the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar Laws relating to or affecting the rights of creditors generally and by equitable principles,

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including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for equitable defenses (the "Bankruptcy Exception").

(b) The execution, delivery and performance by the Seller of this Agreement and each of the Ancillary Agreements to which it is a party, and the consummation by the Seller of the Contemplated Transactions, do not and will not (i) conflict with, or result in any violation or breach of, any provision of the organizational documents of the Seller, or (ii) conflict with, or result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under any Contract, require a consent or waiver under any Contract, require the payment of a penalty under any Contract or result in the imposition of any Liens, other than Permitted Liens, in each case on or with respect to any of the Transferred Assets, with only such exceptions, in the case of this clause (ii), as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

(c) No consent, approval, license, Permit, order or authorization of, or registration, declaration, notice or filing with, any Governmental Entity is required by or with respect to the Seller in connection with the execution, delivery and performance by the Seller of this Agreement and each of the Ancillary Agreements to which it is a party or the consummation of the Contemplated Transactions, except as would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

2.3 Litigation. There is no action, suit, proceeding, claim, arbitration or investigation pending against the Seller or any of its Affiliates with respect to, or affecting, the Transferred Assets, of which the Seller or any of its Affiliates has received written notice and no such action, suit, proceeding, claim, arbitration or investigation has been threatened in writing against the Seller or any of its Affiliates which, in each case, if determined or resolved adversely in accordance with the plaintiff's demands, would reasonably be expected to result in, individually or in the aggregate, a material liability in respect of the Transferred Assets. There are no unsatisfied material judgments or outstanding material orders, injunctions, decrees, stipulations or awards rendered by a court, an administrative agency or by an arbitrator against any of the Transferred Assets or against the Seller or any of its Affiliates with respect to, or affecting, the 898 Program or any Product.

2.4 Intellectual Property**(a)** .

(a) Schedule 1.1(a) lists (i) each Transferred Patent existing as of the Closing Date, (ii) the jurisdiction in which such Patent has been registered or filed and the applicable registration or serial number, and (iii) any other Person that has or purports to have an ownership interest in such Patents and the nature of such ownership interest. The Seller has made available to the Buyer copies of all such Transferred Patents and all other material correspondence with any patent office related to each such Transferred Patent.

(b) Other than as disclosed on Schedule 2.4(b), the Seller is not bound by, and the Transferred Intellectual Property (and any part thereof) is not subject to, any

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agreement containing, any covenant or other provision that in any way limits or restricts the ability of the Seller or the Buyer to Exploit or enforce any Transferred Intellectual Property anywhere in the world.

(c) Other than as disclosed on Schedule 2.4(c), the Seller solely and exclusively owns all right, title, and interest to and in the Transferred Intellectual Property free and clear of any encumbrances.

(d) The Seller (i) does not own or control any Regulatory Approval, and has not submitted to any Regulatory Authority any application for Regulatory Approval, or other regulatory documentation or regulatory filing, in each case for any Transferred Compound or Product, and (ii) has not requested or participated in any meeting with any Regulatory Authority or received any correspondence from any Regulatory Authority relating to any such Transferred Compound or Product.

(e) As of the Closing Date, to the Seller's knowledge, no Person has infringed, misappropriated, or otherwise violated, and no Person is currently infringing, misappropriating, or otherwise violating, any Transferred Intellectual Property.

(f) To its knowledge after due inquiry (which inquiry obligation shall not require the conduct of a freedom to operate analysis to the extent such analysis has not been previously done), the Seller has not infringed, misappropriated, or otherwise violated or made unlawful use of the Intellectual Property of any Third Party in the performance of activities related to the Transferred Intellectual Property. Except as disclosed in writing by the Seller prior to the Closing Date, the Seller has never received any written notice or other written communication relating to any actual, alleged, or suspected infringement, misappropriation, or violation by the Seller or any of its Representatives of any Intellectual Property of another Person in connection with performance of, development, manufacture or Commercialization of any Transferred Compound or Product.

(g) With respect to the existing Transferred Patents, and with the exception of proceedings in the relevant patent office in the ordinary course of patent prosecution, no proceeding is pending or is threatened that challenges the validity, enforceability, inventorship, patentability, claim construction, use or ownership of or the Seller's right to grant a license or other right to the item and, to the knowledge of the Seller, no valid basis exists for such a challenge.

(h) No funding, facilities, or personnel of any Governmental Entity or any university, college, research institute, or other educational institution has been or is being used, directly or indirectly, to create, in whole or in part, Intellectual Property related to the Transferred Intellectual Property, except for any such funding or use of facilities or personnel that does not result in such Governmental Entity or institution obtaining ownership rights or any other similar right, title or interest (including any "march in" rights) in or to such Intellectual Property (including any claim or option to any of the foregoing).

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(i) As of the Closing Date, neither the Seller nor any of its Affiliates are granted rights pursuant to any in-license or other similar agreement which form part of the Transferred Intellectual Property.

(j) The Seller is not in breach of, or default under, the Original License Agreement in any respect that would reasonably be expected to adversely affect the Transferred Intellectual Property or the consummation of the Contemplated Transactions, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default. The Seller has not assigned, transferred, conveyed, delegated, or sublicensed, in whole or in part, any of its rights or obligations under the Original License Agreement except as expressly permitted thereunder, and no consent, approval, waiver, or authorization of, or notice to, any third party is required in connection with the termination of the Original License Agreement to the Buyer in accordance with this Agreement.

2.5 Sufficiency of Transferred Assets. The Transferred Assets, together with the Licensed IP, are sufficient for the continued operation of the 898 Program as conducted by the Seller immediately prior to the Closing. The Transferred Assets include all material assets, properties, rights and interests, whether tangible or intangible, used or held for use in the conduct of the 898 Program, other than the Excluded Assets and no assets, rights or services of Seller or any of its Affiliates (other than the Transferred Assets and the Licensed IP) are necessary for the Buyer to conduct the 898 Program following the Closing in substantially the same manner as conducted prior to the Closing.

2.6 Title to Transferred Assets. The Seller is the sole and exclusive owner of, and has good and valid title to each of the Transferred Assets, and all Transferred Assets are free of all Liens, other than Permitted Liens. At the Closing, the Seller shall transfer and deliver to the Buyer good and valid title to each of the Transferred Assets free and clear of all Liens other than Permitted Liens.

2.7 Solvency. Immediately before and immediately after giving effect to the Contemplated Transactions [***], (a) the value of the assets of Seller shall exceed the sum of its debts and liabilities, including contingent liabilities, and (b) Seller shall have adequate capital to be able to carry on its business and pay its debts as they become due. No transfer of property is being made and no obligation is being incurred in connection with the Contemplated Transactions with the intent to hinder, delay or defraud either present or future creditors of Seller.

2.8 Brokers. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of the Seller or any of its Affiliates, to any broker's, finder's, financial advisor's or other similar fee or commission (or reimbursement of expenses) in connection with any of the Contemplated Transactions.

2.9 Exclusive Representations and Warranties. Other than the representations and warranties set forth in this ARTICLE II, the Seller is not making any other representations or warranties, express or implied, with respect to the Transferred Assets. The Seller hereby

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disclaims any other express or implied representations or warranties, including regarding any financial projections, suitability for clinical development or other forward-looking statements provided by or on behalf of the Seller or its Affiliates, and the Buyer acknowledges and agrees that, other than the representations set forth in this ARTICLE II, the Transferred Assets are being sold, and the Assumed Liabilities are being assumed, on an "as is" basis. Nothing in this Section 2.9 or elsewhere in this Agreement is intended to or shall limit any Liability of the Seller in the event of actual and intentional common law fraud by the Seller (whether within or outside the scope of the representations and warranties contained in this Agreement).

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as of the date hereof as follows, except as set forth herein.

3.1 Organization, Standing and Power. The Buyer is a corporation duly organized, validly existing and in good standing under the Laws of Ireland, has all requisite corporate power and authority to carry on its business as now being conducted.

3.2 Authority; No Conflict; Required Filings and Consents.

(a) The Buyer has all requisite corporate power and authority to enter into this Agreement and each of the Ancillary Agreements to which it will be a party and to consummate the Contemplated Transactions. The execution, delivery and performance by the Buyer of this Agreement and each of the Ancillary Agreements to which is a party and the consummation by the Buyer of the Contemplated Transactions have been duly authorized by all necessary corporate action on the part of the Buyer. This Agreement and each such Ancillary Agreement has been duly executed and delivered by the Buyer and this Agreement, and each such Ancillary Agreement is the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to the Bankruptcy Exception.

(b) The execution, delivery and performance by the Buyer of this Agreement and each of the Ancillary Agreements to which it is a party, and the consummation by the Buyer of the Contemplated Transactions, shall not, (i) conflict with, or result in any violation or breach of, any provision of the organizational documents of the Buyer, or (ii) conflict with, or result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, require a consent or waiver under, require the payment of a penalty under or result in the imposition of any Lien, other than Permitted Liens, on or with respect to the Buyer's assets under, any of the terms, conditions or provisions of any lease, license, contract or other agreement, instrument or obligation to which the Buyer is a party or by which the Buyer or any of its properties or assets may be bound.

(c) No consent, approval, license, permit, order or authorization of, or registration, declaration, notice or filing with, any Governmental Entity is required by or with

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respect to the Buyer in connection with the execution, delivery and performance by the Buyer of this Agreement and each of the Ancillary Agreements to which it is a party or the consummation by the Buyer of the Contemplated Transactions.

3.3 Litigation. There is no action, suit, proceeding, claim, arbitration or investigation pending or threatened, against the Buyer or any of its Affiliates, and the Buyer is not subject to any outstanding order, writ, judgment, injunction or decree of any Governmental Entity that, in either case, would, individually or in the aggregate, (a) prevent or materially delay the consummation by the Buyer of the Contemplated Transactions or (b) otherwise prevent or materially delay performance by the Buyer of any of its material obligations under this Agreement.

3.4 Brokers. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of the Buyer, to any broker's, finder's, financial advisor's or other similar fee or commission (or reimbursement of expenses) in connection with any of the Contemplated Transactions.

3.5 Exclusive Representations and Warranties. Other than the representations and warranties set forth in this ARTICLE III, the Buyer is not making any other representations or warranties, express or implied, with respect to the Contemplated Transactions. The Buyer hereby disclaims any other express or implied representations or warranties, including regarding any financial projections or other forward-looking statements provided by or on behalf of the Buyer or its Affiliates, and the Seller acknowledges and agrees that, other than the representations set forth in this ARTICLE III, the Seller has not relied on any other representations or warranties, express or implied, of Buyer with respect to the Contemplated Transactions. Nothing in this Section 3.5 or elsewhere in this Agreement is intended to or shall limit any Liability of the Buyer in the event of actual and intentional common law fraud by the Buyer (whether within or outside the scope of the representations and warranties contained in this Agreement).

ARTICLE IV

ADDITIONAL AGREEMENTS

4.1 Confidentiality.

(a) All Confidential Information provided by one Party (or its Representatives or Affiliates) (collectively, the "Disclosing Party") to the other Party (or its Representatives or Affiliates) (collectively, the "Receiving Party") shall be subject to and treated in accordance with the terms of this Section 4.1.

(b) Notwithstanding anything to the contrary herein, all Confidential Information relating to any Product, Transferred Asset or Assumed Liability shall be deemed to be "Buyer Confidential Information" and the Buyer shall be deemed the Disclosing Party and the Seller the Receiving Party with respect thereto. Buyer Confidential Information shall also include all Confidential Information obtained by the Seller (or its Affiliates or Representatives) from the

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Buyer (or its Affiliates or Representatives). The Seller and its Affiliates shall use the Buyer Confidential Information solely to the extent required to perform its or their obligations under this Agreement or any other Ancillary Agreement (a "Seller Permitted Purpose"), and for no other purpose. The Seller shall not disclose, or permit the disclosure of, any of the Buyer Confidential Information to any Person except those Persons to whom such disclosure is necessary in connection with any Seller Permitted Purpose and the Seller shall treat, and shall cause its Affiliates and Representatives to treat, the Buyer Confidential Information as confidential, using the same degree of care as the Seller normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care.

(c) All Confidential Information obtained by the Buyer (or its Affiliates or Representatives) from the Seller (or its Affiliates or Representatives) other than the Buyer Confidential Information (the "Seller Confidential Information") shall be used by the Buyer solely as required to perform its obligations or exercise its rights under this Agreement or any other Ancillary Agreement (the "Buyer Permitted Purpose"), and for no other purpose. The Buyer shall not disclose, or permit the disclosure of, any of the Seller Confidential Information to any Person except those Persons to whom such disclosure is necessary in connection with a Buyer Permitted Purpose and the Buyer shall treat, and shall cause its Affiliates and Representatives to treat, the Seller Confidential Information as confidential, using the same degree of care as the Buyer normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care.

(d) A Receiving Party may disclose certain of the other Party's Confidential Information to the extent such information is, on the advice of the Receiving Party's outside counsel, required by applicable Law to be disclosed; provided that prior to making any such disclosure the Receiving Party notifies the Disclosing Party in a timely manner so that the Disclosing Party may seek a protective Order or other appropriate remedy preventing or limiting such required disclosure or, in the Disclosing Party's sole discretion, waive compliance with the confidentiality provisions of this Agreement. The Receiving Party shall reasonably cooperate with the Disclosing Party in seeking to obtain any such protective Order or other remedy. In the event the Receiving Party makes any disclosure pursuant to this Section 4.1(d), it shall furnish only that portion of the Confidential Information which such Party is advised by its outside counsel is legally required to be so disclosed, and such Party exercises reasonable efforts to obtain reliable assurances that confidential treatment will be accorded such Confidential Information.

4.2 Non-Competition.

(a) For a period of eighteen (18) months after the Closing (the "Restriction Period"), the Seller shall not, and shall ensure that its Affiliates shall not, whether on their own or with or through any Person (including through licensing to or from any Person), Exploit (a) any IFNα or variant thereof, or (b) any peptide or product that contains any IFNα or variant thereof, including any Transferred Compound or Product (collectively with clause (a), the "Restricted Products").

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(b) Notwithstanding Section 4.2(a), (i) in the event of a Change of Control of the Seller, any product owned or controlled by the acquirer or any of its affiliates prior to such Change of Control without use of the Transferred Intellectual Property shall not be deemed Restricted Product for the purposes of Section 4.2(a); and (ii) if, after the Closing Date, there is a Change of Control of any Person which results in such Person becoming an Affiliate of the Seller, then if such Person owns or controls a Restricted Product at the date of such Change of Control transaction, then the Seller shall (at its sole discretion), for the period set out in Section 4.2(a), either: (1) stop all Exploitation of the applicable Restricted Product within [***] of the date of completion of the Change of Control transaction giving rise to the applicable Person becoming an Affiliate of the Seller; or (2) to the extent there is [***] remaining on the Restriction Period, institute internal processes, policies, procedures and systems to segregate information relating to such Restricted Product from any Transferred Intellectual Property, and the Seller and the new Affiliate, as applicable, shall segregate all activities relating to the Restricted Product from the Exploitation of Transferred Intellectual Property (collectively, the "Access Restrictions"); or (3) if the Access Restrictions cannot reasonably prevent the use of Transferred Intellectual Property with respect to clause (2), then within [***] of the date of completion of the Change of Control transaction giving rise to the applicable Person becoming an Affiliate of the Seller, divest such Restricted Product. Such new Affiliate's Exploitation of such Restricted Product during such [***] shall not constitute a breach of the Seller's obligations under Section 4.2(a), if during such [***], (x) the Seller and the new Affiliate operate such Restricted Product without use of the Transferred Intellectual Property, and (y) no personnel who were employees or consultants of the Seller involved in the Exploitation of the Transferred Intellectual Property at any time prior to or after the transaction conduct any activities with respect to such Restricted Product (excluding any general and administrative personnel and senior-level executives). In the event of a Change of Control of the Seller or a Change of Control of any Person which results in such Person becoming an Affiliate of the Seller that results in Restricted Products subject to this Section 4.2(b), the acquirer, or Seller and the new Affiliate, as applicable, shall establish and enforce Access Restrictions relating to the Restricted Product from the Exploitation of Transferred Intellectual Property.

4.3 Public Disclosure. Subject to Section 4.1, unless otherwise required by applicable Law or by any listing agreement with any securities exchange, the Seller and the Buyer shall not, and shall cause their respective Affiliates not to, make any public announcement or disseminate any written communication with respect to this Agreement or the Contemplated Transactions, or otherwise communicate with any news media regarding this Agreement or the Contemplated Transactions, without the prior written consent of the Buyer and the Seller; provided, however, that after the Contemplated Transactions have been announced, the Seller and its Affiliates and the Buyer and its Affiliates shall be entitled to respond to questions in the ordinary course or issue any press release or make any other public statement that, in each case, is consistent with any public statement previously issued or made by it in accordance with the provisions of this Section 4.3. The Parties acknowledge that either or both Parties may be obligated to file under applicable Law promulgated by Governmental Entities or applicable securities exchanges a copy of, or report containing disclosures related to, this Agreement with the U.S. Securities and Exchange Commission or other Governmental Entity. In the event that a Party determines based on advice of outside counsel that such a filing is required, such Party

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shall request confidential treatment of all Confidential Information herein, including the sensitive commercial, financial, and technical terms hereof, to the extent such confidential treatment may be reasonably available to such Party. In the event of any such filing, the filing Party shall provide the other Party with a copy of (i) this Agreement marked to show provisions for which such filing Party intends to seek confidential treatment, and (ii) the portion of such report containing such disclosures, in each case ((i) and (ii)) within a reasonable amount of time prior to filing and shall use good faith efforts to incorporate the other Party's reasonable comments thereon to the extent consistent with applicable Law promulgated by Governmental Entities or applicable securities exchanges; provided, however, that notwithstanding the foregoing, either Party may, without the prior review and comment of the other Party, use and repeat any language or wording that has been previously publicly disclosed or disseminated in accordance with, or as permitted by, the provisions of this Section 4.3, and provided further that such language or wording is repeated without material modification. Each Party shall be responsible for its own legal and other external costs in connection with any such filing.

4.4 Further Assurances. Each of the Parties will execute and deliver any further instruments and documents as any other Party reasonably may request in order to carry out the purposes of this Agreement, including, from and after the Closing, any Additional Transfer Documents necessary or appropriate (i) to effect the assignment of the Transferred Patents to the Buyer and (ii) for the purpose of carrying out or evidencing this Agreement and the Contemplated Transactions.

4.5 Termination of Original License Agreement. Each of the Parties hereby agree that the Original License Agreement shall terminate automatically and be of no further force or effect effective as of the Closing, without any further action by any Party. From and after the Closing, neither the Buyer nor the Seller shall have any further rights, obligations or liabilities under the Original License Agreement, except for those rights or obligations that by their express terms survive termination.

4.6 [***].

4.7 Tax Matters.

(a) The Buyer and the Seller agree to furnish or cause to be furnished to each other, upon reasonable request, as promptly as practicable, such information and assistance relating to the Transferred Assets (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any Governmental Entity, and the prosecution or defense of any claim, suit or proceeding relating to any Tax; provided, however, that for the avoidance of doubt, neither Party shall be required to provide the other Party with any Tax Returns filed on a consolidated, combined or unitary basis. The Buyer and the Seller (and their respective subsidiaries) shall retain all books and records with respect to Taxes pertaining to the Transferred Assets for a period of at least six years following the Closing Date. The Seller and the Buyer shall cooperate with each other in the conduct of any audit or other proceeding relating to Taxes involving the Transferred Assets.

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(b) Any real property, personal property or similar Taxes applicable to the Transferred Assets for a taxable period that includes but does not end on the Closing Date (collectively, the "Apportioned Obligations") shall be paid by the Buyer or the Seller, as applicable, and such Taxes shall be apportioned between the Buyer and the Seller based on the number of days in such taxable period included in the Pre-Closing Tax Period and the number of days in the entire taxable period. The Seller shall pay the Buyer an amount equal to any such Taxes payable by the Buyer which are attributable to the Pre-Closing Tax Period, and the Buyer shall pay the Seller an amount equal to any such Taxes payable by the Seller which are not attributable to the Pre-Closing Tax Period. Such payments shall be made on or prior to the Closing Date or, if later, on the date such Taxes are due (or thereafter, promptly after request by the Buyer or the Seller if such Taxes are not identified by the Buyer or the Seller on or prior to the Closing Date). Apportioned Obligations shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law.

(c) Any Party who receives, or whose Affiliate receives, any notice of a pending or threatened Tax audit, assessment or adjustment or other proceeding related to Taxes against or with respect to the Transferred Assets and the Assumed Liabilities that relates to any Tax Return with respect to taxable periods (or portions thereof) ending on or before the Closing Date shall promptly notify the other Party promptly after receipt of such notice provided, however, that no delay on the part of Buyer in notifying the Seller will relieve the Seller from any obligations under this Agreement, except to the extent such delay actually and materially prejudices the Seller thereby. Buyer and the Seller each shall consult with and keep the other informed on a regular basis regarding the status of any such proceeding. The Seller shall have the right to conduct and control any such proceeding that solely relates to a tax period ending before the Closing Date and to employ counsel of its choice at Seller's expense; provided, that the Seller shall not agree to settle or compromise any such proceeding without Buyer's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). In any other case, Buyer shall be entitled to control and conduct such proceeding; provided, that the Buyer shall not agree to settle or compromise any such proceeding without the Seller's prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

4.8 Books and Records. From and after the Closing, subject to Section 4.1, the Seller and its Affiliates and its and their respective Representatives may retain a copy of any or all of the data room materials and other books, data, files, information and records that existed on or before the Closing and that relates to the Transferred Assets or any Product. Each Party agrees that, with respect to all original data room materials and other books, data, files, information and records relating to the Transferred Assets or any Product and existing as of the Closing, it will (and will cause each of its Affiliates and Representatives to) (i) comply in all material respects with all applicable Law relating to the preservation and retention of records and (ii) apply preservation and retention policies that are no less stringent than those generally applied by such Party or its Affiliates or Representatives. In addition, for at least five (5) years after the Closing Date, the Buyer shall, and shall cause each of its Affiliates to, preserve all original data room materials and other books, data, files, information and records relating to the Transferred Assets or any Product and existing as of the Closing.

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4.9 Release. Effective as of the Closing, each of Buyer and Seller, and on behalf of their Affiliates, and its and their legal representatives, successors, predecessors and assigns (as applicable) (each, a "Releasor") hereby conclusively, absolutely, unconditionally, irrevocably, and forever waives, releases, absolves, acquits, and discharges the other Party, such other Party's Affiliates and each of their respective representatives, successors, predecessors, assigns and their respective partners, members, equityholders, and attorneys of any of them (individually, a "Releasee" and collectively, the "Releasees") from any and all claims, causes of action, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, judgments, liabilities and costs or obligations of any kind whatsoever in law or equity, or otherwise (including claims for damages, costs, expenses, and attorneys', brokers' and accountants' fees and expenses), whether known or unknown, contingent or otherwise, suspected or unsuspected, both at law and in equity, arising out of or relating to the Original License Agreement or [***]. Notwithstanding the foregoing, nothing contained herein will operate to release any obligations or liability of either Party (or any Affiliates of the foregoing) (i) arising under this Agreement or any Ancillary Agreement entered into in connection herewith or therewith, or (ii) constituting fraud, intentional misrepresentation, criminal activity or willful misconduct of such Releasee or any of its Affiliates.

ARTICLE V

INDEMNIFICATION

5.1 Indemnification by the Seller. Subject to the terms and conditions of this ARTICLE V, from and after the Closing, the Seller shall defend and indemnify the Buyer in respect of, and shall hold the Buyer harmless against and compensate and reimburse the Buyer for, any and all Damages suffered or incurred by the Buyer to the extent resulting from or constituting:

(a) any inaccuracy in or breach of any of the representations or warranties of the Seller contained in ARTICLE II of this Agreement;

(b) any breach or failure to perform by the Seller of any covenant or agreement contained in this Agreement; or

(c) any Retained Liabilities or Excluded Assets.

5.2 Indemnification by the Buyer. Subject to the terms and conditions of this ARTICLE V, from and after the Closing, the Buyer shall defend and indemnify the Seller in respect of, and shall hold the Seller harmless against and compensate and reimburse the Seller for, any and all Damages suffered or incurred by the Seller to the extent resulting from or constituting:

(a) any inaccuracy in or breach of any of the representations or warranties of the Buyer contained in ARTICLE III of this Agreement;

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(b) any breach or failure to perform by the Buyer of any covenant or agreement contained in this Agreement; or

(c) any Assumed Liabilities or Transferred Assets.

5.3 Claims for Indemnification.

(a) Third Party Claims. All claims for indemnification made under this Agreement resulting from, related to or arising out of a third party claim against an Indemnified Party (a "Third Party Claim") shall be made in accordance with the following procedures. A Person entitled to indemnification under this ARTICLE V (an "Indemnified Party") shall give prompt written notification to the Indemnifying Party (a "Third Party Claim Notice") of the commencement of any action, suit or proceeding relating to a third party claim for which indemnification may be sought or, if earlier, upon becoming aware of the assertion of any such claim by a third party. For purposes of this Agreement, "Indemnifying Party" means (i) in the case of a claim for indemnification by the Buyer, the Seller and (ii) in the case of a claim for indemnification by the Seller, the Buyer. Such Third Party Claim Notice shall include a description in reasonable detail (to the extent then known by the Indemnified Party) of (A) the facts constituting the basis for such third party claim and (B) the amount of the Damages claimed (the "Third Party Claim Amount"). No delay or failure on the part of the Indemnified Party in so notifying the Indemnifying Party shall relieve the Indemnifying Party of any liability or obligation hereunder except to the extent the Indemnifying Party is actually prejudiced thereby. Within [***] after delivery of such Third Party Claim Notice, the Indemnifying Party may, upon written notice thereof to the Indemnified Party, assume control of the defense of any such Third Party Claim. After written notice to the Indemnified Party of the Indemnifying Party's election to control the defense of a Third Party Claim, the Indemnifying Party shall have the full authority to conduct such defense and to settle or otherwise dispose of the same and the Indemnified Party shall fully cooperate in such defense; provided, however, that the Indemnifying Party shall obtain the written consent of each applicable Indemnitee prior to entering into any judgment, compromise or settlement that (i) does not relate solely to monetary damages (other than non-monetary relief incidental to such monetary damages) or (ii) seeks injunctive relief that would not reasonably be expected to be immaterial to the operations or business of the Indemnified Party or monetary damages (to the extent that, assuming such indemnity claim was meritorious, a substantial majority of such monetary damages would not reasonably be expected to be borne by the Indemnifying Party). If the Indemnifying Party does not assume control of such defense, the Indemnified Party shall control such defense. The Party not controlling such defense may participate therein at its own expense; provided that if the Indemnifying Party assumes control of such defense and the Indemnified Party reasonably concludes, based on advice from counsel, that the Indemnifying Party and the Indemnified Party have conflicting interests with respect to such action, suit, proceeding or claim, the reasonable fees and expenses of counsel to the Indemnified Party solely in connection therewith shall be considered "Damages" for purposes of this Agreement; provided, however, that in no event shall the Indemnifying Party be responsible for the fees and expenses of more than one (1) counsel for the Indemnified Party. The Party controlling such defense shall keep the other Party advised of the status of such action, suit, proceeding or claim and the defense thereof and shall consider recommendations made by the

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other Party with respect thereto. The Indemnified Party shall not agree to any settlement of such action, suit, proceeding or claim without the prior written consent of the Indemnifying Party. The Indemnifying Party shall not agree to any settlement of such action, suit, proceeding or claim that (w) does not include a complete release of the Indemnified Party from all liability with respect thereto, (x) includes any admission by, or finding materially adverse to, the Indemnified Party, (y) could reasonably be expected to result in criminal liability of the Indemnified Party or (z) imposes any liability or obligation on the Indemnified Party, in each case, without the prior written consent of the Indemnified Party. Any Third Party Claim relating to Taxes shall be governed by Section 4.7(c) and not this Section 5.3.

(b) Procedure for Claims Not Involving Third Parties. An Indemnified Party wishing to assert a claim for indemnification under this ARTICLE V that does not involve a Third Party Claim shall deliver to the Indemnifying Party a written notice (a "Claim Notice") which contains (i) a description and the amount (the "Claim Amount") of any Damages, (ii) a statement that the Indemnified Party is entitled to indemnification under this ARTICLE V and a reasonable explanation of the basis therefor and (iii) a demand for payment in the amount of such Damages. The Indemnifying Party shall deliver to the Indemnified Party a written response in which the Indemnifying Party shall (A) agree that the Indemnified Party is entitled to receive all of the Claim Amount (in which case such response shall be accompanied by a payment to the Indemnified Party of the Claim Amount by the Indemnifying Party by wire transfer of immediately available funds), (B) agree that the Indemnified Party is entitled to receive part, but not all, of the Claim Amount (the "Agreed Amount") (in which case such response shall be accompanied by a payment to the Indemnified Party of the Agreed Amount by the Indemnifying Party by wire transfer of immediately available funds) or (C) contest that the Indemnified Party is entitled to receive any of the Claim Amount. If such dispute is not resolved within [***] following the delivery by the Indemnifying Party of such response, the Indemnifying Party and the Indemnified Party shall each have the right to submit such dispute to arbitration in accordance with the provisions of Section 6.4.

5.4 Survival.

(a) The representations and warranties of the Seller and the Buyer set forth in this Agreement shall survive the Closing and the consummation of the Contemplated Transactions and remain in full force and effect until the date that is [***] after the Closing Date. The covenants and agreements of the Seller and the Buyer set forth in this Agreement shall survive the Closing Date only until the expiration of the term of the undertaking set forth in such covenant or agreement, and if no such term is specified, then such covenant or agreement shall survive until the date that is [***] after the Closing Date.

(b) If an indemnification claim is asserted in writing pursuant to Section 5.3 prior to the expiration as provided in Section 5.4(a) of the representation, warranty, covenant or agreement that is the basis for such claim, then such representation, warranty, covenant or agreement shall survive until, but only for the purpose of, the resolution of such claim.

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5.5 Limitations.

(a) Notwithstanding anything else herein, the maximum aggregate liability of the Buyer or the Seller, as applicable, pursuant to Section 5.1(a) or Section 5.2(a), as applicable, shall, in each case, be the amount of any payments actually paid by the Buyer and received by the Seller or actually due and payable to the Seller (before deduction of any applicable Taxes); [***].

(b) The amount of Damages recoverable by an Indemnified Party under this ARTICLE V with respect to an indemnity claim shall be reduced by the amount of any insurance payment or other third-party recovery actually received by such Indemnified Party with respect to such indemnity claim minus the amount of any increase in insurance premiums and reasonable costs of collection directly attributable to such recovery (the "Recovery"). If an Indemnified Party receives any insurance payment or third-party payment in connection with any claim for Damages for which it has already been indemnified by the Indemnifying Party, it shall pay to the Indemnifying Party, within [***] of receiving such insurance payment, an amount equal to the Recovery (up to the amount paid by the Indemnifying Party). Any Damages recoverable by an Indemnified Party shall be determined without duplication, and in no event shall any Party be indemnified under different provisions of this Agreement or any Ancillary Agreement for the same losses.

(c) In no event shall any Indemnifying Party be responsible or liable for any Damages or other amounts under this ARTICLE V that are consequential, incidental, special, exemplary, punitive indirect, or multiple damages, even if such party has been advised of the possibility of such damages, whether or not foreseeable, except (i) to the extent paid to an unaffiliated third party with respect to Third Party Claims based on a final judgment or (ii) consequential or similar Damages resulting from a Party's willful misconduct or a breach of Section 4.1.

(d) Except with respect to claims related to actual and intentional common law fraud by the Seller or the Buyer or for specific performance as provided in Section 6.3, from and after the Closing the rights of the Indemnified Parties under this ARTICLE V shall be the sole and exclusive remedies of the Indemnified Parties with respect to claims under, or otherwise relating to the transactions that are the subject of, this Agreement.

5.6 Indemnification Payments. All indemnification payments made hereunder shall be treated by all Parties as adjustments to the Purchase Price for Tax purposes unless otherwise required by Law.

ARTICLE VI

MISCELLANEOUS

6.1 Notices. Any notice or other communication required or permitted to be delivered to any Party under this Agreement shall be in writing and shall be deemed delivered, given, and received when delivered (by hand, by international courier or by e-mail (with

confirmation of receipt)) to the address or e-mail address set forth beneath the name of such Party below (or to such other address or e-mail address as such Party shall have specified in a written notice given to the other Parties hereto):

if to the Buyer, to

[***]

with a copy (which shall not constitute notice) to:

[***]

with a copy (which shall not constitute notice) to:

[***]

if to the Seller, to

[***]

with a copy (which shall not constitute notice) to:

[***]

Any Party may change the address to which notices and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

6.2 Governing Law. This Agreement shall be governed in all respects by the laws of the State of New York, without reference to choice of law doctrines or statutes with the exception of sections 5-1401 and 5-1402 of New York General Obligations Law. The United Nations Convention of International Contracts on the Sale of Goods does not apply to this Agreement and is expressly and entirely excluded.

6.3 Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity without the necessity of demonstrating the inadequacy of monetary damages and without the posting of a bond.

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6.4 Arbitration.

(a) Any dispute between the Parties with respect to this Agreement shall be finally settled by arbitration in accordance with the then-current rules of the American Arbitration Association (the "Rules") by a single arbitrator selected in accordance with the Rules. The seat of arbitration shall be located in New York City, New York, United States. The language to be used in the arbitral proceedings will be English. Any situation not expressly covered by this Agreement shall be decided in accordance with the Rules.

(b) The arbitrator shall issue a reasoned opinion following a full comprehensive hearing, no later than twelve (12) months following the selection of the arbitrator as provided for in Section 6.4(a) unless the Parties jointly request an extension or the arbitrator determines in a reasoned decision that the interest of justice or the complexity of the case requires that such limit be extended.

(c) Any award shall be promptly paid in United States Dollars free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by applicable Law, be charged against the Party resisting enforcement. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Section 6.4(c), and agrees that judgment may be entered in any court of competent jurisdiction and the Parties hereby consent to the jurisdiction of such court for purposes of enforcement of such award.

(d) Each Party shall bear its own legal fees and expenses arising out of the dispute resolution procedures described in this Section 6.4 and shall pay an equal share of the fees and expenses of the arbitrator.

(e) The arbitration proceeding shall be confidential, and the arbitrator shall issue appropriate protective orders to safeguard each Party's Confidential Information. Except as required by applicable Law, no Party shall make (or instruct the arbitrator to make) any public announcement with respect to the proceedings or decision of the arbitrator without prior written consent of the other Party. The existence of any dispute submitted to arbitration, and the award, shall be kept in confidence by the Parties and the arbitrators, except (i) as required in connection with the enforcement of such award, (ii) as otherwise required by applicable Law or required of a Party to fulfill a legal duty or protect or pursue a legal right, (iii) with the consent of both Parties, or (iv) where such information is already in the public domain other than as a result of a breach of this clause.

(f) Nothing contained in this Agreement shall deny either Party the right to seek injunctive or other equitable relief, including specific performance, from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding any ongoing discussions between the Parties or any ongoing arbitration proceeding.

6.5 Trial by Jury Waiver. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HERETO HEREBY

IRREVOCABLY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING IN WHOLE OR IN PART UNDER, RELATED TO, BASED ON OR IN CONNECTION WITH THIS AGREEMENT, THE SUBJECT MATTER HEREOF OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO IN CONNECTION WITH ANY SUCH AGREEMENTS, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 6.5 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

6.6 Disclosure Schedule. The Disclosure Schedule shall be arranged in sections corresponding to the numbered sections contained in ARTICLE II or other relevant sections of this Agreement, and the disclosure in any section of the Disclosure Schedule shall qualify (a) the corresponding representations and warranties contained in ARTICLE II and (b) the other representations and warranties in ARTICLE II to the extent that it is reasonably apparent on the face of such disclosure that such disclosure also qualifies or applies to such other representations and warranties. The mere inclusion of an item in the Disclosure Schedule as an exception to a representation or warranty (or covenant, as applicable) shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had or would reasonably be expected to have a Seller Material Adverse Effect.

6.7 Fees and Expenses. Except as otherwise expressly provided herein, all fees and expenses incurred in connection with this Agreement and the Contemplated Transactions shall be paid by the Party incurring such fees and expenses.

6.8 Waiver. No failure on the part of any Person to exercise any power, right, privilege, or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege, or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege, or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege, or remedy. No Person shall be deemed to have waived any condition or claim arising out of this Agreement, or any power, right, privilege, or remedy under this Agreement, unless the waiver of such condition, claim, power, right, privilege, or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

6.9 Assignment. Neither Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, except that either Party may make such an assignment or transfer without the other Party's consent, but upon

written notice to the other Party, to its Affiliate or to the successor to all or substantially all of the business to which this Agreement relates (whether by merger, acquisition, consolidation, sale of assets, sale of a majority of the direct or indirect equity interests in such Party or otherwise). Any permitted assignment shall be binding on the successors, heirs and assigns of the assigning Party. Any assignment or attempted assignment by a Party in violation of the terms of this Section 6.9 shall be null and void.

6.10 Amendment. This Agreement may not be amended, modified, altered, or supplemented other than by means of a written instrument duly executed and delivered on behalf of each of the Parties.

6.11 Severability. In the event that any provision of this Agreement, or the application of such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void, or unenforceable, will not be affected and will continue to be valid and enforceable to the fullest extent permitted by law. In lieu of such invalid, unlawful, void, or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to such invalid, unlawful, void, or unenforceable provision as may be possible and reasonably acceptable to the Parties.

6.12 Entire Agreement. This Agreement, including the Disclosure Schedule and the Schedules, Exhibits and other attachments hereto, sets forth the entire understanding of the Parties relating to the subject matter thereof and supersede all prior agreements and understandings among or between any of the Parties relating to the subject matter thereof. No Party shall be bound by any representation other than as expressly stated in this Agreement.

6.13 No Third Party Rights. Except for the rights of the Indemnified Parties set forth in (and subject to) ARTICLE V, the provisions of this Agreement are for the exclusive benefit of the Parties, and no other person or entity shall have any right or claim against either Party by reason of these provisions or be entitled to enforce any of these provisions against either Party.

6.14 Headings; Interpretation. The headings of clauses contained in this Agreement preceding the text of the sections, subsections and paragraphs hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement or have any effect on its interpretation or construction. All references in this Agreement to the singular shall include the plural where applicable and vice versa. The term “including” or “includes” as used in this Agreement means including, without limiting the generality of any description preceding such term, and the word “or” has the inclusive meaning represented by the phrase “and/or.” Unless otherwise specified, references in this Agreement to any Article or Section shall include all subsections and paragraphs in such Article or Section and references in this Agreement to any subsection shall include all paragraphs in such subsection. All references to days in this Agreement shall mean calendar days, unless otherwise specified. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against either Party, irrespective of which Party may be deemed to have caused the ambiguity or uncertainty to

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exist. For the purposes of this Agreement, "furnished to the Buyer" shall mean "furnished or made available to the Buyer or its Representatives, including in the Seller's electronic data room prior to the Closing Date."

6.15 Counterparts. This Agreement may be executed in counterparts and by electronic (i.e., pdf) or facsimile transmission, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

ARTICLE VII

DEFINITIONS

For purposes of this Agreement, each of the following terms has the meaning set forth below.

"898 Program" means the development, manufacturing, commercialization, use and other Exploitation of the Products.

"Access Restrictions" has the meaning set forth in Section 4.2(b).

"Additional Transfer Documents" has the meaning set forth in Section 1.6(b)(iv).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and, with respect to the foregoing, the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Agreed Amount" has the meaning set forth in Section 5.3(b).

"Agreement" has the meaning set forth in the preamble.

"Ancillary Agreements" has the meaning set forth in Section 1.6(b)(vi).

"Apportioned Obligations" has the meaning set forth in Section 4.7(b).

"Assumed Liabilities" has the meaning set forth in Section 1.3.

"Assumption Agreement" has the meaning set forth in Section 1.6(b)(v).

"Bankruptcy Exception" has the meaning set forth in Section 2.2(a).

"Bill of Sale" has the meaning set forth in Section 1.6(b)(ii).

v.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in New York, New York are permitted or required by Law, executive order or governmental decree to remain closed.

"Buyer" has the meaning set forth in the preamble.

"Buyer Confidential Information" has the meaning set forth in Section 4.1(b).

"Buyer Permitted Purpose" has the meaning set forth in Section 4.1(c).

"Change of Control" means, with respect to the Seller or its assignee (excluding assignees by virtue of a Change of Control as defined herein): (a) the sale of all or substantially all of the Seller's assets or business; (b) a merger, reorganization or consolidation involving the Seller in which the voting securities of the Seller outstanding immediately prior thereto cease to represent at least fifty percent (50%) of the combined voting power of the surviving entity immediately after such merger, reorganization or consolidation; or (c) a Person, or group of Persons acting in concert acquire more than fifty percent (50%) of the voting equity securities or management control of the Seller.

"Claim Amount" has the meaning set forth in Section 5.3(b).

"Claim Notice" has the meaning set forth in Section 5.3(b).

"Closing" means the closing of the transactions contemplated by this Agreement.

"Closing Date" has the meaning set forth in Section 1.6(a).

"Closing Purchase Price" means a non-refundable payment of twenty-one million ($21,000,000) U.S. Dollars.

"Code" means the Internal Revenue Code of 1986, as amended.

"Combination Product" means a Product containing or consisting of the Transferred Compound and one (1) or more Other Active Ingredients, whether in the same or different formulations.

"Commercialization" means any and all activities related to pre-marketing, launching, marketing, promotion (including advertising and detailing), labelling, bidding and listing, obtaining pricing and reimbursement approval, distribution, storage, handling, offering for sale, selling, having sold, importing, having imported, exporting, having exported, distributing, having distributed, providing customer service and support, conducting medical affairs, conducting post-marketing safety surveillance, and reporting of or otherwise commercializing or exploiting any Transferred Compound or Products.

"Confidential Information" means (1) all information disclosed or made available to the Receiving Party by the Disclosing Party in connection with this Agreement or any other Ancillary Agreement [***], including all information with respect to the Disclosing Party's

v.

licensors, licensees, sublicensees or Affiliates, (2) all information disclosed to the Receiving Party by the Disclosing Party under the Original License Agreement and (3) all memoranda, notes, analyses, compilations, studies and other materials prepared by or for the Receiving Party to the extent containing or reflecting the information in the preceding clause (1) or (2). Notwithstanding the foregoing, Confidential Information shall not include information that, in each case as demonstrated by competent written documentation:

i. was already known to the Receiving Party other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party;

ii. was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party unless such Confidential Information is so available due to the unauthorized actions of the Receiving Party;

iii. became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party other than through any act or omission of the Receiving Party in breach of this Agreement or the Original License Agreement;

iv. is subsequently disclosed to the Receiving Party by a third party without obligations of confidentiality with respect thereto; or

v. is subsequently independently discovered or developed by the Receiving Party without the aid, application or use of Confidential Information.

"Contemplated Transactions" means the transactions contemplated by this Agreement and the Ancillary Agreements.

"Contracts" means all contracts, leases (other than real property leases), deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, engagement letters and all other agreements, commitments and legally binding arrangements, whether written or oral.

"Damages" means losses, damages, fines, fees, penalties, interest, awards and judgments of any kind, including reasonable attorneys' and consultants' fees and expenses and other reasonable costs and expenses of legal proceedings.

"Disclosing Party" has the meaning set forth in Section 4.1(a).

"Disclosure Schedule" means the disclosure schedule delivered by the Seller to the Buyer and dated as of the date of this Agreement.

"EMA" means the European Medicines Agency and any successor agency or authority having substantially the same function.

"Excluded Assets" has the meaning set forth in Section 1.2.

v.

"Exploit" means to make, have made, manufacture, import, export, use, sell, offer for sale, have sold, research, develop, commercialize, hold or keep (whether for disposal or otherwise), transport, distribute, promote, market or otherwise dispose of.

"FDA" means the United States Food and Drug Administration or any successor agency thereto.

"Governmental Entity" means any national, multinational, state, provincial, local, foreign or other court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority, agency or instrumentality.

[***]

"IFNα" means Interferon alpha.

"IND" means an application filed with a Regulatory Authority for authorization to commence clinical trials, including (a) an Investigational New Drug Application as defined in the United States Federal Food, Drug, and Cosmetic Act and the guidelines, guidances, and requirements promulgated thereunder, (b) any equivalent of a United States IND in other countries or regulatory jurisdictions, (e.g., a Clinical Trial Application), and (c) all amendments thereof that may be filed with respect to the foregoing.

"Indemnified Party" has the meaning set forth in Section 5.3(a).

"Indemnifying Party" has the meaning set forth in Section 5.3(a).

"Intellectual Property" means any work of authorship, copyright, Patents, utility models, trade secret, trademark, tradename, trade or service mark (whether or not registered or unregistered), database rights, design rights (whether or not registered or unregistered), Know-How, and any registrations or applications relating to any of the foregoing, and any other rights of a similar nature or character, whether now existing or hereafter invented, discovered, created, made, conceived, developed, arising, or otherwise coming into being, as recognized by Law.

"Know-How" means any and all data, results, inventions, methods, processes, trade secrets, techniques, technology, and other proprietary Information, whether patentable or not but which are not generally known, including discoveries, formulae, materials (including chemicals), biological materials (including expression constructs, assays, animal models, nucleic acid sequences, amino acid sequences, and cell lines), practices, test data (including pharmacological, toxicological, pre-clinical and clinical information and test data), analytical and quality control data (including drug stability data), manufacturing technology and data (including formulation data), and sales forecasts, data and descriptions.

"Law" or "Laws" means any law, statute or ordinance, common law or any rule, regulation, standard, judgment, order, writ, injunction, decree or agency requirement of any Governmental Entity.

v.

"Liability" means any debt, liability or obligation (whether direct or indirect, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, known or unknown, determined or determinable or due or to become due), including all costs and expenses relating thereto.

[***]

"Lien" means any mortgage, security interest, pledge, conditional sale or other title retention agreement, lien, charge or encumbrance.

[***]

"NDA" means a New Drug Application, submitted to the FDA pursuant to 21 CFR § 314.50.

[***]

"Order" means any order, award, decree or injunction, ruling or writ issued, made or rendered by a Governmental Entity.

"Ordinary Course of Business" means the ordinary course of business consistent in all material respects with past custom and practice.

"Original License Agreement" has the meaning set forth in the introduction.

"Other Active Ingredient" means any active ingredient in a Combination Product which is not a Transferred Compound, but excluding (a) any chemokine, interferon, interleukin, lymphokine, or growth factor, and (b) any molecule that bridges T cells to target cells to induce targeted cytotoxicity without requiring antigen presentation.

"Parties" or "Party" has the meaning set forth in the preamble.

"Patent Assignment" has the meaning set forth in Section 1.6(b)(iii).

"Patents" means (a) all national, regional and international patents and patent applications, including provisional patent applications and any and all rights to claim priority thereto; (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from either of these, including divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications; (c) any and all patents that have issued or in the future issue from the foregoing patent applications ((a) and (b)), including utility models, petty patents, innovation patents and design patents and certificates of invention; (d) any and all extensions or restorations by existing or future extension or restoration mechanisms, including revalidations, reissues, reexaminations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((a), (b) and (c)); and (e) any similar rights, including so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents.

v.

"Permits" means regulatory filings, marketing authorizations, permits, licenses, registrations, regulatory clearances, approvals, concessions, qualifications, registrations, certifications and similar items in each case granted by Governmental Entities.

"Permitted Liens" means (i) Liens for Taxes, assessments or governmental charges or levies that are not yet due and payable or are being contested in good faith, (ii) statutory Liens (including mechanic's, materialman's, carrier's, repairer's and other similar Liens) arising or incurred in the Ordinary Course of Business, or (iii) any other Liens affecting the Transferred Assets that were not incurred in connection with the borrowing of money or the advance of credit and that do not materially impede the ownership or operation of, or materially impair the value of, the Transferred Assets, taken as a whole.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Entity or other entity.

"Pre-Closing Tax Period" means (i) any Tax period ending on or before the Closing Date and (ii) with respect to a Tax period that commences on or before but ends after the Closing Date, the portion of such period up to and including the Closing Date.

"Product" means any product that contains the Transferred Compound, whether alone or together with one (1) or more Other Active Ingredients, in any dosage strength, form, or formulation, and for any mode of administration.

"Purchase Price" means, collectively, the Closing Purchase Price and [***].

"Receiving Party" has the meaning set forth in Section 4.1(a).

"Recovery" has the meaning set forth in Section 5.5(b).

"Regulatory Approval" means, with respect to any Product, any and all approvals (including NDAs and supplements and amendments thereto and active INDs), licenses, registrations (except manufacturing establishment registrations) or authorizations of any Regulatory Authority necessary to commercially distribute, sell or market any Product, including, where applicable, (a) pricing approval, (b) pre- and post-approval marketing authorizations, and (c) labeling approvals.

"Regulatory Authority" means any applicable Governmental Entity responsible for granting Regulatory Approvals for any product, including the FDA and EMA.

"Releasee" has the meaning set forth in Section 4.9.

"Releasor" has the meaning set forth in Section 4.9.

"Representatives" means, with respect to any Person, such Person's officers, directors, employees, consultants, independent contractors, accountants, legal and other representatives and agents.

v.

"Required Consents" has the meaning set forth in Section 1.6(b)(x).

"Restricted Products" has the meaning set forth in Section 4.2(a).

"Restriction Period" has the meaning set forth in Section 4.2(a).

"Retained Liabilities" has the meaning set forth in Section 1.4.

"Seller" has the meaning set forth in the preamble.

"Seller Confidential Information" has the meaning set forth in Section 4.1(c).

"Seller Material Adverse Effect" means any change, event, development, state of facts, effect or condition which, individually or in the aggregate, has had or would reasonably be expected to have or result in a material adverse effect on: (a) the ability of the Seller to consummate any of the Contemplated Transactions on a timely basis; or (b) the Transferred Assets taken as a whole; provided, however, that "Seller Material Adverse Effect" shall not include: (i) general economic conditions in the United States, (ii) changes in financial or securities markets in general, (iii) political conditions generally of the United States, (iv) changes in the industries applicable to the Transferred Assets, including with respect to the biotechnology and health care industries, (v) the pendency of the Contemplated Transactions, the consummation of the Contemplated Transactions, the performance of obligations under this Agreement or the announcement of this Agreement, (vi) the taking of any actions specifically permitted to be taken or omitted pursuant to this Agreement or taken with the Buyer's written consent, (vii) any acts of God, (viii) any hostilities, acts of war, sabotage, terrorism or military actions, (ix) any change in any Law (or interpretations of any Law), or (x) any change in the stock price or trading volume of the Seller's common stock or its continued listing (it being understood, however, that any effect causing or contributing to any change in stock price or trading volume of the Seller's common stock may be taken into account in determining whether a Seller Material Adverse Effect has occurred, unless such effects are otherwise excepted from this definition); except in each case to the extent having a disproportionate effect on the Seller, taken as a whole, relative to other similarly situated companies in the industries in which the Seller operates, in each case, such effect shall be taken into account to the extent of such disproportionate effect on the Seller.

"Seller Names and Marks" means any and all (a) Trademarks of Seller or any of its Affiliates, including the names, marks and logos set forth on Section 7.01 of the Disclosure Schedule, and (b) Trademarks derived from, confusingly similar to or including any of the foregoing.

"Seller Permitted Purpose" has the meaning set forth in Section 4.1(b).

"Tax Returns" means all reports, returns, declarations, statements or other information required to be supplied to any Governmental Entity in connection with Taxes (including any attachments thereto or amendments thereof).

v.

"Taxes" means (a) all taxes, charges, fees, levies or other similar assessments or Liabilities in the nature of a tax, including income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, service, transfer, withholding, employment, payroll and franchise taxes imposed by any Governmental Entity and (b) any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax described in clause (a) or any contest or dispute thereof.

"Third Party Claim" has the meaning set forth in Section 5.3(a).

"Third Party Claim Amount" has the meaning set forth in Section 5.3(a).

"Third Party Claim Notice" has the meaning set forth in Section 5.3(a).

"Trademarks" means all trademarks, service marks, trade names, logos, brands and other source identifiers, including all applications and registrations of the foregoing, as each of the foregoing may exist anywhere in the world.

"Transfer Taxes" has the meaning set forth in Section 1.7(a).

"Transferred Assets" has the meaning set forth in Section 1.1.

"Transferred Books and Records" has the meaning set forth in Section 1.1(e).

"Transferred Compound" has the meaning set forth in Section 1.1(c).

"Transferred Intellectual Property" means the Transferred Patents and Transferred Know-How.

"Transferred Know-How" has the meaning set forth in Section 1.1(b).

"Transferred Patent Files" has the meaning set forth in Section 1.1(a).

"Transferred Patents" has the meaning set forth in Section 1.1(a).

"Transferred Regulatory Documentation" has the meaning set forth in Section 1.1(d).

[*Remainder of Page Intentionally Left Blank.*]

v.

IN WITNESS WHEREOF, the Buyer and the Seller have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

JAZZ PHARMACEUTICALS IRELAND LIMITED

By: /s/ Aislinn Doody
Name: Aislinn Doody
Title: Director

IN WITNESS WHEREOF, the Buyer and the Seller have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

WEREWOLF THERAPEUTICS, INC.

By: /s/ Daniel J. Hicklin
Name: Daniel J. Hicklin
Title: President and Chief Executive Officer

AGREEMENT FOR TERMINATION OF LEASE AND VOLUNTARY SURRENDER OF PREMISES

This Agreement for Termination of Lease and Voluntary Surrender of Premises (this "Lease Termination Agreement") is made and entered into as of May 7, 2026 (the "Effective Date") by and between ARE-MA Region No. 75, LLC, a Delaware limited liability company ("ARE"), and Werewolf Therapeutics, Inc., a Delaware corporation ("Tenant") (each a "Party" and together, the "Parties").

WHEREAS, on or about June 1, 2021, the Parties entered into a commercial lease agreement (the "Lease") governing Tenant's tenancy of a portion of the real property located at 200 Talcott Avenue, Watertown, Massachusetts 02472 (the "Premises");

WHEREAS, the Lease expires on May 31, 2030 ("Lease Expiration Date");

WHEREAS, Landlord and Tenant have agreed to terminate the Lease prior to the Lease Expiration Date pursuant to the terms, and subject to the conditions, set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant confirm and agree as follows:

1. Recitals; Defined Terms. The foregoing recitals are incorporated into the body of this Lease Termination Agreement as if the same were fully set forth herein. All capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed thereto in the Lease.

2. Termination of Lease. Landlord and Tenant agree, subject to the terms and conditions set forth herein, to accelerate the expiration date of the Term of the Lease from May 31, 2030, to 11:59 PM Eastern Time on October 31, 2026 (the "Outside Termination Date"). Notwithstanding anything to the contrary contained in the Lease, Tenant shall have no further right to extend the Term of the Lease, and the Lease shall be terminated upon the Outside Termination Date. Notwithstanding the foregoing, either Party may elect to terminate the Lease before the Outside Termination Date upon 30 days' prior written notice to the other Party, but in no event shall such written notice be given before July 1, 2026, (i) in accordance with Section 45(a) Notice provisions of the Lease and (ii) as follows:

   i. If to Landlord, via email and overnight mail to [***], Sherin and Lodgen LLP, One Lincoln Street, 14th Floor, Boston, MA 02111; and

   ii. If to Tenant, via email and overnight mail to [***], Todd & Weld LLP, One Federal Street, 27th Floor, Boston, MA 02110.

The "Termination Date" shall mean the Outside Termination Date or such earlier date that the Parties effectuate a termination of the Lease pursuant to this Section 2.

3. Payment. Tenant shall pay the total sum of $2,700,000 (the "Settlement Payment") to Landlord as follows:

i. Tenant shall pay Rent (as defined in the Lease) of $234,984.00 for May 2026 to Landlord, which the Parties agree was received by Landlord from Tenant on or about April 30, 2026;

ii. Tenant shall pay $2,465,016.00 to Landlord by or before the later of (i) the Effective Date or (ii) May 15, 2026.

Landlord accepts the Settlement Payment in full satisfaction of all remaining payments for Rent or Operating Expense Payments due from Tenant to Landlord under the Lease through the Termination Date, including, without limitation, Rent (as defined in the Lease) for the months of June 2026 through October 2026, and any true up of Operating Expenses.

4. Security Deposit. Landlord is currently holding a Standby Letter of Credit with Banc of California in the amount of $667,333 with LC# 136359 (the "L/C Security") as security for Tenant's performance under the Lease. Upon Tenant's payment of the Settlement Payment, Landlord shall return the L/C Security to Tenant.

5. Termination and Surrender. Tenant shall voluntarily surrender the Premises as provided in the Lease on or prior to the Termination Date. Tenant agrees to cooperate reasonably with Landlord in all matters, as applicable, relating to surrendering the Premises and all equipment located therein in accordance with the surrender requirements set forth in the Lease (as amended by this Lease Termination Agreement) and in the condition required pursuant to the Lease. After the Termination Date, Tenant shall have no further rights of any kind with respect to the Premises.

6. No Further Obligations. Landlord and Tenant each agree that the other is excused as of the Termination Date from any further obligations under the Lease, excepting only such obligations under the Lease which are, by their terms and nature, intended to survive termination of the Lease and except as provided for in this Lease Termination Agreement.

7. Removal of Equipment from Premises. Tenant will have until July 31, 2026 to remove the equipment specified in Table 1. If Tenant fails to remove any of the equipment specified in Table 1 from the Premises by or before July 31, 2026, the Parties agree to deem said equipment abandoned and surrendered to Landlord. Tenant may not remove the equipment specified in Table 2 from the Premises, the right, title, and interest to which is hereby transferred and assigned to Landlord free and clear of all liens.

8. No Assignment. Tenant represents and warrants that Tenant has not assigned, mortgaged, subleased, pledged, encumbered or otherwise transferred any interest in the Lease

and that Tenant holds the interest in the Premises as set forth in the Lease as of the date of this Lease Termination Agreement.

9. Amendments. This Lease Termination Agreement may not be amended, altered, changed, modified, rescinded, or revoked except by a written agreement signed by all Parties hereto.

10. Successors and Assigns. The covenants and agreements herein contained shall inure to the benefit and be binding upon the Parties and their respective successors and assigns.

11. Multiple Counterparts; Electronic Signatures. This Lease Termination Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same document. For purposes of this Lease Termination Agreement, a copy of any Party's signature transmitted electronically, whether by facsimile machine, or by PDF or scan and email, or by any other electronic means, will be fully effective and binding as an original signature. At the request of any other Party, any signature transmitted electronically will be re-executed in original form by the signatory. No Party may raise the use of a signature transmitted electronically as a defense to the enforcement of this Lease Termination Agreement.

12. Governing Law; Jurisdiction; Venue. This Lease Termination Agreement, and all claims and disputes arising in connection with this Lease Termination Agreement, will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without reference to its rules on conflicts of laws. Any claims or disputes related to or arising from this Lease Termination Agreement will be brought exclusively in the state or federal courts of the Commonwealth of Massachusetts, to the exclusion of all other courts and venues. The Parties hereby submit to the jurisdiction and venue of said courts and waive any right to contest the appropriateness of any action brought in any such court based upon lack of personal jurisdiction, improper venue, or forum *non conveniens*. The prevailing Party in any such action or proceeding will be entitled to recover its costs and expenses, including reasonable attorneys' fees.

13. Entire Agreement. This Lease Termination Agreement sets forth the entire agreement of the Parties with respect to the subject matter of this Lease Termination Agreement. This Lease Termination Agreement supersedes all prior negotiations, discussion, discussions, statements, representations, warranties, understandings, promises, or agreements between the Parties, whether written, oral, or otherwise, with respect to the subject matter of this Lease Termination Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement for Termination of Lease and Voluntary Surrender of Premises as a sealed instrument as of the date set forth above.

ARE-MA Region No. 75, LLC
a Delaware limited liability company

By: Alexandria Real Estate Equities, L.P.,

a Delaware limited partnership,

managing member

By: ARE-QRS Corp.,

a Maryland corporation,

general partner

By: /s/ Scott Sherwood

Name: Scott Sherwood

Title: Vice President

Werewolf Therapeutics, Inc.

By: /s/ Jonathan Owen

Name: Jonathan Owen

Title: General Counsel and Secretary

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, Daniel J. Hicklin, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Werewolf Therapeutics, 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 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 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: July 31, 2026

By: /s/ Daniel J. Hicklin
Daniel J. Hicklin, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Michael J. Urban, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Werewolf Therapeutics, 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 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 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: July 31, 2026

By: /s/ Michael J. Urban
Michael J. Urban
Vice President of Finance and Corporate Controller
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Werewolf Therapeutics, Inc. (the "Company") for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

Date: July 31, 2026 By: /s/ Daniel J. Hicklin
Daniel J. Hicklin, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Date: July 31, 2026 By: /s/ Michael J. Urban
Michael J. Urban
Vice President of Finance and Corporate Controller
(Principal Financial and Accounting Officer)